LISTING MEMORANDUM

BURGER KING FRANCE

€60,000,000 Floating Rate Senior Secured Notes due 2023

Burger King France, a *société par actions simplifiée* organized under the laws of France (the "**Issuer**"), has offered (the "**Offering**") €60.0 million aggregate principal amount of temporary floating rate senior secured notes due 2023 (the "**Temporary Notes**") for the purposes of (i) financing the acquisition by Burger King Restauration, a *société par actions simplifiée* organized under the laws of France and a direct wholly-owned subsidiary of the Issuer ("**BKRO**"), of BDBK, a *société par actions simplifiée* organized under the laws of France (the "**BDBK**") (the "**BDBK Acquisition**") and (ii) financing the acquisition by BKRO of interests in BK Croissance, BK Développement, BK Expansion, BK Exploitation and Flagship Restauration, each a *société par actions simplifiée* organized under the laws of France (collectively, the "**Investment Vehicles**" and, together with BDBK, the "**Targets**") (the "**Investment Vehicle Acquisitions**" and, together with the BDBK Acquisition, the "**Acquisitions**"). The Temporary Notes were issued by the Issuer under a temporary indenture (the "**Temporary Indenture**") dated as of December 19, 2017 (the "**Temporary Notes Issue Date**") among, *inter alios*, the Issuer and Citibank, N.A., London Branch, as trustee (the "**Temporary Trustee**"). On December 21, 2017, the date of the completion of the BDBK Acquisition (the "**BDBK Acquisition Completion Date**"), the Temporary Notes were exchanged for an equal aggregate principal amount of additional floating rate senior secured notes due 2023 (the "**Additional Notes**") issued by the Issuer under the indenture dated April 21, 2017 (the "**Indenture**"), among, *inter alios*, the Issuer, the Guarantors (as defined below), Citibank, N.A., London Branch as trustee (the "**Trustee**") and BNP Paribas, as security agent (the "**Security Agent**"), governing the Issuer's existing €315.0 million 6.00% senior secured notes due 2024 (the "**Existing Fixed Rate Notes**") and the Issuer's existing €250.0 million floating rate senior secured notes due 2023 (the "**Existing Floating Rate Notes**" and, together with the Existing Fixed Rate Notes, the "**Existing Notes**"). The Additional Notes have the same terms as the Existing Floating Rate Notes and constitute a single class of debt securities with the Existing Floating Rate Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The Temporary Notes, the Additional Notes and the Existing Floating Rate Notes are referred to collectively in this listing memorandum as the "**Floating Rate Notes**". The Temporary Notes, the Additional Notes and the Existing Notes are referred to collectively in this listing memorandum as the "**Notes**".

The Floating Rate Notes bear interest at a rate per annum, reset quarterly, equal to three month EURIBOR (subject to a 0% floor) plus 525 basis points, as determined by the Calculation Agent and will mature on May 1, 2023. The Issuer will pay interest on the Floating Rate Notes quarterly in arrears on each February 1, May 1, August 1 and November 1.

At any time prior to May 1, 2018, the Issuer will be entitled, at its option, to redeem all or a portion of the Floating Rate Notes at a redemption price equal to 100% of the principal amount of the Floating Rate Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date plus a "make-whole" premium, as described in this listing memorandum (the "**Listing Memorandum**"). At any time on or after May 1, 2018, the Issuer may redeem all or part of the Floating Rate Notes at the redemption prices set forth herein. The Issuer may also redeem all of the Notes upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the outstanding amount of the Notes plus accrued and unpaid interest and additional amounts, if any. Upon the occurrence of certain events constituting a change of control, each holder of the Notes may require the Issuer to repurchase all or a portion of its Notes at 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any.

The Additional Notes are general senior obligations of the Issuer, are guaranteed on a senior basis by Burger King Restauration, BK N SAS, BK SE SAS, BK E SAS, BK OU SAS, BK IDF SAS, Financière Quick SAS, France Quick SAS and Quick Restaurants SA, each a direct or indirect subsidiary of the Issuer (the "**Guarantors**") (each a "**Guarantee**" and collectively the "**Guarantees**") and rank equally in right of payment to all other existing and future senior obligations of the Issuer and the Guarantors, respectively. The Guarantees are subject to certain limitations as described under "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*" and may be released in certain circumstances. See "*Description of the Notes—Brief Description of the Notes and the Note Guarantees—Release of the Note Guarantees*".

The Additional Notes and the Guarantees thereof are secured on a first-priority basis by security interests over the shares of the Issuer and certain other assets of the Issuer and the Guarantors, as described under "*Description of the Notes—Security*", which security interests also secure the Existing Notes on a *pari passu* basis and the Revolving Credit Facility (as defined below) on a super senior basis pursuant to the Intercreditor Agreement (the "**Collateral**"). In the event of enforcement of the security interests over the Collateral or certain distressed sales, lenders under the Revolving Credit Facility Agreement and counterparties to certain hedging obligations (if any) are entitled to be repaid with the proceeds from enforcement or such distressed sale in priority to the Notes. The Guarantees and the security interests in the Collateral are subject to contractual and legal limitations that may materially limit their enforceability, and the Guarantees may be released under certain circumstances. See "*Risk Factors—Risks related to the Notes, the Guarantees and the Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*".

The Notes are listed on the Official List of the Luxembourg Stock Exchange and have been admitted for trading on the Euro MTF Market thereof.

Investing in the Notes involves risks. See "*Risk Factors*" beginning on page 29 for a discussion of certain risks that you should consider in connection with an investment in the Notes.

Issue price for the Temporary Notes: 101.75% of principal plus accrued interest from, and including, November 2, 2017 to, but excluding, December 19, 2017.

Purchasers of the Temporary Notes were required to pay accrued interest totaling €6.85 per €1,000 principal amount of Temporary Notes, from, and including, November 2, 2017 to, but not including, December 19, 2017.

The Temporary Notes, the Additional Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the laws of any other jurisdiction and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In the United States, the Offering was made only to "qualified institutional buyers" ("QIBs") in reliance on the exemption provided by Rule 144A under the U.S. Securities Act ("Rule 144A"). You are hereby notified that the initial purchasers of the Temporary Notes and the Additional Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Outside the United States, the Offering was made in reliance on Regulation S under the U.S. Securities Act ("Regulation S"). See "*Notice to Investors*" and "*Transfer Restrictions*" for additional information about eligible offerees and transfer restrictions.

The Temporary Notes and the Additional Notes were each issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Temporary Notes and the Additional Notes were each represented upon issuance by one or more global notes in registered form, which were deposited and registered in the name of a nominee for a common depositary for Euroclear SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**") on the Temporary Notes Issue Date (in the case of the Temporary Notes) and on the BDBK Acquisition Completion Date (in the case of the Additional Notes). See "*Book-Entry, Delivery and Form*".

Joint Global Coordinators and Joint Bookrunners

Goldman Sachs International **Credit Suisse** **J.P. Morgan**

The date of this Listing Memorandum is January 18, 2018.

IMPORTANT INFORMATION ABOUT THIS LISTING MEMORANDUM

Notice regarding the BURGER KING® brand and logo

BURGER KING® is a registered trademark and service mark and WHOPPER® is a registered trademark of Burger King Corporation ("**BKC**"), which is an indirect subsidiary of Restaurant Brands International Inc., the ultimate owner of the Burger King brand. Neither BKC nor any of its subsidiaries, affiliates, officers, directors, agents, employees, accountants or attorneys are in any way participating in, approving or endorsing this Listing, and representations made in connection with this Listing or any of the underwriting (if any) or accounting procedures used in this Listing are solely the responsibility of Burger King France. The grant by BKC or its affiliates of any franchise or other rights to us is not intended as, and should not be interpreted as, an express or implied approval, endorsement or adoption of any statement regarding financial or other performance which may be contained in this Listing Memorandum. All financial information in this Listing Memorandum is our sole responsibility.

Any review by BKC of this Listing Memorandum has been conducted solely for the benefit of BKC to determine conformity with BKC internal policies, and not to benefit or protect any other person. No prospective investor should interpret such review by BKC as an internal approval, endorsement, acceptance or adoption of any representation, warranty, covenant or projection contained in this Listing Memorandum.

The enforcement or waiver of any obligation of ours under any agreement between us and BKC or BKC affiliates is a matter of BKC or BKC affiliates' sole discretion. No prospective investor should rely on any representation, assumption or belief that BKC or BKC affiliates will enforce or waive any particular obligations of ours under those agreements.

Other notices

You are not to construe the contents of this Listing Memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to the legal, tax, business, financial and related aspects of purchasing the Additional Notes. You are responsible for making your own examination of the Issuer and your own assessment of the merits and risks of investing in the Notes and the Guarantees. We are not, and none of the Trustee, the escrow agent, the Agents (as defined herein) and Initial Purchasers are, making any representation to you regarding the legality of an investment in the Additional Notes by you under applicable investment or similar laws. You may contact us if you need any additional information. The information contained in this Listing Memorandum is as of the date hereof and subject to change, completion or amendment without notice. The delivery of this Listing Memorandum at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the information set forth in this Listing Memorandum or in our affairs since the date of this Listing Memorandum. The information contained in this Listing Memorandum has been furnished by us and other sources we believe to be reliable. No representation or warranty, express or implied, is made by the Initial Purchasers, any of the Trustee, the escrow agent or the Agents or their respective directors, affiliates, advisors and agents as to the accuracy or completeness of any of the information set forth in this Listing Memorandum, and nothing contained in this Listing Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers or their respective directors, affiliates, advisors and agents, whether as to the past or the future. Certain documents are summarized herein, and such summaries are qualified entirely by reference to the actual documents, copies of which will be made available to you upon request. By receiving this Listing Memorandum, you acknowledge that you have not relied on the Initial Purchasers, any of the Trustee, the escrow agent or the Agents or their respective directors, affiliates, advisors and agents in connection with your investigation of the accuracy of this information or your decision to invest in Additional Notes. We undertake no obligation to update this Listing Memorandum or any information contained in it, whether as a result of new information, future events or otherwise, save as required by law.

This Listing Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Additional Notes or the Guarantees in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. You must comply with all laws that apply to you in any place in which you buy, offer or sell any of the Additional Notes or the Guarantees or possess this Listing Memorandum. You must also obtain any consents or approvals that you need in order to purchase any of the Additional Notes or the Guarantees.

We, the Initial Purchasers, the Trustee, the escrow agent and the Agents are not responsible for your compliance with these legal requirements.

The Additional Notes are listed on the Official List of the Luxembourg Stock Exchange and to admit them for trading on the Euro MTF Market thereof. The Listing Memorandum is available at the offices of the Listing Agent (as identified herein). Any investor or potential investor in the European Economic Area should not base any investment decision relating to the Notes on the information contained in this Listing Memorandum and should refer instead to the listing particulars.

The Issuer accepts responsibility for the information contained in this Listing Memorandum. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Listing Memorandum is in accordance with the facts and does not omit anything material that is likely to affect the import of such information. However, the content set forth under the headings "*Exchange Rates*", "*Summary*", "*Industry*" and "*Business*" include extracts from information and data, including industry and market data, released by publicly available sources or otherwise published by third parties. While the Issuer accepts responsibility for accurately extracting and summarizing such information and data, none of the Issuer, the Initial Purchasers, the Trustee, the escrow agent or the Agents have independently verified the accuracy of such information and data, and none of the Issuer, the Initial Purchasers, the Trustee, the escrow agent or the Agents accepts any further responsibility in respect thereof. Furthermore, the information set forth in relation to sections of this Listing Memorandum describing clearing and settlement arrangements, including the section entitled "*Book-Entry, Delivery and Form*", is subject to change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While the Issuer accepts responsibility for accurately summarizing the information concerning Euroclear and Clearstream, none of the Issuer, the Initial Purchasers, the Trustee, the escrow agent or the Agents accepts further responsibility in respect of such information.

NOTICE TO INVESTORS

Notice to U.S. investors

The Offering is being made in the United States in reliance upon an exemption from registration under the U.S. Securities Act for an offer and sale of the Additional Notes and the Guarantees which does not involve a public offering. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements. See "*Transfer Restrictions*". This Listing Memorandum is being provided (1) to a limited number of U.S. investors that the Issuer reasonably believes to be QIBs under Rule 144A for informational use solely in connection with their consideration of the purchase of the Additional Notes and (2) to investors outside the United States in connection with offshore transactions complying with Rule 903 or Rule 904 of Regulation S. The Additional Notes and the Guarantees described in this Listing Memorandum have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States, or any such securities commission or authority passed upon the accuracy or adequacy of this Listing Memorandum. Any representation to the contrary is a criminal offense.

Notice to investors in the European Economic Area

This Listing Memorandum has been prepared on the basis that all offers of the Additional Notes will be made pursuant to an exemption under Article 3 of Directive 2003/71/EC (the "**Prospectus Directive**", as implemented in Member States of the European Economic Area (the "**EEA**") and any amendments thereto, including Directive 2010/73/EU) from the requirement to produce and publish a prospectus for offers of the Additional Notes. Accordingly, any person making or intending to make any offer within the EEA of the Additional Notes should only do so in circumstances in which no obligations arise for us or any of the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Initial Purchasers have authorized, nor do we or they authorize, the making of any offer of the Additional Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute a final placement of the Additional Notes contemplated in this Listing Memorandum.

In relation to each Member State of the EEA (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, an offer is not being made and will not be made to the public of any notes which are the subject of the Offering contemplated by this Listing Memorandum in that Relevant Member State, other than:

(i) to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;

(ii) to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) for each Member State concerned; or

(iii) in any other circumstances falling within the scope of Article 3(2) of the Prospectus Directive;

provided that no such offer of the Additional Notes shall require us or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement to the prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "offer of the Additional Notes to the public" in relation to the Additional Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Additional Notes to be offered so as to enable an investor to decide to purchase or subscribe the Additional Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Notice to investors in France

This Listing Memorandum has not been prepared and is not being distributed in the context of a public offering of financial securities in France (*offre au public de titres financiers*) within the meaning of Article L.411-1 of the French Monetary and Financial Code and Title I of Book II of the *Règlement*

Général of the Autorité des marchés financiers (the French Financial Markets Authority) (the "**AMF**"). Consequently, the Additional Notes may not be, directly or indirectly, offered or sold to the public in France, and neither this Listing Memorandum nor any offering or marketing materials relating to the Additional Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The Additional Notes may only be offered or sold in France to qualified investors (*investisseurs qualifiés*) acting for their own account and/or to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), all as defined in and in accordance with Articles L.411-1, L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and applicable regulations thereunder.

Prospective investors are informed that:

(i) this Listing Memorandum has not been and will not be submitted for clearance to the AMF;

(ii) in compliance with Articles L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code, any qualified investors subscribing for the Additional Notes should be acting for their own account; and

(iii) the direct and indirect distribution or sale to the public of the Additional Notes acquired by them may only be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Monetary and Financial Code.

Notice to investors in the United Kingdom

This Listing Memorandum is for distribution only to, and is only directed at, persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "**Financial Promotion Order**"), (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) in connection with the issue or sale of any Additional Notes may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This Listing Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Listing Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. The Additional Notes are being offered solely to "qualified investors" as defined in the Directive 2003/71/EC (the "**Prospectus Directive**") and accordingly the offer of Notes is not subject to the obligation to publish a prospectus within the meaning of the Prospectus Directive. Any person who is not a relevant person should not act or rely on this Listing Memorandum or any of its contents.

Notice to investors in Canada

The Additional Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of Additional Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Listing Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

Notice to investors in Belgium

This Listing Memorandum relates to a private placement of the Additional Notes and does not constitute an offer or solicitation to the public in Belgium to subscribe for or acquire the Additional Notes. The Offering has not been and will not be notified to, and this Listing Memorandum has not been, and will not be, approved by the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*) pursuant to the Belgian laws and regulations applicable to the public offering of notes. Accordingly, the Offering, as well as any other materials relating to the Offering may not be advertised, the Additional Notes may not be offered or sold, and this Listing Memorandum or any other information circular, brochure or similar document may not be distributed, directly or indirectly, (i) to any other person located and/or resident in Belgium other than in circumstances which do not constitute an offer to the public in Belgium pursuant to the Belgian Law of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market (the "**Belgian Prospectus Law**") or pursuant to the Belgian Law of August 3, 2012 on certain forms of collective management of investment portfolios or (ii) to any person qualifying as a consumer within the meaning of the Belgian Code of Economic Law (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique*). This Listing Memorandum has been issued to the intended recipient for personal use only and exclusively for the purpose of the offer. Therefore it may not be used for any other purpose, nor passed on to any other person in Belgium.

Each investor who in Belgium acquires Additional Notes shall be taken by so doing to have represented and warranted to the Issuer and the Initial Purchasers that it is a qualified investor within the meaning of the Belgian Prospectus Law and/or that it has complied with any other restrictions applicable in Belgium.

For a further description of certain restrictions on offers and sales, see "*Transfer Restrictions*".

AVAILABLE INFORMATION

We agreed in the Indenture governing the Additional Notes that, if at any time we are not subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act, or are exempt from reporting pursuant to Rule 12g3-2(b) of the U.S. Securities Exchange Act, we will, upon the request of a holder of the Additional Notes, furnish to such holder or beneficial owner or to the Trustee or the Paying Agent for delivery to such holder or beneficial owner or prospective purchaser of the Additional Notes, as the case may be, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act, to permit compliance with Rule 144A thereunder in connection with resales of the Additional Notes. Any such request should be directed to the Issuer at 50, avenue du Président Wilson, Parc des Portes de Paris, Building 123, 93214 La Plaine Saint-Denis CEDEX, France. Attention: Investor Relations.

The Issuer is not currently subject to the periodic reporting and other information requirements of the U.S. Securities Exchange Act. However, pursuant to the Indenture that will govern the Additional Notes, as applicable, the Issuer will agree to furnish periodic information to the holders of the Notes. See "*Description of the Notes—Certain Covenants—Provision of Information*" and "*Listing and General Information*".

Information contained on our website is not incorporated by reference into this Listing Memorandum and is not part of this Listing Memorandum.

FORWARD-LOOKING STATEMENTS

This Listing Memorandum contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and the securities laws of other jurisdictions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes", "estimates", "aims", "targets", "anticipates", "expects", "intends", "plans", "continues", "ongoing", "potential", "product", "projects", "guidance", "seeks", "may", "will", "could", "would", "should" or, in each case, their negative, or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this Listing Memorandum and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, competition in areas of our business, outlook and growth prospects, strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Listing Memorandum. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Listing Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those material differences include:

- the impact of competition on our business;
- the significantly greater financial resources of our main competitor;
- the success of converting our existing Quick restaurants to the Burger King brand;
- our dependence on the economic conditions in France;
- the impact of unforeseen events such as adverse weather conditions, natural disasters or other catastrophic events;
- food safety, food traceability, food borne illness and hygiene-related concerns;
- the impact of unfavorable economic conditions and any global economic downturn;
- the impact of the global economy and the global financial markets;
- the effectiveness of our marketing and advertising programs and franchisee support of these programs;
- our ability to control franchisees and to implement our strategic initiatives;
- our ability to retain franchisees;
- our ability to successfully implement our restaurant modernization and refurbishment initiatives;
- the impact of changes in raw material costs, fuel, utilities, distribution and other operating costs;
- the impact of shortages or interruptions on the availability and delivery of raw materials;
- the impact of higher employment costs;

- the impact of changes in consumer preferences and perceptions;
- our ability to successfully implement our restaurant development and growth strategy;
- the lack of availability of suitable locations for new restaurants or decline in the quality of the locations of our current restaurants;
- our ability to renew leases or control rent increases at our restaurant locations, or obtain leases for new restaurants;
- our exposure to risks related to litigation and negative publicity, including litigation with franchisees;
- our ability to adequately protect our intellectual property;
- the impact of IT system failures or interruptions or breaches of our network security;
- the risk of amplified negative publicity due to the increased use of social media;
- the impact of legislation and regulations requiring more transparency in our business;
- our ability to promote our products to our key target market through media advertising;
- the adoption of new governmental regulations;
- the adoption of new environmental regulations;
- the adequacy of our insurance coverage against claims;
- our reliance on key executives;
- tax risks;
- our ability to deduct all or a portion of the interest on our indebtedness incurred in France;
- the impact of a recently enacted French employment incentive tax credit;
- risks related to our presentation of financial and other information;
- risks related to our indebtedness;
- risks related to the Acquisitions; and
- risks related to the Temporary Notes, the Additional Notes, the Existing Notes, the Guarantees and the Collateral.

The risks included here are not exhaustive. Moreover, we operate in a highly competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Elsewhere in this Listing Memorandum, we also present certain run-rate adjustments to Adjusted EBITDA which model the additional EBITDA we would have generated for the twelve months ended September 30, 2017 if all of the Burger King restaurants opened or converted from October 1, 2016 to September 30, 2017 had been operational as of October 1, 2016. Such Adjusted Run-rate EBITDA is not intended to be a projection of future performance and investors should not place undue reliance thereon. Such information is based on mathematical averages of ARS and certain other estimates and assumptions which are further described under "*Management's Discussion and Analysis* *of Financial Condition and Results of Operations—Key Performance Indicators—Adjusted Run-rate EBITDA*" and "*Presentation of Financial and Other Information*".

We urge you to read the sections of this Listing Memorandum entitled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry*" and "*Business*" for a more complete discussion of the factors that could affect the our future performance and the markets in which we operate. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Listing Memorandum may not occur. These forward-looking statements speak only as of the date on which the statements were made. We assume no obligation to update the forward-looking statements contained in this Listing Memorandum to reflect actual results, changes in assumptions or changes in factors affecting these statements. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Listing Memorandum, including those set forth under "*Risk Factors*".

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial and Other Information

This Listing Memorandum includes consolidated financial and other data for the Issuer and Financière Quick.

The Issuer was established in October 2013 as a *société par actions simplifiée* under the laws of France in order to lead and develop the Burger King brand in France, carry out the activities contemplated by the Master Franchise Agreement and serve as the Group's holding company. For the years ended December 31, 2014 and 2015, the Issuer prepared its consolidated financial statements in accordance with French GAAP. Following the Quick Acquisition, the Issuer adopted IFRS for the preparation of the consolidated financial statements as of and for the year ended December 31, 2016 in order to provide accounting and financial data that is more comparable to financial information published by its peers.

Financière Quick was established in March 2004 as a *société par actions simplifiée* under the laws of France. In October 2006, it served as the acquisition vehicle for the acquisition and taking private of Quick Restaurants SA, the owner of the Quick brand and holding company of the eponymous franchisor following which it became the new reporting entity of the Group. Pursuant to the terms of its former financing agreements, Financière Quick was required to prepare consolidated financial statements at the level of Financière Quick and its consolidated subsidiaries.

Financial Statements

In order to present and discuss comparable financial periods in this Listing Memorandum, we include and discuss the following financial information in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" as further discussed under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented—Acquisitions and divestments*":

(a) the unaudited interim condensed consolidated financial statements of the Issuer and its subsidiaries as of and for the nine months ended September 30, 2017 prepared in accordance with IAS 34, the standard of IFRS applicable to interim financial statements, which includes comparative information as of and for the nine months ended September 30, 2016 (the "**BKF Interim Financial Statements**");

(b) the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the year ended December 31, 2016 prepared in accordance with IFRS (the "**BKF 2016 IFRS Financial Statements**");

(c) certain unaudited *pro forma* financial information of the Issuer and its subsidiaries as of and for the year ended December 31, 2015 derived from note 12 to the BKF 2016 IFRS Financial Statements, which has been prepared as though the Quick Acquisition had occurred on January 1, 2015 and the Belux Divestment had occurred on January 1, 2015 (the "**BKF 2015 *Pro Forma* Financial Information**");

(d) the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the year ended December 31, 2015 prepared in accordance with French GAAP;

(e) the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the year ended December 31, 2014 prepared in accordance with French GAAP (together with (c) above, the "**BKF 2015/2014 French GAAP Financial Statements**");

(f) the audited consolidated financial statements of the Financière Quick Group as of and for the year ended December 31, 2015 prepared in accordance with IFRS; and

(g) the audited consolidated financial statements of the Financière Quick Group as of and for the year ended December 31, 2014 prepared in accordance with IFRS (together with (e) above, the "**Quick 2015/2014 IFRS Financial Statements**").

Free English-language translations of the above-listed financial statements are included elsewhere in this Listing Memorandum.

The BKF Interim Financial Statements have been subject to a review by KPMG SA and Exelmans Audit et Conseil, as stated in their report thereon. The BKF 2016 IFRS Financial Statements have been audited by KPMG SA and Exelmans Audit et Conseil, as stated in their report thereon. The BKF 2015 *Pro Forma* Financial Information is unaudited and provided to assist investors in evaluating the changes in the results of operations of the Group adjusting for the perimeter effects of the Quick Acquisition and the Belux Divestment. See "*Risk Factors—Risks related to our presentation of financial and other information—The BKF 2015 Pro Forma Financial Information has been prepared using certain assumptions and it may not be representative of what would have been the Group's actual results of operations had the Quick Acquisition and Belux Divestment occurred on the dates assumed and it may not be indicative of our future performance*". The BKF 2015/2014 French GAAP Financial Statements have been audited by Exelmans Audit et Conseil, as stated in its reports thereon, free English translations of which are included elsewhere in this Listing Memorandum. The Quick 2015/2014 IFRS Financial Statements have been audited by KPMG SA, as stated in its reports thereon, free English translations of which are included elsewhere in this Listing Memorandum.

Non-GAAP and Non-IFRS Financial Information

In addition to the financial measures derived from the French GAAP and IFRS financial statements we have included in this Listing Memorandum, we present certain non-GAAP and non-IFRS financial measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Run-rate EBITDA, *Pro forma* Adjusted Run-rate EBITDA, net debt, capital expenditures, as adjusted net debt, as adjusted financial expense, ratio of as adjusted net debt to *Pro forma* Adjusted Run-rate EBITDA, ratio of *Pro forma* Adjusted Run-rate EBITDA to as adjusted financial expense and cash conversion ratio. We also present average restaurant sales ("**ARS**"), System-wide sales ("**SWS**") and like-for-like ("**LfL**") SWS performance. For definitions and a discussion of these financial measures, see "*Summary Historical Consolidated Financial Information and Other Data*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators*".

EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Run-rate EBITDA, *Pro forma* Adjusted Run-rate EBITDA, net debt, capital expenditures, as adjusted net debt, as adjusted financial expense, ratio of as adjusted net debt to *Pro forma* Adjusted Run-rate EBITDA, ratio of *Pro forma* Adjusted Run-rate EBITDA to as adjusted financial expense and cash conversion ratio are measures and ratios that do not comply with French GAAP or IFRS and are not measurements of financial performance under French GAAP or IFRS. Such non-IFRS and non-GAAP measures should not be considered in isolation nor as a substitute for analysis of other indicators of our operating performance, cash flows or any other measure of performance as reported under French GAAP or IFRS. We present these non-French GAAP and non-IFRS financial measures for informational purposes only and because we believe that they are widely used by certain investors as supplemental measures of operating performance, liquidity and ability to service debt. Furthermore, it provides investors the same information that we use internally for purposes of assessing our operating performance.

EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Run-rate EBITDA, *Pro forma* Adjusted Run-rate EBITDA, net debt, capital expenditures, as adjusted net debt, as adjusted financial expense, ratio of as adjusted net debt to *Pro forma* Adjusted Run-rate EBITDA, ratio of *Pro forma* Adjusted Run-rate EBITDA to as adjusted financial expense and cash conversion ratio as presented in this Listing Memorandum may differ from and may not be comparable to similarly titled measures used by other companies and from "Consolidated EBITDA" contained in the section "*Description of the Notes*" of this Listing Memorandum and in the Indenture. They may also have limitations as analytical tools. There is no assurance that items we have identified for adjustment as non-recurring will not recur in the future or that similar items will not be incurred in the future. The calculations for certain of these non-IFRS and non-GAAP measures are based on various assumptions as further described elsewhere in this Listing Memorandum. These amounts have not been, and, in certain cases, cannot be, audited, reviewed or verified by any independent accounting firm. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial condition or results of operations of the acquired businesses or other transactions for the periods presented. It may not be comparable to our consolidated financial statements or the other financial information included in this Listing Memorandum and should not be relied upon when making an investment decision.

Rounding

Certain figures contained in this Listing Memorandum, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this Listing Memorandum may not conform exactly to the total figure given for that column or row.

Industry and Market Data

Unless otherwise expressly indicated or noted below, all information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Listing Memorandum are based on estimates prepared by us based on certain assumptions and our knowledge of the industry in which we operate, as well as data from various market research publications, publicly available information and industry publications, including reports published by various third-party sources. Industry publications generally state that the information they contain has been obtained from sources that we believe to be reliable, but that the accuracy and completeness of such information is not guaranteed. We have not independently verified such data. Certain information presented under "*Industry*" and elsewhere in this Listing Memorandum is based on and/or derived from data provided by GIRA Foodservice ("**GIRA**") and by OC&C Consultants ("**OC&C**") and we accept responsibility for the correct extraction and reproduction of such information from such reports.

In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market related analysis and estimates, thereby requiring us to rely on our own internally developed estimates regarding the industry in which we operate, our position in the industry, our market share and the market shares of various industry participants based on experience, our own investigation of market conditions and our review of industry publications, including information made available to the public by our competitors. While we have examined and relied upon certain market or other industry data from external sources as the basis for our estimates, neither we nor the Initial Purchasers have verified that data independently. We and the Initial Purchasers cannot assure you of the accuracy and completeness of, and take no responsibility for, such data. Similarly, while we believe our internal estimates to be reasonable, these estimates have not been verified by any independent source and we and the Initial Purchasers cannot assure you as to their accuracy. Our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "*Risk Factors*" and "*Forward-Looking Statements*".

CERTAIN DEFINITIONS AND GLOSSARY

The following terms used in this Listing Memorandum have the meanings assigned to them below (unless the context requires otherwise):

"*Acquisitions*" refers, collectively, to the BDBK Acquisition and the Investment Vehicle Acquisitions;

"*Additional Notes*" refers to the €60.0 million aggregate principal amount of the Issuer's floating rate senior secured notes due 2023 issued in exchange for the Temporary Notes on the BDBK Acquisition Completion Date;

"*AFH*" refers to the away-from-home food service market in which the Group operates;

"*Agents*" refers to the Paying Agent, the Calculation Agent, Transfer Agent, Registrar, Security Agent and Listing Agent, each as identified on the inside back cover page of this Listing Memorandum;

"*Average restaurant sales*" or "*ARS*" has the meaning given to it in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators—Average Restaurant Sales*";

"*Belux Divestment*" has the meaning given to it in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting the comparability of the financial information presented—Acquisitions and divestments*";

"*BDBK*" refers to BDBK, a *société par actions simplifiée* organized under the laws of France with its registered office located at 1, avenue du Garigliano, 91600 Savigny-sur-Orge, France. It is registered with the Evry Trade and Companies Register under number 798 576 633;

"*BDBK Acquisition*" refers to the acquisition by BKRO of 100% of the issued share capital of BDBK, as described under "*Summary—The Transactions—The Acquisition—The Targets—The BDBK Acquisition*";

"*BDBK Acquisition Agreement*" refers to the sale and purchase agreement entered into upon exercise of the BDBK Put Option, by and between the BDBK Seller and BKRO with respect to the BDBK Acquisition;

"*BDBK Acquisition Completion Date*" refers to December 21, 2017, the date on which the BDBK Acquisition was consummated, in accordance with the BDBK Acquisition Agreement;

"*BDBK Put Option*" refers to BKRO's irrevocable commitment to consummate the BDBK Acquisition in accordance with the terms of the BDBK Acquisition Agreement, subject to the terms and conditions of the BDBK Put Option Agreement;

"*BDBK Put Option Agreement*" refers the put option agreement entered into on December 6, 2017 between the BDBK Seller and BKRO;

"*BDBK Seller*" refers to OB Holding, a *société par actions simplifiée à associé unique* organized under the laws of France, which is a subsidiary of Groupe Bertrand;

"*BH*" refers to BH SAS, the holding company of Groupe Bertrand, the Issuer's majority shareholder;

"*BH Cash Management Agreement*" has the meaning given to it in "*Principal Shareholders and Related Party Transactions—Related Party Transactions—Cash Management Agreement*";

"*BK Croissance*" refers to BK Croissance, a *société par actions simplifiée* organized under the laws of France with its registered office located at 41, rue de la Prairie, 94120 Fontenay-sous-Bois, France. It is registered with the Creteil Trade and Companies Register under number 820 073 674;

"*BK Développement*" refers to BK Développement, a *société par actions simplifiée* organized under the laws of France with its registered office located at 41, rue de la Prairie, 94120 Fontenay-sous-Bois, France. It is registered with the Creteil Trade and Companies Register under number 820 091 338;

"*BK Europe*" refers to Burger King Europe GmbH, a subsidiary of Burger King Corporation;

"*BK Expansion*" refers to BK Expansion, a *société par actions simplifiée* organized under the laws of France with its registered office located at 41, rue de la Prairie, 94120 Fontenay-sous-Bois, France. It is registered with the Creteil Trade and Companies Register under number 820 061 828;

"*BK Exploitation*" refers to BK Exploitation, a *société par actions simplifiée* organized under the laws of France with its registered office located at 41, rue de la Prairie, 94120 Fontenay-sous-Bois, France. It is registered with the Creteil Trade and Companies Register under number 820 044 733;

"*BKC*" refers to Burger King Corporation and, if the context so requires, Burger King Worldwide, Inc., its wholly-owned direct and indirect subsidiaries (which include Burger King Corporation and BK Europe) and its parent company, Restaurant Brands International Inc.;

"*BKF*" or "*Burger King France*" refers to Burger King France, the Issuer of the Notes, and not to its subsidiaries;

"*BKF 2015/2014 French GAAP Financial Statements*" has the meaning given to it in "*Presentation of Financial and Other Information*";

"*BKF 2015 Pro Forma Financial Information*" has the meaning given to it in "*Presentation of Financial and Other Information*";

"*BKF 2016 IFRS Financial Statements*" has the meaning given to it in "*Presentation of Financial and Other Information*";

"*BKF Interim Financial Statements*" has the meaning given to it in "*Presentation of Financial and Other Information*";

"*BKRO*" refers to Burger King Restauration, a *société par actions simplifiée* organized under the laws of France and a direct wholly-owned subsidiary of the Issuer;

"*Calculation Agent*" refers to Citibank, N.A. London Branch as calculation agent for the Floating Rate Notes;

"*Cash conversion ratio*" refers to EBITDA minus maintenance capital expenditure divided by EBITDA;

"*Collateral*" refers to the security interests securing the obligations of the Issuer under the Existing Notes, which, secure the Additional Notes and the Guarantees thereof on a first-priority basis; the Collateral also secures the Revolving Credit Facility on a super senior basis under the Intercreditor Agreement. See "*The Offering*" and "*Description of the Notes—Security*";

"Company Franchise Agreement" has the meaning given to it in "*Business—Our Business—Restaurant operations—Company Restaurants*";

"*Company Restaurants*" refers to restaurants operated by Burger King France or its subsidiaries;

"*Consideration for the Acquisitions*" refers to (i) the price payable to the BDBK Seller under the BDBK Acquisition Agreement, (ii) the amount to be lent by BKRO to BDBK pursuant to the BDBK Intercompany Loan and (iii) the price payable to the Investment Vehicle Sellers in respect of the Investment Vehicle Acquisition, taken together;

"*EBITDA*" is defined as net profit/(loss) for the period, excluding the results of discontinued operations, before income tax expenses, net financial income/(expenses), other income/(expenses) from non-recurring items, headquarters depreciation and amortization and restaurants depreciation and amortization. See "*Presentation of Financial and Other Information—Non-GAAP and Non-IFRS Financial Measures*". The "other income/(expenses) from non-recurring items" are described in note 8 to the BKF Interim Financial Statements, an English language translation of which is included elsewhere in this Listing Memorandum. The term "non-recurring" shall not be construed as being used in accordance with the criteria as set forth in Item 10(c) of Regulation S-K under the U.S. Securities Exchange Act;

"*Escrow Account*" refers to an account opened in the name of the Issuer with the escrow agent for the sole purpose of holding the gross proceeds of the Temporary Notes until the BDBK Acquisition Completion Date or the Special Mandatory Redemption Date;

"*Escrow Agreement*" refers to the escrow agreement dated the Temporary Notes Issue Date, among the Issuer, the Temporary Trustee and the escrow agent;

"*Escrow Charge*" refers to the first-priority security interest over the Issuer's interest in the Escrow Account, for the benefit of the holders of the Temporary Notes;

"*Escrow Longstop Date*" refers to December 29, 2017;

"*Escrowed Proceeds*" refers to the initial funds deposited into the Escrow Account, as applicable, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the escrow agent or the Escrow Account, as applicable (less any property and/or funds paid in accordance with the Escrow Agreement);

"*EURIBOR*" refers to the Euro Interbank Offered Rate;

"*European Union*" or "*EU*" refers to an economic and political union of 28 Member States, which are located primarily in Europe (including the United Kingdom, unless specified otherwise);

"*euro*," "*euros*" or "*€*" refers to the single currency of the Member States of the European Union participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time;

"*Existing Fixed Rate Notes*" refers to the €315.0 million aggregate principal amount of the Issuer's 6.00% senior secured notes due 2024 issued under the Indenture;

"*Existing Floating Rate Notes*" refers to the €250.0 million aggregate principal amount of the Issuer's senior secured floating rate notes due 2023 issued under the Indenture;

"*Existing Notes*" refers to, collectively, the Existing Fixed Rate Notes and the Existing Floating Rate Notes;

"*Financière Quick*" refers to Financière Quick SAS, a simplified stock company (*société par actions simplifiée*) organized under the laws of France which is a wholly-owned subsidiary of the Issuer;

"*Financière Quick Group*" has the meaning given to it in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*";

"*Financing*" refers, collectively, to (i) the Offering and (ii) the offering by NewCo GB of the NewCo PIK Notes for the purpose of financing the Acquisitions;

"*Flagship Restauration*" refers to Flagship Restauration, a *société par actions simplifiée à associé unique* organized under the laws of France with its registered office located at 41, rue de la Prairie, 94120 Fontenay-sous-Bois, France. It is registered with the Creteil Trade Register under number 799 315 874;

"*Floating Rate Notes*" refers to, collectively, the Temporary Notes, the Additional Notes and the Existing Floating Rate Notes;

"*France Quick*" refers to France Quick SAS, which is a wholly-owned subsidiary of Financière Quick;

"*Franchise Restaurants*" refers to restaurants operated by our franchisees pursuant to a franchise arrangement including Pure Franchise Restaurants and Franchise with Lease Management Restaurants;

"*Franchise with Lease Management*" has the meaning given to it in "*Business—Our Business—Restaurant operations—Types of franchise arrangements*";

"*Franchise with Lease Management Restaurants*" refers to Franchise Restaurants operated pursuant to a Franchise with Lease Management arrangement;

"*French GAAP*" refers to generally accepted accounting principles in France;

"*French Guarantors*" refers to BK E SAS, BK IDF SAS, BK N SAS, BK OU SAS BK SE SAS, Burger King Restauration, Financière Quick and France Quick SAS;

"*GIRA*" refers to GIRA Foodservice;

"*Group*" refers to the Issuer and its consolidated subsidiaries;

"*Groupe Bertrand*" refers to the group of entities controlled by Olivier Bertrand, the indirect owner of the Issuer;

"*Guarantees*" refers to the guarantees of the Additional Notes and the Existing Notes by the Guarantors;

"*Guarantors*" refers collectively to the French Guarantors and Quick Restaurants SA;

"*Holdco Security Providers*" means each of NewCo GB and BK (UK) Company Ltd.;

"*IFRS*" refers to the International Financial Reporting Standards, as adopted by the European Union;

"*Indenture*" refers to the indenture governing the Existing Notes dated April 21, 2017 by and among, *inter alios*, the Issuer, the Guarantors, the Trustee and the Security Agent;

"*Initial Purchasers*" refers collectively to Goldman Sachs International, Credit Suisse Securities (Europe) Limited and J.P. Morgan Securities plc;

"*Intercreditor Agreement*" refers to the intercreditor agreement dated April 21, 2017 as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*";

"*Investment Vehicle Acquisition Completion Date*" refers to the date on which the Investment Vehicle Acquisitions are consummated;

"*Investment Vehicle Acquisitions*" refers to the acquisition by BKRO of interests in each of the Investment Vehicles, as defined under "*Summary—The Transactions—The Acquisitions—The Targets—The Investment Vehicle Acquisition*";

"*Investment Vehicle Sellers*" refers, collectively, to Mr. Olivier Bertrand, RMM and OG Holding;

"*Investment Vehicles*" refers, collectively, to BK Croissance, BK Exploitation and the Majority-Held Investment Vehicles;

"*Issue Date*" refers to the date of the issuance of the Existing Notes;

"*Issuer*" refers to Burger King France;

"*Majority-Held Investment Vehicles*" refers, collectively, to BK Développement, BK Expansion and Flagship Restauration, which are the Investment Vehicles that will be majority-held by BKRO immediately following the completion of the Investment Vehicle Acquisitions;

"*Master Franchise Agreement*" has the meaning given to it in "*Business—Our Business—The Burger King Master Franchise Agreement*";

"*NewCo GB*" refers to NewCo GB, a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France and the parent of the Issuer;

"*NewCo PIK Notes*" refers to the €200.0 million aggregate principal amount of 8.00% / 8.75% senior PIK toggle notes due 2022 issued by NewCo GB on the Temporary Notes Issue Date;

"*Notes*" refers collectively to the Additional Notes and the Temporary Notes and the Existing Notes;

"*Offering*" refers to the offering of the Temporary Notes, the Additional Notes and the Guarantees;

"*Pure Franchise*" has the meaning given to it in "*Business—Our Business—Restaurant operations—Types of franchise arrangements*";

"*Pure Franchise Restaurants*" refers to Franchise Restaurants operated pursuant to a Pure Franchise arrangement;

"*QSHR*" refers to the quick service hamburger restaurants category within the QSR segment in which the Group operates;

"*QSR*" refers to the quick service restaurant segment and/or the restaurants within the "commercial restaurants" sector in which the Group operates;

"*Quick 2015/2014 IFRS Financial Statements*" has the meaning given to it in "*Presentation of Financial and Other Information*";

"*Quick Acquisition*" has the meaning given to it in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting the comparability of the financial information presented—Acquisitions and divestments*";

"*Quick Indentures*" refers, collectively, to the indentures that governed the Quick Notes;

"*Quick Notes*" refers, collectively, to the senior secured notes and unsecured notes issued by Financière Quick which were redeemed and repaid in connection with the offering of the Existing Notes;

"*Revolving Credit Facility*" refers to the revolving credit facility entered into under the Revolving Credit Facility Agreement, which is described under "*Description of Certain Financing Arrangements—Revolving Credit Facility*";

"*Revolving Credit Facility Agreement*" refers to the revolving facility agreement dated April 21, 2017 (as may be amended, restated or otherwise modified by the parties), among *inter alios*, the Issuer as borrower and the Mandated Lead Arrangers and Bookrunners as defined therein, governing the Revolving Credit Facility, which is described under "*Description of Certain Financing Arrangements—Revolving Credit Facility*";

"*Security Agent*" refers to BNP Paribas;

"*Sellers*" refers, collectively, to the BDBK Seller and the Investment Vehicle Sellers;

"*Special Mandatory Redemption*" refers to the redemption of the Temporary Notes that the Issuer would have been required to carry out if the BDBK Acquisition had not been consummated on or prior to the Escrow Longstop Date or upon the occurrence of certain other events;

"*System-wide sales*" or "*SWS*" refers to aggregate sales achieved both by our Franchise Restaurants and our Company Restaurants;

"*Targets*" refers, collectively, to BDBK and the Investment Vehicles;

"Temporary Indenture" refers to the temporary indenture governing the Temporary Notes entered into on the Temporary Notes Issue Date, between the Issuer and the Temporary Trustee;

"*Temporary Notes*" refers to the €60.0 million aggregate principal amount of the Issuer's temporary floating rate senior secured notes due 2023 which, pursuant to the terms of the Temporary Indenture, were exchanged for an equal aggregate principal amount of Additional Notes issued by the Issuer under the Indenture on the BDBK Acquisition Completion Date;

"*Temporary Trustee*" refers to Citibank, N.A., London Branch, as trustee for the Temporary Notes;

"*Temporary Notes Issue Date*" refers to December 19, 2017, the date of the issuance of the Temporary Notes;

"*Transactions*" refers, collectively, to the Financing and the Acquisitions;

"*Trustee*" refers to Citibank, N.A., London Branch, as trustee for the Existing Notes and the Additional Notes;

"*United States*" or "*U.S.*" refers to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;

"*Warrant Bonds*" means (i) the €25,000,000 in aggregate principal amount of bonds with share warrants (*obligations à bons de souscription d'actions*) issued by NewCo GB to Euromezzanine 6 FPCI on December 20, 2013, the terms and conditions of which were amended on December 17, 2015, and (ii) the €76,000,000 in aggregate principal amount of bonds with share warrants (*obligations à bons de souscription d'actions*) issued by NewCo GB to Burger Mezz FPCI on December 17, 2015; and

"*we*," "*us*," "*our*," refers to Burger King France and its consolidated subsidiaries.

SUMMARY

This summary contains basic information about the Group and this Offering, and highlights information contained elsewhere in this Listing Memorandum about the Offering and our business, financial performance and prospects. This summary does not contain all of the information that may be important to you in deciding to invest in the Additional Notes to be acquired through them and it is qualified in its entirety by the more detailed information and financial statements included elsewhere in this Listing Memorandum. You should read the entire Listing Memorandum, including the section entitled "Risk Factors" and the financial information and related notes contained in this Listing Memorandum before making an investment decision.

Overview

We are Burger King France, resolutely focused on the expansion of the world's second largest quick service hamburger restaurant ("**QSHR**") chain in the French market which is characterized by secular, long-term demand for eating out and a strong affinity for our brand. Guided by the Burger King philosophy of "Have it your way", we offer consumers a differentiated eating experience, combining high-quality food, such as our flame-grilled hamburgers, with attractive restaurant locations.

In 2013, our principal shareholder Groupe Bertrand reintroduced the Burger King brand to the French market after a 15 year absence, by signing of a master franchise agreement between Burger King France and BK Europe, the holder of the Burger King brand. Groupe Bertrand is a leader in the French restaurant industry, known for its ability to roll out and transform restaurant concepts. In our first two years of operations in 2014 and 2015, we implemented an ambitious expansion program, leading to the opening of 42 restaurants and generating significant brand awareness through a savvy marketing campaign that harnesses the amplification effects of social media.

In December 2015, we seized the opportunity to secure the growth trajectory of the Burger King brand throughout mainland France with the acquisition of Financière Quick Group, an incumbent QSHR operator with nearly 400 prime restaurant locations in France. Following the acquisition of Quick, we have demonstrated a successful track-record of converting Quick restaurants to the Burger King brand as well as new Burger King restaurant openings. Since we began to implement the "Quick & King 2020" plan, which focuses on the conversion of our legacy Quick restaurants to Burger King brand restaurants and aims to add a minimum of 100 new restaurants every year for the next three years, we have demonstrated a successful track-record of converting Quick restaurants to the Burger King brand, as well as opening new Burger King brand restaurants. See "*Forward-Looking Statements*". As of September 30, 2017, we operated 172 restaurants under the Burger King brand, as compared with 108 restaurants as of December 31, 2016.

Our mission is to continue to deliver high-quality service to our customers and support the growth of our franchisees through expansion according to our strict development criteria, while exploiting economies of scale, optimizing logistics costs and further growing our EBITDA. We believe that our business model, which features a mix of Pure Franchise Restaurants and Franchise with Lease Management Restaurants, as well as Company Restaurants, enables us to flexibly manage our growth while controlling the locations of the restaurants in our network. As of September 30, 2017, we were the direct lessee for or owner of approximately 82% of the restaurant locations in our network.

As of September 30, 2017, 72% of our restaurants are Franchise Restaurants and the remaining 28% are Company Restaurants, a balance that supports our gross margin and reduces our capital expenditure requirement for expansion, as demonstrated by an annual cash conversion ratio of 70% and 93% for the years ended December 31, 2015 (*pro forma*) and 2016, respectively.

In 2016, Burger King was the preferred QSR brand in France over Brioche Dorée, Subway, KFC and McDonald's, according to an OC&C consumer survey. The strong recognition of the Burger King and Quick brands in France, together with Burger King's significant restaurant network worldwide, serves as a solid base to attract customers and prospective franchisees.

For the twelve months ended September 30, 2017, average restaurant sales ("**ARS**") for Burger King restaurants were approximately €3.6 million, compared to ARS for Quick for the same period and McDonald's (in 2016, according to GIRA) restaurants of approximately €2.0 million and €3.4 million, respectively. Additionally, enhanced marketing communication and turnaround initiatives in our Quick brand restaurants resulted in positive LfL SWS performance of Quick brand restaurants in mainland France for the quarter ended September 30, 2017.

Combined with Quick, we are the second largest QSHR chain in France, with approximately 15% market share by revenue in 2016, generating €1,079.8 million in SWS, €595.1 million in revenue and €85.0 million of Adjusted EBITDA for the twelve months ended September 30, 2017, with 465 restaurants as of September 30, 2017 (172 of which were under the Burger King Brand).

Our Competitive Strengths

We believe that we benefit from the following key strengths:

Attractive market in France with steady growth characteristics

We believe that the quick service restaurant ("**QSR**") segment in France benefits from strong and sustainable growth characteristics with demonstrated resilience through business cycles. QSHR is the largest category within the broader QSR segment (excluding cafés and bars). It has historically experienced a steady growth rate in France, and we believe that it has significant untapped potential. According to GIRA, sales in the QSHR category grew from approximately €5.8 billion in 2013 to €6.4 billion in 2016, representing a CAGR of approximately 3.3%, in line with the CAGR for the QSR segment over the same period. Sales in the French QSR segment grew from approximately €9.6 billion in 2013 to €10.7 billion in 2016 and the QSHR category accounted for approximately 60% of the total sales in the QSR segment in 2016 (excluding cafés and bars) and represented approximately 60% of the total number of meals served in the QSR segment in France during that period. In addition, GIRA expects sales in the QSR segment and the QSHR category to grow at a CAGR of approximately 5.4% and 5.6%, respectively, between 2016 and 2018, compared to a growth at a CAGR of approximately 3.4% in the overall commercial restaurants sector in France, which is expected to increase its sales from approximately €51.1 billion in 2016 to €54.6 billion in 2018. This growth is underpinned on the one hand by structural changes in demographic trends, consumer habits and way of life (increasing trend towards fast dining out options and favoring value for money) and on the other hand by market trends leading to the growth of global branded chains versus independent local restaurants (including more effective advertising and promotional campaigns, more competitive and attractive pricing structures, stronger brand recognition and denser territorial coverage, compared to independent restaurants). For example, the average time dedicated to meal consumption in France in 2012 was 28 minutes, a figure that has decreased by over a minute per year since 2004. This development evidences broader societal trends such as, among other things, an increased number of people living alone in France, which means that people increasingly tend to eat outside their homes, stopping to eat while in transit or getting together with others to eat outside their homes as a social activity. Such structural trends in French society foster an increased demand for the QSR segment.

Well-established leading market position

We are the second largest QSHR chain in France, with approximately 15% market share by revenue in 2016 according to GIRA, and we recorded an 11% increase in SWS for the year ended December 31, 2016 as compared to the previous year. McDonald's is the dominant player in the French QSHR category, with approximately 75% market share, Burger King-Quick accounts for approximately 15% of the market share, KFC accounts for approximately 9% of the market share and other players account for a total of approximately 1% of the market share as of December 31, 2016, according to GIRA. Our market position is supported by our extensive restaurant network developed over the course of over 35 years, with over 460 restaurants located in prime locations in and near major metropolitan areas across France and internationally, out of which 277 were Quick restaurants (including nine in overseas French possessions and North Africa) and 172 were Burger King brand restaurants; additionally, sixteen restaurants were under conversion as of September 30, 2017.

We believe that our extensive operational know-how, strong brand platform and expertise with respect to restaurant logistics and real estate management position combined with Quick's network of prime locations to be converted to Burger King brand restaurants positions us very favorably vis-à-vis our competitors and any potential new entrants. We also believe that our successful business model serves as a barrier to entry because brand equity and prime locations throughout mainland France cannot be easily replicated by new entrants, due to the significant investment required and time to attain our economies of scale, operational and logistics know-how.

Strong and distinctive brands

We are Burger King's master franchisee in France and are well positioned to leverage the scale and marketing of one of the most recognized brands in the restaurant industry world-wide. Burger King is the world's second largest QSHR chain in terms of total number of restaurants with over 15,738 restaurants in more than 100 countries. The chain had more than $19.4 billion of SWS for the twelve months ended September 30, 2017. As a Burger King master franchisee we benefit from Burger King's international brand awareness, its distinctive product offer, unique cooking method, efficient and reliable supply chains and food quality reputation. We are also the franchisor for Quick, which is one of the most well-known brands in the fast food restaurant industry in France and was established over 35 years ago. We believe that Quick provides a compelling and distinctive value proposition to customers by offering tasteful and high-quality hamburgers in attractive restaurants with menu options and spaces for families and children, which are major differentiators for the Quick brand.

According to an OC&C consumer survey, Burger King was the preferred fast food brand in France in 2016 over Brioche Dorée, Subway, KFC and McDonald's. According to a market study conducted in January 2017, Burger King and Quick benefitted from 88% and 94% assisted brand awareness, respectively, and 67% and 69% spontaneous brand awareness, respectively, in France. The terms of our franchise agreements require our Burger King franchisees to contribute 3.5% of sales to our national advertising fund, which finances our marketing, advertising and promotion initiatives. In addition, our Burger King franchisees are contractually required to dedicate 1.5% of sales to local advertising, typically for their own account. As a Burger King master franchisee, we benefit from BKC's extensive marketing, advertising and product development capabilities to drive sales and generate increased footfall in our restaurants. Over the years, BKC has launched innovative and creative multimedia advertising campaigns that highlight the popular relevance of the Burger King brand globally. We believe these campaigns contribute to Burger King's brand awareness in France and have a positive impact on our level of SWS.

Robust franchise business model with protected locations

Our business model is based on our strong franchise and property network. As of September 30, 2017, we operated a hybrid model with 72% of our restaurants being Franchise Restaurants and 28% being Company Restaurants. Upon completion of the Acquisitions, the Targets' restaurants will be Company Restaurants but, consistent with our strategy, we may in the medium-term convert many of them into Franchise with Lease Management Restaurants.

Within our Franchise Restaurants, we use two types of franchise arrangements: Franchise with Lease Management and Pure Franchise, which represent approximately 25% and 75%, respectively, of the total number of our Franchise Restaurants as of September 30, 2017. Franchise with Lease Management arrangements, through investment sharing between us and our franchisees, and Pure Franchise arrangements, under which the franchisee assumes the totality of the required investment, are development accelerators for our business. In our Franchise with Lease Management arrangements, we lease the property directly from the landlord and the franchisee pays leases to us expressed as a percentage of sales, which enables us to retain control of the location and the business assets rights (*fonds de commerce*) in the event we opt to replace a franchisee or take back the location as a Company Restaurant. All our Franchise with Lease Management arrangements benefit from minimum rent commitments to be paid by franchisee-managers such that, regardless of the sales achieved by the relevant restaurant, the rent due to our lessors is covered and we are able to realize a return on our investment in the business assets rights (*fonds de commerce*). In our Pure Franchise arrangements, the franchisee is the tenant of record of the property where the restaurant is located and the owner of the business assets rights (*fonds de commerce*) and is responsible for the restaurant's necessary capital expenditures. This enables us to support a significant part of our restaurant network with very limited direct investment.

Company Restaurants are restaurants that we own and operate directly. These include our high volume flagship restaurants that are typically located in high visibility locations, such as the Champs-Elysées and La Défense in Paris. Company Restaurants generally have high turnover and generate high cash flows for the Group. Operating Company Restaurants allows us to demonstrate the benefits of operating Burger King restaurants and test operating and innovation initiatives, such as new product offerings and customer service technology improvements, which can be subsequently rolled out to our franchisees.

Operational expertise and unique product offer

Quick and BKC have been in the QSHR category for many years and have developed sophisticated information and operating systems that enable us to measure and monitor key metrics for operational performance, sales and profitability that may not be available to our competitors. Our focus on leveraging our operational expertise, infrastructure and systems allows us to optimize the performance of our restaurants, which results in high cash conversion rates and return on investment.

Furthermore, as a Burger King master franchisee, we benefit from significant cost efficiencies and increased negotiating power over key logistics providers and raw material suppliers resulting from economies of scale and the extensive network of Burger King restaurants in Europe, with a presence in more than 15 European countries including more than 2,000 restaurants in Germany, the United Kingdom, Spain and Italy. In addition, all of our franchisees are required to purchase the raw materials from our approved providers, which enables us to control and develop the raw material supply chain with no credit risk and fosters closer alignment of interests and a stronger relationship with our franchisees.

Our operational expertise and Burger King's restaurant platform throughout Europe is underpinned by the high-quality food and well-differentiated Burger King menu, which has been built on a distinct flame-grilled cooking platform to make better tasting hamburgers. Burger King has developed a reputation for consistently offering its customers broad menu options with freshly prepared products, a wide variety of generous hamburgers cooked with Burger King's unique flame grilling equipment, such as the flagship WHOPPER® sandwich and "Have it Your Way" sandwiches which allow numerous customization options. In addition, Burger King has one of the most extensive food offerings in the QSHR category including, among others, the introduction of Garden Fresh Salads, Wraps, Real Fruit Smoothies and Frappes. Product innovation is based on a multi-tier balanced approach to value and premium offerings, pairing value promotions, such as the 2-for-1 mix and match product offerings, with premium limited time offerings, in order to appeal to a broader consumer base and to increase restaurant sales.

Capital-light business model with high cash conversion

Our mainly franchise-based business model generates significant free cash flow. Our annual cash conversion ratio was 70%, 93% and 97% for the years ended December 31, 2015 and 2016 and the twelve months ended September 30, 2017 respectively. We believe that this "capital-light" operating model generates enhanced margins and significant recurring free cash flow primarily driven by royalties and lease payments collected from franchisees based on sales levels. The corporate infrastructure and capital expenditures necessary to support a franchise business model are substantially less than a company-operated system. As a result, we expect that our combined operations will provide an attractive franchised platform that will continue to generate significant cash flow and put us in a position to deleverage quickly. We use cash to invest in opening new restaurants and converting existing Quick restaurants to Burger King brand restaurants to support our future growth and continue to increase our revenue and profitability.

We estimate that the average capital expenditure for the conversion of a Quick restaurant to a Burger King brand restaurant ranges from approximately €1.3 million to approximately €1.5 million per restaurant. In the case of conversions, we share these costs on a 50/50 basis with our Franchise with Lease Management partners; whereas when opening a new restaurant, we invest 40% of these costs while the franchisee is responsible for the remaining 60%. In the case of both conversions and new restaurant openings, our Pure Franchise partners are responsible for all related costs. We have demonstrated our ability to grow our revenue and operating margin since the Quick Acquisition was consummated. Between the year ended December 31, 2016 and the twelve months ended September 30, 2017, our total sales and franchise revenues increased to €595.1 million from €578.3 million, representing a growth rate of 2.9% driven mainly by the implementation of the "Quick & King 2020" plan. Additionally, enhanced marketing communication and turnaround initiatives in our Quick brand restaurants resulted in positive LfL SWS performance of our Quick brand restaurants over the twelve months ended September 30, 2017.

Seasoned management team with a proven track-record supported by a shareholder experienced in our industry

We benefit from the experience and industry know-how of our senior management team. We are led by our Managing Director, Jérôme Tafani, who joined the Group in February 2016 and previously served as Executive Director for Chipotle Mexican Grill Europe and worked for more than 20 years at McDonald's, where he held several financial and operations positions before being appointed Managing Director for France and Corporate Senior Vice President for Europe. Our Chief Financial Officer, Xavier Cottineau, joined the Group in September 2016 after serving as Chief Financial Officer at Financière Louis, as Finance Vice President at EuroDisney and senior financial auditor at PricewaterhouseCoopers. Our new management team has a long and successful history of developing, integrating and operating in the QSR segment and has managed to successfully improve Quick restaurants' performance and increase comparable restaurants sales since joining the Group. We also benefit from the support and expertise of our majority shareholder, Groupe Bertrand, which is a leading French operator of restaurant chains. Groupe Bertrand was founded by Olivier Bertrand more than 20 years ago. Groupe Bertrand has created and managed a fast growing restaurant franchise group in France, with over 900 restaurants (both franchises and owned restaurants) under management and approximately €1.8 billion in SWS for the twelve months ended September 30, 2017, as contrasted with approximately €100 million in SWS for the year ended December 31, 2006. Groupe Bertrand has demonstrated that it considers network development over the long term, applies a cautious approach to risk management and enjoys a strong entrepreneurial culture, which serve as further support to our senior management. In addition, when Groupe Bertrand acquired Financière Quick in December 2015, it injected €91.0 million of new equity which was used to repay a portion of Financière Quick's senior secured notes due 2019 and unsecured notes due 2019, significantly reducing the net leverage of the Group.

Our Strategy

Our objective is to grow our business and increase profitability by implementing our "Quick & King 2020" plan and by implementing the following medium-term strategies:

Continue to take advantage of attractive market fundamentals

We intend to continue leveraging our extensive and prime-location restaurant network and existing broad range of products, which covers value promotion menus and premium limited time offerings to drive profitable restaurant sales and traffic. We also seek to expand our product offering by relying on our expertise in creating innovative, premium convenience food products that match consumers' demand for indulgent and convenient food. We expect to continue to benefit from the resilience of QSHR category where we operate and plan to position our menu offering with good value-for-money products in order to mitigate the impact of potential changes in general and local economic conditions. In addition, we believe that we will continue to benefit from the support that BKC provides through its menu items, product enhancements and reimaging initiatives, which combined with our continuous innovation and operational expertise, will help drive overall consumption levels in the currently moderately-penetrated French QSR segment.

Focus on cost control and economies of scale

We intend to continue to improve our gross margin and profitable expansion through the optimization of our supply chain, new product development and marketing. Franchise Restaurants are responsible for their own food and logistics costs. However, for Company Restaurants, we source a wide range of ingredients, including beef and chicken, potatoes and other fresh and frozen products and a variety of sauces to form our menu and we also incur logistics costs to store inventory and transport raw materials and semi-finished products to such restaurant locations. Our food and logistics costs are significant, and we believe that we could drive our gross margin through enhanced control of our logistics costs by exploiting economies of scale, further developing local suppliers' networks and implementing cost control measures to reduce food waste. For example, we require all of our Burger King franchisees to source their raw materials from suppliers that BKC has previously approved and with whom we intend to continue to leverage our extensive restaurant network and economies of scale to obtain the most favorable commercial terms. Following the Quick Acquisition, with the growth of the Burger King network largely secured through conversion of Quick restaurants, suppliers have reacted favorably and are seeking to invest in long-term partnerships with us, which we believe could assist us in reducing food costs for future periods. We believe that savings generated from these discounts or rebates in our food costs will drive our bottom-line growth. In addition, we plan to continue to enlarge the broad range of products in our restaurants and ensure that they are sourced from controlled and sustainable sources, as well as being processed according to the most stringent standards. We believe that consumers are increasingly seeking menu offerings that cover the whole range of meal occasions and products from sandwiches, wraps, chicken nuggets and salads to desserts, smoothies and drinks, which taste good and are healthy, convenient, sustainable and affordable. We expect to continue to benefit from BKC's innovative research and development in order to increase our responsiveness to evolving consumer trends. Apart from focusing on the optimization of our supply chain and product development, we intend to further develop our communication and advertising campaigns to promote our brands, product offerings and commercial offers in order to reinforce awareness of the Burger King brand, build on our image and increase footfall, which we believe will also contribute to improve our gross margin and profitable expansion.

Conversion of our Quick restaurants to Burger King restaurants to enhance restaurant profitability

We intend to increase the footprint of the Burger King brand in France through the implementation of the "Quick & King 2020" plan. We believe that the "Quick & King 2020" plan will enhance our business model by leveraging Quick's network of premium locations and Burger King's superior operational efficiency, which will enhance our restaurant profitability. For the year ended December 31, 2016, the annualized ARS for our Burger King brand restaurants was approximately €4.0 million as compared to the ARS for our Quick restaurants of approximately €1.9 million. In light of the over 250 Quick restaurants in prime locations in and near major metropolitan areas across France, the "Quick & King 2020" plan represents a unique opportunity to increase the ARS of our Quick restaurants. During the twelve months ended September 30, 2017, the conversion of Quick restaurants to Burger King restaurants has resulted in an improved customer experience, increased traffic and a significant average sales uplift of approximately 100%. The 79 former Quick restaurants converted into Burger King restaurants during the twelve months ended September 30, 2017 and the 25 Burger King restaurants that were newly-opened during the twelve months ended September 30, 2017 generated an ARS of €4.0 million. As part of our "Quick & King 2020" plan, we expect to convert additional Quick restaurants to Burger King brand restaurants in the next three years. We have developed a process for carrying out the "Quick & King 2020" plan and implemented a dedicated restaurant conversion team of highly skilled professionals to promote a smooth transition and avoid adversely affecting our franchisees' operations. For instance, the majority of restaurant conversions that we have effected to date have been completed within the timeline initially anticipated, which ranged from eight to ten weeks. For more information regarding our "Quick & King 2020" plan see "*Business—Our Network—Conversion of Quick restaurants to Burger King restaurants*".

Expand our restaurant network and increase our market share

We believe there is a significant untapped demand for the Burger King offering across France and the potential to continue our successful expansion strategy. Our network of Burger King brand restaurants expanded from 16 as of December 31, 2014 to 172 as of September 30, 2017. During the next three years we expect a large portion of our new restaurants to result from conversions as opposed to newly-opened restaurants. However, once the implementation of the "Quick & King 2020" plan reaches its maturity, the number of new opening will increase compared to the number of converted restaurants. We plan to further expand our Burger King brand restaurant network in collaboration with current and new franchisees to continue to increase our market share in the French QSHR category. We expect that a higher density of restaurants will further contribute to brand awareness, support customer loyalty and increase traffic in our existing restaurants, while our new restaurants will benefit from our strong brand, reputation and know-how. We have a rigorous approach to expansion and expect to promote new restaurant growth through the opening of Franchise with Lease Management Restaurants, which allows us to retain a high degree of control over our network of restaurants, with limited capital expenditure. Opening Company Restaurants requires significantly higher capital expenditures and adds leases and personnel costs to our cost structure, whereas in franchise arrangements, the cost impact on the Group of adding a new Franchise Restaurant is significantly reduced. In addition, whenever we can, we shift Pure Franchise arrangements to Franchise with Lease Management arrangements as we develop the Burger King brand in France to enable us to retain control of the location and the business assets rights (*fonds de commerce*) in the event we opt to replace a franchisee or take back the location as a Company Restaurant. Upon completion of the Acquisitions, the Targets' restaurants will be Company Restaurants but, consistent with our strategy, we may in the medium-term convert many of them into Franchise with Lease Management Restaurants. Our restaurant development efforts are led by our highly experienced senior management team, which has extensive experience identifying and qualifying suitable restaurant locations. We have developed a targeted site acquisition and qualification process that incorporates our management's experience as well as extensive data collection, analysis and interpretation.

Drive EBITDA generation and scale franchise model to support deleveraging

EBITDA generation and our capital-light franchise model are the two pillars to our deleveraging strategy. We seek to maintain a prudent approach to restaurant development, by carefully selecting sites and adhering to a strict rent-to-sales ratio in order to maintain our high cash flow generation. We will continue to deploy our "capital-light" franchise with lease management model that permits us to actively manage our network, target specific whitespace and encourage the formation of denser clusters of restaurants. In our Franchises with Lease Management, we remain the holders of the lease and therefore control our real estate presence. Franchisee-managers provide operational know-how and additional revenue streams through lease payments that are made as a percentage of sales. This provides us with significant upside potential that we have historically realized as our fixed rent obligations are de-risked pursuant to minimum rent requirements in our Franchise with Lease Management contracts. We intend to pursue the scalability of our franchise model, combined with Quick's readily-available footprint of restaurants to convert and Burger King's high average restaurant sales performance.

Recent Developments

Restaurant openings and conversions since September 30, 2017

During the month of October 2017, we opened two new Burger King restaurants, converted one restaurant from the Quick brand to the Burger King brand and temporarily closed six restaurants that had been operating under the Quick brand for conversion into the Burger King brand.

Additionally, in early October 2017, we finalized an agreement with our partner Agape related to the conversion of Quick restaurants owned and managed by our joint venture Agaquick and the opening of new Burger King restaurants with a new joint venture, AGABK, created for this purpose. In connection with this agreement, we granted a put option to Agape allowing Agape to sell us its shares in the two joint ventures starting in 2027.

The Transactions

The Group, through its subsidiary BKRO, intends to pursue a series of related acquisitions, whereby it intends to acquire from its controlling shareholder Groupe Bertrand, all of the outstanding securities, and refinance the shareholder debt, of BDBK (the "**BDBK Acquisition**") and certain shares in the Investment Vehicles held by the Investment Vehicle Sellers (the "**Investment Vehicle Acquisitions**" and, together with the BDBK Acquisition, the "**Acquisitions**"). BDBK and the Investment Vehicles collectively own or operate a total of 28 Burger King and Quick restaurants in France.

The Acquisitions are intended to centralize the operation of Groupe Bertrand's Burger King and Quick restaurants within a discrete group of entities. Moreover, as described further below, the Acquisitions will allow the Group to own or control the valuable business assets rights (*fonds de commerce*) of BDBK and the Majority-Held Investment Vehicles. The BDBK Acquisition and the Investment Vehicle Acquisitions will not occur simultaneously and the Escrow Release is conditional only on the completion of the BDBK Acquisition and not the completion of the Investment Vehicle Acquisitions. The Issuer issued the Additional Notes as part of the overall financing of the Acquisitions (the "**Financing**" and, together with the Acquisitions, the "**Transactions**"). The Issuer has received a fairness opinion from an independent financial advisory firm in respect of the Acquisitions.

The Acquisitions

The Targets

BDBK is a company indirectly wholly owned by Groupe Bertrand, the Issuer's indirect controlling shareholder, and is a franchisee of the Group. BDBK is the Group's largest franchisee, operating 21 restaurants, of which 18 were Burger King restaurants and three were Quick restaurants.

The Investment Vehicles are special purpose vehicles that are owned in part by Mr. Olivier Bertrand, RMM and OG Holding and that own and operate restaurants in the Group's network, either as a franchisee of the Group or by acting as lessor under a franchise with lease management arrangement with BDBK. As of September 30, 2017, the Investment Vehicles directly operated seven restaurants, of which five were Burger King restaurants and two were Quick restaurants (one of which has just been converted into a Burger King restaurant). Additionally, the Investment Vehicles own four Burger King restaurants that are leased to BDBK.

The Group intends to derive several benefits from the Acquisitions. First, the Acquisitions will allow the Group to own outright the valuable business assets rights (*fonds de commerce*) that BDBK and the Majority-Held Investment Vehicles own in most of the restaurants they operate. Further, the Group expects that the Acquisitions will increase the Group's EBITDA margin. As the Group's largest franchisee, BDBK has negotiated lower royalty rates, which cover mainly its pro rata share of the royalty payments due under the Master Franchise Agreement. As a result, BDBK's restaurants do not currently contribute to the Group's EBITDA margin.

As of September 30, 2017 and prior to the Acquisitions, 28% of the Group's restaurants were operated as Company Restaurants, 55% were operated as Franchises with Lease Management and 16% were operated as Pure Franchise Restaurants. Following the Acquisitions, 34% of the Group's restaurants will be operated as Company Restaurants, 55% will be operated as Franchises with Lease Management and 11% will be operated as Pure Franchise Restaurants. Following the Acquisitions, the restaurants owned by the Targets will be operated as Company Restaurants. The Group may in the medium-term, consistent with its strategy, convert many of these restaurants into Franchises with Lease Management subject to its customary terms.

Based on preliminary unaudited management accounts provided by the Sellers, for the twelve months ended September 30, 2017, the Targets generated an aggregate of approximately €80.4 million in revenue (of which BDBK generated €64.2 million and the Investment Vehicles generated €16.3 million) and approximately €10.3 million in EBITDA (of which BDBK generated €8.2 million and the Investment Vehicles generated €2.1 million). The amounts of revenue and EBITDA for the Investment Vehicles presented in the preceding sentence are for the nine-month period ended September 30, 2017 only, as comparable information was not available for the three months ended December 31, 2016. This information has not been audited, reviewed or verified, and no procedures have been performed by the Issuer's independent auditors or any other independent accounting firm with respect to the accompanying financial data. Furthermore, the EBITDA of the Targets is not directly comparable to the Group's EBITDA. This information is inherently subject to risks and uncertainties and undue reliance should not be placed upon it when evaluating an investment decision.

The BDBK Acquisition

On December 6, 2017, BKRO entered into the BDBK Put Option Agreement with the BDBK Seller, pursuant to which BKRO unconditionally and irrevocably undertook and offered to acquire all the outstanding capital stock of BDBK from the BDBK Seller on the terms and conditions set forth in the BDBK Acquisition Agreement. The terms of the BDBK Put Option Agreement provided that before any exercise of the BDBK Put Option by the beneficiaries thereof, the management of BDBK must complete an information and consultation process with respect to the BDBK Acquisition (the "**BDBK Consultation Process**") with the works council of BDBK. The BDBK Consultation Process was deemed completed and the BDBK Acquisition was consummated on December 21, 2017.

The Investment Vehicle Acquisitions

The Investment Vehicles are five special purpose vehicles organized under the laws of France which are designed to enable investment in certain types of small businesses. The Investment Vehicles collectively operate seven Burger King and Quick restaurants and are lessors under Franchise with Lease Management arrangements with BDBK for four restaurants. We intend to buy certain interests in each of the Investment Vehicles from the Investment Vehicle Sellers. Below is a brief summary of the restaurants owned or operated by each of the Investment Vehicles and the current and estimated post-Investment Vehicle Acquisition ownership interests in each Investment Vehicle.

- BK Croissance owned one Quick restaurant as of September 30, 2017. Mr. Olivier Bertrand, RMM and OG Holding, each of whom is an affiliate of the Group (each a "**Founding Partner**"), collectively hold 3.25% of BK Croissance while its third-party majority shareholder holds the remaining 96.75%. In connection with the Investment Vehicle Acquisitions, BKRO intends to purchase the entire 3.25% share held by the Founding Partners.

- BK Développement owned one Burger King restaurant as of September 30, 2017. The Founding Partners collectively hold 73.12% of BK Développement while its third-party minority shareholder holds the remaining 26.88%. In connection with the Investment Vehicle Acquisitions, BKRO intends to purchase the entire 73.12% share held by the Founding Partners.

- BK Expansion owned one Quick restaurant (which has just been converted to a Burger King restaurant) as of September 30, 2017. The Founding Partners collectively hold 84.44% of BK Expansion while its third-party minority shareholder holds the remaining 15.56%. In connection with the Investment Vehicle Acquisitions, BKRO intends to purchase the entire 84.44% share held by the Founding Partners.

- BK Exploitation owned two Burger King restaurants as of September 30, 2017. The Founding Partners collectively hold 3.25% of BK Exploitation while its third-party majority shareholder holds the remaining 96.75%. In connection with the Investment Vehicle Acquisitions, BKRO intends to purchase the entire 3.25% share held by the Founding Partners.

- Flagship Restauration owned two Burger King restaurants as of September 30, 2017. RMM and OG Holding collectively hold 50.72% of Flagship Restauration while its third-party minority shareholder holds the remaining 49.28%. In connection with the Investment Vehicle Acquisitions, BKRO intends to purchase the entire 50.72% share held by RMM and OG Holding.

The share capital of the Investment Vehicles is composed of ordinary and preferred shares. The interests in the Investment Vehicles held by the Founding Partners are composed exclusively of ordinary shares, while the interests of the third-party shareholders are composed exclusively of preferred shares. The Investment Vehicle Acquisitions will also include the sale to BKRO of certain call options (each a "**Call Option**") held by the Founding Partners on the preferred shares held by the third-party shareholders of the Investment Vehicles.

- For BK Développement, BK Expansion and Flagship Restauration, the Call Options are exercisable in 2022 (or 2021, in the case of Flagship Restauration), whereupon the holder of the relevant Call Option has 12 months to acquire, in a single transaction, all of the preferred shares held by the third-party shareholders at a price equal to 3.0 (or 3.5, in the case of Flagship Restauration) times the average consolidated operating income of the relevant Investment Vehicle and its subsidiaries for the last five (or four, in the case of BK Développement) full accounting periods less consolidated net debt. In any event, the purchase price cannot be lower than the initial price at which the preferred shares were bought plus the unpaid preferred dividend for BK Expansion, BK Développement or Flagship Restauration, as applicable, and multiplied by a factor of 1.3, 1.3 and 1.31 respectively.

- For BK Exploitation and BK Croissance, the Call Options can be exercised beginning on January 1, 2022 at a price based on the preferred shares issue price multiplied by an increasing factor that takes into account the time elapsed between the first date on which the relevant Call Option is exercisable and the date of exercise of the call option minus 50% of the dividends received by the third-party shareholder before the exercise date. The third-party shareholders holding the relevant preferred shares are entitled to preferred dividends starting from the earlier exercise date of the relevant Call Option, which increase in the event that the relevant Call Option is not exercised within the relevant prescribed period.

Upon completion of the Investment Vehicle Acquisitions, the Issuer will be deemed under IFRS to have control over all of the Investment Vehicles (including the Investment Vehicles that are not Majority-Held Investment Vehicles) and, as a result, the Issuer intends to consolidate the Investment Vehicles into its financial statements on a going-forward basis in accordance with IFRS.

The Financing

The Acquisitions will be financed through the use of (a) the proceeds from the issuance by the Issuer of the Temporary Notes and (b) a portion of the proceeds from the issuance by NewCo GB of €200.0 million of its 8.00% / 8.75% senior PIK toggle notes due 2022 (the "**NewCo PIK Notes**").

The Temporary Notes Offering

The Issuer issued the Temporary Notes on the Temporary Notes Issue Date. Pending consummation of the BDBK Acquisition, the Issuer entered, concurrently with the issuance of the Temporary Notes, into an escrow agreement (the "**Escrow Agreement**"), pursuant to which the gross proceeds of the Offering (including accrued interest from, and including, November 2, 2017 to, but excluding, the Temporary Notes Issue Date) were deposited by the Initial Purchasers in an account opened in the name of the Issuer with the escrow agent (the "**Escrow Account**"). Further, the Issuer entered into a security agreement pursuant to which a first-priority security interest (the "**Escrow Charge**") over the Issuer's interest in the Escrow Account was created for the benefit of the holders of the Temporary Notes. The release of the Escrowed Proceeds was subject to the satisfaction of certain conditions, including the BDBK Acquisition being required to be consummated on or prior to the Escrow Longstop Date. If the BDBK Acquisition had not been consummated on or prior to the Escrow Longstop Date or if certain other events had occurred, the Temporary Notes would have been subject to a Special Mandatory Redemption. The Special Mandatory Redemption price of the Temporary Notes would have been equal to 100% of the aggregate issue price of the Temporary Notes plus accrued and unpaid interest and additional amounts then required to be paid under the Temporary Notes, if any, from, and including, the Temporary Notes Issue Date to, but not including, the Special Mandatory Redemption Date.

On the BDBK Acquisition Completion Date, the Temporary Notes were exchanged for an equal aggregate principal amount of Additional Notes and the Escrowed Proceeds were released. The Additional Notes have identical terms as the Existing Floating Rate Notes (other than issue date and issue price). The Additional Notes constitute part of the same series as the Existing Floating Rate Notes and have the same common code and ISIN numbers as the Existing Floating Rate Notes.

On the BDBK Acquisition Completion Date, the Issuer used the gross proceeds from the Offering, along with the proceeds from the NewCo-BKF Equity Injection (as defined below) to finance an equity injection of approximately €92.9 million in BKRO (the "**BKF-BKRO Equity Injection**") and to pay certain estimated costs, fees and expenses in connection with the Offering. The remainder of the proceeds of the Offering was held by the Issuer for general corporate purposes.

BKRO has, in turn, (i) used approximately €79.7 million of the proceeds from the BKF-BKRO Equity Injection to pay the purchase price under the BDBK Acquisition Agreement to the BDBK Seller (the "**BDBK Acquisition Price**") and (ii) used approximately €10.2 million of the proceeds from the BKF-BKRO Equity Injection to extend an intercompany loan to BDBK (the "**BDBK Intercompany Loan**"). BDBK will use the proceeds from the BDBK Intercompany Loan to repay certain of its indebtedness. BKRO will, on the Investment Vehicle Acquisition Completion Date, use approximately €3.0 million of the remaining proceeds from the BKF-BKRO Equity Injection to pay the purchase price for the Investment Vehicle Acquisitions to the Investment Vehicle Sellers (the "**Investment Vehicle Acquisition Price**" and, together with the BDBK Acquisition Price and the BDBK Intercompany Loan, the "**Consideration for the Acquisitions**"). BKRO will use the remaining proceeds from the BKF-BKRO Equity Injection to pay certain estimated costs, fees and expenses incurred in connection with the Acquisitions.

The NewCo PIK Notes Offering

NewCo GB offered the NewCo PIK Notes concurrently with the offering by the Issuer of the Temporary Notes and issued the PIK Notes on the Temporary Notes Issue Date.

Pending consummation of the BDBK Acquisition, NewCo GB entered, concurrently with the issuance of the PIK Notes, into an escrow agreement, pursuant to which the gross proceeds of the PIK Notes offering were deposited in an account opened in the name of NewCo GB with the escrow agent. Further, NewCo GB entered into a security agreement pursuant to which a first-priority security interest over NewCo GB's interest in such interest account, was created for the benefit of the holders of the PIK Notes. The release of such escrowed proceeds was subject to the satisfaction of certain conditions, including the BDBK Acquisition being required to be consummated promptly following the release of the escrowed proceeds from the escrow account. If the BDBK Acquisition had not been consummated on or prior to the Escrow Longstop Date, the NewCo PIK Notes would have been subject to a special mandatory redemption. The special mandatory redemption price of the PIK Notes would have been equal to 100% of the aggregate issue price of the PIK Notes plus accrued and unpaid interest and additional amounts then required to be paid under the PIK Notes, if any, from, and including, the issue date of the PIK Notes to, but not including, the special mandatory redemption date of the PIK Notes.

The NewCo PIK Notes will mature on December 15, 2022, unless earlier redeemed or repurchased and cancelled. The NewCo PIK Notes will not benefit from any credit support from the Issuer or its subsidiaries. The indenture governing the NewCo PIK Notes contains covenants for the benefit of the holders of the NewCo PIK Notes similar to the covenants in the Indenture that, among other things, limits certain actions of NewCo GB and its restricted subsidiaries, including the Issuer and its direct and indirect subsidiaries.

On the BDBK Acquisition Completion Date, NewCo GB used the gross proceeds from the issuance of the NewCo PIK Notes to (i) purchase €40.0 million in preferred shares (the "**New Preferred Shares**") to be issued by the Issuer (the "**NewCo-BKF Equity Injection**"), (ii) refinance NewCo GB's outstanding indebtedness and (iii) pay certain estimated costs, fees and expenses incurred in connection with the Transactions.

Sources and Uses

The gross proceeds from the Offering were €61.1 million. Following satisfaction of the conditions to the release of the Escrowed Proceeds to the Issuer, the Escrowed Proceeds were released and were used, along with proceeds from the NewCo-BKF Equity Injection to finance the BKF-BKRO Equity Injection, the proceeds from which will in turn be used by BKRO to pay the Consideration for the Acquisitions, and pay certain estimated costs, fees and expenses incurred in connection with the Offering and the Acquisitions. The remainder of the proceeds of the Offering was held by the Issuer for general corporate purposes.

The table below sets forth the estimated sources and uses of funds in connection with the Offering. Amounts included in the table below are based on the assumption that the Transactions occurred on the BDBK Acquisition Completion Date. Actual amounts will vary from estimated amounts depending on several factors, including the date of the Investment Vehicle Acquisition Completion Date and the actual cash consideration to be paid thereon, as well as the differences between estimated and actual fees and expenses. Any increase in these amounts will be funded using cash on our balance sheet. This table should be read in conjunction with "*Capitalization*".

Sources of Funds	Amount (in € millions)	Uses of Funds	Amount (in € millions)
Temporary Notes (1)	61.1	Consideration for the Acquisitions(3)	92.9
NewCo-BKF Equity Injection(2)	40.0	Estimated costs, fees and expenses(4)	1.5
		Cash on balance sheet	6.7
Total Sources	101.1	**Total Uses**	101.1

(1) Represents the gross proceeds from the Offering and excludes payment by the purchasers of the Temporary Notes of an amount equal to the accrued interest on the Temporary Notes from, and including, November 2, 2017 to, but excluding, the Temporary Notes Issue Date.

(2) Represents amounts received by the Issuer in consideration for the subscription by NewCo GB of the New Preferred Shares on the BDBK Acquisition Completion Date. For a description of the New Preferred Shares, see "*Principal Shareholders and Related Party Transactions—Principal Shareholders—Preferred Shares*."

(3) Represents the estimated BDBK Acquisition Price, the estimated amount of the BDBK Intercompany Loan and the estimated Investment Vehicle Price.

(4) Includes the estimated costs, fees, expenses and other payments related to the Offering and the Acquisitions, including underwriting commissions, other transaction costs and professional fees.

The Issuer

Burger King France is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 50, avenue du Président Wilson, Parc des Portes de Paris, Building 123, 93214 La Plaine Saint-Denis CEDEX, France. It is registered under number 797 882 867 R.C.S. Bobigny.

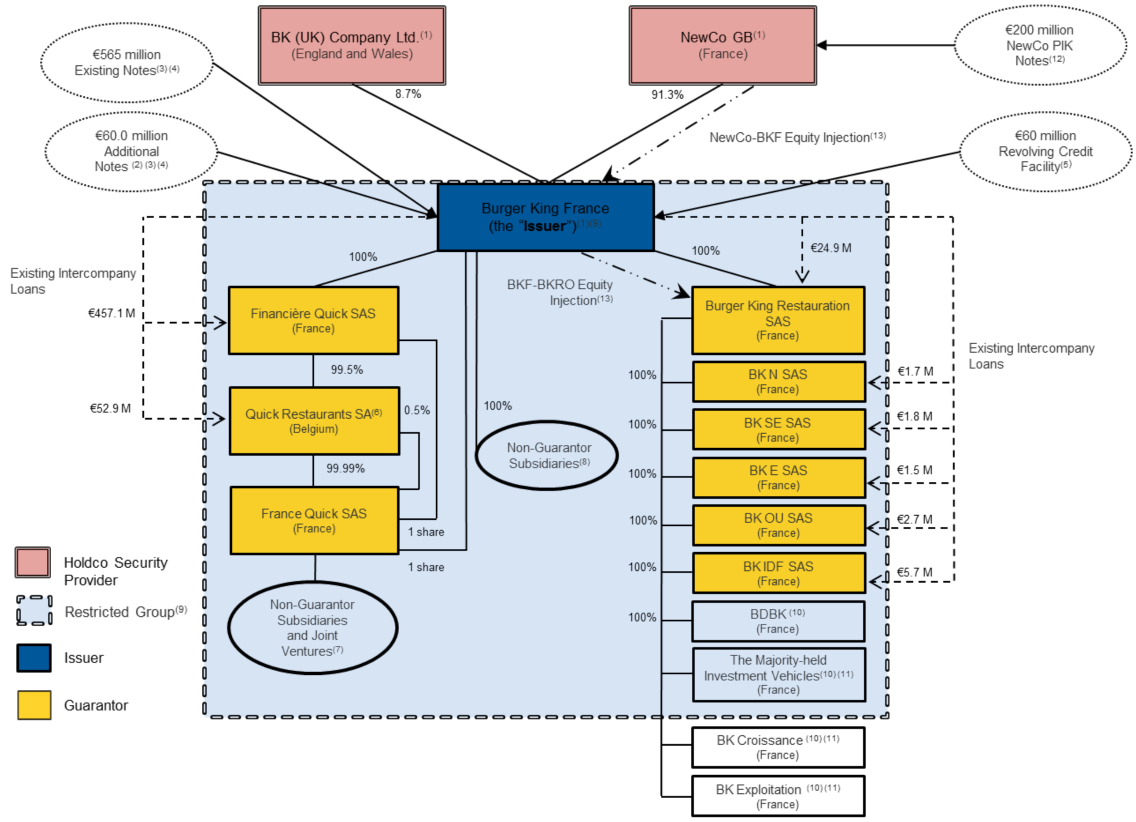
Our Principal Shareholder

As of the date of this Listing Memorandum, the Issuer is indirectly held by BH, the parent company of the Groupe Bertrand entities controlled by Olivier Bertrand, which currently holds 91.31% of the share capital of the Issuer through various entities, and by BK (UK) Company Ltd, a subsidiary of Restaurant Brands International, Inc., which directly holds the remaining 8.69% of the share capital of the Issuer.

Established in 1997, Groupe Bertrand specializes in the restaurant industry in France and is active across several segments of the commercial restaurant sector. Groupe Bertrand is also a shareholder of Groupe Flo, which operates several well-known restaurant chains throughout France including Angelina, Brasserie Lipp, Le Procope and Au Pied de Cochon, as well as several established brasseries in major cities in France. For more information, see "*Principal Shareholders and Related Party Transactions*".

SUMMARY CORPORATE AND FINANCING STRUCTURE

The chart below depicts a summary of our corporate and financing structure after giving effect to the Transactions. For more information, see "*Use of Proceeds*," "*Capitalization*" and "*Principal Shareholders and Related Party Transactions*". For a summary of the material financing arrangements identified in this diagram, see "*Description of Certain Financing Arrangements*" and "*Description of the Notes*".



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(1) The Issuer is 100% owned by its parent entities, NewCo GB (91.3%) and BK (UK) Company Ltd (8.7%). BK (UK) Company Ltd is a subsidiary of Restaurant Brands International, the owner of the Burger King brand. NewCo GB is an indirect subsidiary of Groupe Bertrand, which is active across several segments of the commercial restaurant sector and is the issuer of the NewCo PIK Notes which were offered simultaneously with the Temporary Notes. See "*The Transactions*" and "*Principal Shareholders and Related Party Transactions*".

(2) On the BDBK Acquisition Completion Date, the Issuer issued the Additional Notes under the Indenture. The Additional Notes have the same terms as the Existing Floating Rate Notes and constitute a single class of debt securities with the Existing Floating Rate Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. See "*Description of the Notes*".

(3) The Issuer's obligations under the Indenture are secured by the Collateral on a first-ranking basis. The Collateral includes a first-ranking pledge over the shares of the Issuer and certain other assets of the Issuer and the Guarantors as described under "*The Offering—Collateral*". The Collateral also secures the Revolving Credit Facility Agreement on a super senior basis pursuant to the Intercreditor Agreement. In the event of enforcement of the security interests over the Collateral or certain distressed sales, lenders under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) are entitled to be repaid with the proceeds from enforcement or such distressed sale in priority to the Notes. The Guarantees and the security interests in the Collateral are subject to contractual and legal limitations that may materially limit their enforceability, and the Guarantees may be released under certain circumstances. The Collateral secures the Additional Notes and the Guarantees thereof on a first-priority basis.

(4) The Existing Notes are guaranteed on a senior basis by Burger King Restauration, BK N SAS, BK SE SAS, BK E SAS, BK OU SAS, BK IDF SAS, Financière Quick SAS, France Quick SAS and Quick Restaurants SA (herein referred to and previously defined as the "**Guarantors**") on a joint and several basis. For the nine months ended September 30, 2017, the Issuer and the Guarantors generated 70.5% of our consolidated EBITDA after the elimination of the effect of subsidiaries generating negative EBITDA and, as at September 30, 2017 the Issuer and the Guarantors held 77.4% of our consolidated total assets including goodwill, and in each case net of intercompany eliminations. For the nine months ended September 30, 2017, the non-Guarantor subsidiaries generated 29.5% of our consolidated EBITDA after the elimination of the effect of

subsidiaries generating negative EBITDA, and, as at September 30, 2017, held 22.6% of our consolidated total assets including goodwill, and in each case net of intercompany eliminations. The Guarantees are subject to certain limitations pursuant to French and Belgian law and can be released in certain circumstances. See "*Risk Factors—Risks Related to the Notes, Guarantees and Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*".

(5) The Revolving Credit Facility is available for drawing in an amount of €60 million to the Issuer, the Guarantors and certain other subsidiaries of the Issuer that may become borrowers under the Revolving Credit Facility, for general corporate and working capital purposes. The Revolving Credit Facility is guaranteed by the Issuer and the Guarantors. The Revolving Credit Facility is secured by the same collateral that secures the Existing Fixed Rate Notes and the Existing Floating Rate Notes. See "*Description of Certain Financing Arrangements—Revolving Credit Facility—Security*". Pursuant to the Intercreditor Agreement, lenders under the Revolving Credit Facility as well as certain hedging counterparties receive proceeds from the enforcement of the Collateral in priority to the holders of the Notes. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" for more information. The Revolving Credit Facility was undrawn on the BDBK Acquisition Completion Date.

(6) The Indenture and the Revolving Credit Facility Agreement permit us to undertake a corporate reorganization pursuant to which: (i) Quick Restaurants SA may be merged with and into Financière Quick SAS; and (ii) Financière Quick SAS may be merged with and into the Issuer in order to simplify the overall corporate structure of the Group. Following the reorganization described in (i) above, Financière Quick SAS will be the direct 100% holder of France Quick SAS and 100% of the shares of France Quick SAS will be pledged by Financière Quick as collateral securing the Notes and the Revolving Credit Facility. Following the reorganization described in (ii) above, the Issuer will be the direct 100% holder of France Quick SAS and 100% of the shares of France Quick SAS will be pledged by the Issuer as collateral securing the Notes and the Revolving Credit Facility. See "*Description of the Notes—Certain Definitions*".

(7) France Quick SAS is a holding entity that holds majority interests in a number of non-guarantor operating entity subsidiaries and also is a partner in a number of joint ventures with Auchan.

(8) The Issuer is the 100% owner of two non-guarantor subsidiaries, which are engaged in services and construction for the Group, as well as a non-guarantor subsidiary holding entity and a non-guarantor subsidiary operating entity.

(9) The entities in the "Restricted Group" are subject to the covenants in the Indenture and the Revolving Credit Facility Agreement.

(10) On the BDBK Acquisition Completion Date, BKRO acquired all of the outstanding securities of BDBK from the BDBK Seller. On the Investment Vehicle Acquisition Completion Date, BKRO will acquire the shares sold by each of the Investment Vehicle Sellers in the Investment Vehicles.

(11) The Majority-Held Investment Vehicles are majority-held by the Investment Vehicle Sellers and as a result, BKRO will hold a majority of the share capital of the Majority-Held Investment Vehicles on the Investment Vehicle Acquisition Completion Date. As a consequence, the Majority-Held Investment Vehicles will be a part of the Restricted Group for both the Notes and the NewCo PIK Notes. The Investment Vehicle Sellers hold minority stakes in BK Croissance and BK Exploitation and as a result, BKRO will hold a minority of the share capital in these entities on the Investment Vehicle Acquisition Completion Date. As a consequence, these entities will not be a part of the Restricted Group for both the Notes and the NewCo PIK Notes. Upon completion of the Investment Vehicle Acquisitions, the Issuer will be deemed to have control over all of the Investment Vehicles (including the Investment Vehicles that are not Majority-Held Investment Vehicles) and, as a result, the Issuer intends to consolidate the Investment Vehicles into its financial statements on a going-forward basis in accordance with IFRS. See "*Summary—The Transactions—The Acquisitions*".

(12) €200.0 million aggregate principal amount of 8.00% / 8.75% senior PIK toggle notes due 2022 were issued by NewCo GB on the Temporary Notes Issue Date. On the BDBK Acquisition Completion Date, NewCo GB used the gross proceeds from the issuance of the NewCo PIK Notes to (i) finance the NewCo-BKF Equity Injection, (ii) refinance NewCo GB's outstanding indebtedness and (iii) pay certain estimated costs, fees and expenses incurred in connection with the Transactions. See "*Summary—The Transactions—The Financing*".

(13) On the BDBK Acquisition Completion Date, the Issuer used the gross proceeds from the Offering, along with the proceeds from the NewCo-BKF Equity Injection to finance the BKF-BKRO Equity Injection and to pay certain estimated costs, fees and expenses in connection with the Offering. The remainder of the proceeds of the Offering were held by the Issuer for general corporate purposes. BKRO, in turn, (i) used approximately €79.7 million of the proceeds from the BKF-BKRO Equity Injection to pay the BDBK Acquisition Price and (ii) used approximately €10.2 million of the proceeds from the BKF-BKRO Equity Injection to extend the BDBK Intercompany Loan. BDBK used the proceeds from the BDBK Intercompany Loan to repay certain of its indebtedness. BKRO will, on the Investment Vehicle Acquisition Completion Date, use approximately €3.0 million of the remaining proceeds from the BKF-BKRO Equity Injection to pay the Investment Vehicle Acquisition Price. BKRO will use the remaining proceeds from the BKF-BKRO Equity Injection to pay certain estimated costs, fees and expenses incurred in connection with the Acquisitions.

THE OFFERING

The following is a brief summary of certain terms of the Offering, the Indenture, the Additional Notes, the Guarantees and the Collateral. It may not contain all the information that is important to you. For additional information regarding the Additional Notes and the Existing Notes, see "*Description of the Notes*". See also "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

Issuer......................................	Burger King France
Notes Offered	€60.0 million aggregate principal amount of additional floating rate senior secured notes due 2023 (the "**Additional Notes**") issued by the Issuer under the Indenture. The Additional Notes have the same terms and conditions as the Existing Floating Rate Notes and constitute a single class of debt securities with the Existing Floating Rate Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The Additional Notes are fungible with the Existing Floating Rate Notes held in book-entry form as part of the Existing Regulation S Global Note. The Additional Notes issued in exchange for Temporary Notes sold pursuant to Rule 144A are fungible with the Existing Floating Rate Notes held in book-entry form as part of the Existing Floating Rate Rule 144A Global Note. Transfers between Regulation S and Rule 144A book-entry interests will be subject to "*Notice to Investors".*
Additional Notes Issue Date	December 21, 2017
Issue Price	The Temporary Notes were issued at a price of 101.75%, plus an amount equal to the accrued and unpaid interest on the Temporary Notes from, and including, November 2, 2017 to, but excluding, the Temporary Notes Issue Date. Purchasers of the Temporary Notes were required to pay accrued interest totaling €6.85 per €1,000 principal amount of Temporary Notes, from, and including, November 2, 2017 to, but excluding, the Temporary Notes Issue Date. The Temporary Notes were mandatorily exchanged for Additional Notes issued on the Additional Notes Issue Date.
Maturity Date	May 1, 2023
Interest Rate	Three-month EURIBOR (subject to a 0% floor) plus 525 basis points per annum, reset quarterly.
Interest Payment Dates	Quarterly in arrears on each February 1, May 1, August 1 and November 1. Interest on the Additional Notes will be deemed to have accrued from the most recent interest payment date for the Existing Floating Rate Notes.
Denominations	The Issuer issued the Additional Notes in global form in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof, maintained in book-entry form. Additional Notes in denominations of less than €100,000 are not available.

Ranking of the Additional Notes................................. The Additional Notes:

- are general senior secured obligations of the Issuer;
- rank equal in right of payment to all of the Issuer's existing and future senior indebtedness;
- rank senior to all of the Issuer's future indebtedness that is subordinated in right of payment to the Notes;
- are guaranteed on a senior basis by the Guarantors;
- are secured by the Collateral and effectively subordinated to any existing or future indebtedness of the Issuer that is secured by property or assets of the Issuer that do not secure the Notes, to the extent of the value of such property or assets; and
- are structurally subordinated to all obligations of the Issuer's subsidiaries that do not guarantee the Notes.

Collateral.............................. The Additional Notes and the Guarantees thereof, issued on the BDBK Acquisition Completion Date, were secured on a first-priority basis by security interests over the following properties and assets of the Issuer, the Guarantors and the Holdco Security Providers:

- the financial securities accounts to which the shares of the Issuer owned by each of the Holdco Security Providers are credited, together constituting all of the outstanding shares of the Issuer;
- the respective financial securities accounts to which the shares owned by the Issuer in each of its direct Subsidiaries are credited, in each case constituting all of the outstanding shares of each such subsidiary;
- the financial securities accounts to which the one share owned by the Issuer in France Quick is credited;
- the respective financial securities accounts to which the shares owned by Burger King Restauration in each of its direct Subsidiaries are credited, in each case, constituting all of the outstanding shares of each such subsidiary;
- the shares owned by Financière Quick SAS in Quick Restaurants SA, constituting all of the outstanding shares of Quick Restaurants SA, other than the one share owned by France Quick;
- the financial securities account to which the one share in France Quick owned by Financière Quick SAS is credited;

- the financial securities account to which the shares owned by Quick Restaurants SA in France Quick are credited, constituting all of the outstanding shares of France Quick, other than the one share owned by Financière Quick SAS and the one share own by the Issuer;

- the one share in Quick Restaurants SA owned by France Quick;

- the respective financial securities accounts to which the shares owned by France Quick in most of its direct material operating subsidiaries are credited, in each case, constituting all of the outstanding shares of each such subsidiary;

- the bank accounts of the Issuer and each Guarantor;

- all intragroup receivables owed to the Issuer and each Guarantor;

- all receivables due to the Issuer by BH pursuant to the BH Cash Management Agreement;

- all material registered trademarks and trademark applications owned by Quick Restaurants SA; and

- all receivables owned by France Quick against franchisees operating under the Quick brand.

In addition, BH has granted for the benefit of the Issuer only a bank account pledge over the dedicated accounts on which all funds advanced to BH by the Issuer pursuant to the BH Cash Management Agreement (and all proceeds thereof) will be credited from time to time.

Such assets and rights listed above are collectively referred to as the "**Collateral**".

The Collateral secures the Existing Notes on a *pari passu* basis and the Revolving Credit Facility on a super senior basis pursuant to the Intercreditor Agreement. In the event of enforcement of the security interests over the Collateral or certain distressed sales, lenders under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) will be entitled to be repaid with the proceeds from enforcement or such distressed sale in priority to the Notes. The Guarantees and the security interests in the Collateral will be subject to contractual and legal limitations that may materially limit their enforceability, and the Guarantees may be released under certain circumstances. See "*Risk Factors—Risks related to the Notes, the Guarantees and the Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*".

Guarantors/Guarantee .... The Additional Notes are fully and unconditionally guaranteed by the following subsidiaries of the Issuer: Burger King Restauration, BK N SAS, BK SE SAS, BK E SAS, BK OU SAS, BK IDF SAS, Financière Quick SAS, France Quick SAS and Quick Restaurants SA.

Ranking of the Guarantees .	The Guarantees of the Guarantors of the Additional Notes: • are general senior secured obligations of such Guarantor; • rank equal in right of payment to all of such Guarantor's existing and future senior indebtedness; • rank senior to all of such Guarantor's future indebtedness that is subordinated in right of payment its Guarantee; and • are secured by the Collateral and effectively subordinated to any existing or future indebtedness of such Guarantor that is secured by property or assets of such Guarantor that do not secure its Guarantee, to the extent of the value of such property or assets. The Guarantees are subject to release under certain circumstances. See "*Description of the Notes—The Note Guarantees—Release of the Guarantees*".
Intercreditor Agreement	The Issuer, the Guarantors, the Trustee, the Security Agent and the facility agent under the Revolving Credit Facility Agreement have entered into an Intercreditor Agreement to establish the relative rights, and the relative payment priorities, of their entitlement and certain other matters relating to the administration of security interests.
Optional Redemption	Prior to May 1, 2018, the Issuer may redeem all or a portion of the Floating Rate Notes at a redemption price equal to 100% of the principal amount of the Floating Rate Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date plus a "make-whole" premium as described under "*Description of the Notes—Optional Redemption*". At any time on or after May 1, 2018, the Issuer may redeem all or a portion of the Floating Rate Notes at the redemption prices set forth in this Listing Memorandum.
Change of Control	Upon the occurrence of certain events constituting a change of control, each holder of the Notes may require the Issuer to repurchase all or a portion of its Notes at 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any. See "*Description of the Notes—Purchase of Notes Upon a Change of Control*".
Additional Amounts	Any payments made with respect to the Notes will be made without withholding or deduction for taxes in any relevant taxing jurisdiction unless required by law. If withholding or deduction for such taxes is required to be made with respect to a payment under the Notes, subject to certain exceptions, we will pay the additional amounts necessary so that the net amount received by the holders of Notes after the withholding is not less than the amount that they would have received in the absence of the withholding. See "*Description of the Notes—Additional Amounts".*

Tax Redemption	The Issuer may also redeem all of the Notes upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the amount of the Notes, plus accrued and unpaid interest and additional amounts, if any. See "*Description of the Notes—Optional Redemption—Tax Redemption*".
Certain Covenants	The Indenture restricts the ability of the Issuer and the Restricted Subsidiaries to: • incur or guarantee additional indebtedness and issue certain preferred stock; • pay dividends, redeem capital stock and make certain investments; • make certain other restricted payments; • make certain asset sales; • create or permit to exist certain liens; • impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to us; • merge or consolidate with other entities; and • enter into certain transactions with affiliates.
Transfer Restrictions	None of the Notes have been, and none will be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Notes are, or will be, subject to restrictions on transfer and may only be offered or sold in the United States in compliance with Rule 144A under the U.S. Securities Act and outside the United States in reliance on Regulation S under the U.S. Securities Act. See "*Transfer Restrictions*" and "*Plan of Distribution*".
Listing and Trading	The Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market.
Trustee	Citibank, N.A., London Branch.
Calculation Agent	Citibank, N.A., London Branch.
Paying Agent	Citibank, N.A., London Branch.
Security Agent	BNP Paribas.
Registrar	Citibank, N.A., London Branch.
Listing Agent	Banque Internationale à Luxembourg SA.

Use of Proceeds	On the BDBK Acquisition Completion Date, the Issuer used the gross proceeds from the Offering, along with the proceeds from the NewCo-BKF Equity Injection to finance the BKF-BKRO Equity Injection and to pay certain estimated costs, fees and expenses in connection with the Offering. The remainder of the proceeds of the Offering will be held by the Issuer for general corporate purposes. BKRO, in turn, (i) used approximately €79.7 million of the proceeds from the BKF-BKRO Equity Injection to pay the BDBK Acquisition Price and (ii) used approximately €10.2 million of the proceeds from the BKF-BKRO Equity Injection to extend the BDBK Intercompany Loan. BDBK used the proceeds from the BDBK Intercompany Loan to repay certain of its indebtedness. BKRO will, on the Investment Vehicle Acquisition Completion Date, use approximately €3.0 million of the remaining proceeds from the BKF-BKRO Equity Injection to pay the purchase price for the Investment Vehicle Acquisitions. BKRO used the remaining proceeds from the BKF-BKRO Equity Injection to pay certain estimated costs, fees and expenses incurred in connection with the Acquisitions. See "*Use of Proceeds*".
Certain United States Federal Income Tax Considerations	For a discussion of certain United States federal income tax consequences of an investment in the Notes, see "*Certain U.S. Federal Income Tax Considerations*". You should consult your own tax advisor to determine the United States federal, state, local and other tax consequences of an investment in the Notes.
Governing Law of the Additional Notes, the Existing Notes, the related Guarantees and the Indenture	New York.
Governing Law of the Security Documents	France and Belgium.
Governing Law of the Intercreditor Agreement	England and Wales.
Risk Factors	Investing in the Notes involves substantial risks. You should consider carefully all the information in this Listing Memorandum and, in particular, you should evaluate the specific risk factors set forth in the "*Risk Factors*" section in this Listing Memorandum before making a decision whether to invest in the Notes.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

Overview

The following tables present summary historical consolidated and *pro forma* financial information for the Issuer and other data for the Issuer and Financière Quick, its predecessor, as of and for each of the years ended December 31, 2014, 2015 and 2016 and for the nine months ended September 30, 2017 and 2016. The Issuer was established in October 2013 as a *société par actions simplifiée* under the laws of France in order to develop the Burger King brand in France, carry out the activities contemplated by the Master Franchise Agreement and serve as the Group's holding company. For the years ended December 31, 2014 and 2015, the Issuer prepared its consolidated financial statements in accordance with French GAAP. The Issuer had limited activities in 2014. Following the Quick Acquisition in December 2015, the Issuer adopted IFRS for the preparation of its consolidated financial statements as of and for the year ended December 31, 2016 in order to provide accounting and financial data that is more comparable to financial information published by its peers.

As regards the Issuer:

- The summary unaudited interim condensed consolidated financial information as of and for the nine months ended September 30, 2017 and other financial data presented in the tables below has been derived from the BKF Interim Financial Statements, a free English translation of which is included elsewhere in this Listing Memorandum;

- The summary historical consolidated financial information as of and for the year ended December 31, 2016 and other financial data presented in the tables below has been derived from the BKF 2016 IFRS Financial Statements, a free English translation of which is included elsewhere in this Listing Memorandum.

- The summary *pro forma* financial information for the year ended December 31, 2015 has been derived from note 12 to the BKF 2016 IFRS Financial Statements.

- The summary historical consolidated financial information as of and for the year ended December 31, 2015 and other financial data presented in the tables below has been derived from the BKF 2015/2014 French GAAP Financial Statements, a free English translation of which is included elsewhere in this Listing Memorandum.

As regards Financière Quick, its predecessor:

- The summary historical consolidated financial information as of and for the year ended December 31, 2015 and other financial data presented in the tables below has been derived from the Quick 2015/2014 IFRS Financial Statements, a free English translation of which is included elsewhere in this Listing Memorandum.

- The summary historical consolidated financial information as of and for the year ended December 31, 2014 and other financial data presented in the tables below has been derived from the Quick 2015/2014 IFRS Financial Statements, a free English translation of which is included elsewhere in this Listing Memorandum.

As a result of the adoption of IFRS, the Issuer's consolidated financial statements as of and for the year ended December 31, 2016 prepared in accordance with IFRS are not comparable to the Issuer's consolidated financial statements as of and for the year ended December 31, 2015 prepared in accordance with French GAAP. In addition, as a result of the Quick Acquisition, the Issuer's consolidated financial statements as of and for the year ended December 31, 2016 are not comparable to the Financière Quick consolidated financial statements as of and for the years ended December 31, 2015 and 2014, primarily because of the above-mentioned differences.

The *pro forma* consolidated income statement for the year ended December 31, 2015 derived from note 12 to the BKF 2016 IFRS Financial Statements has been prepared on a *pro forma* basis as though the Quick Acquisition and the reclassification with respect to the Belux Divestment had occurred, in each case, on January 1, 2015 (the "**BKF 2015 *Pro Forma* Financial Information**"). The BKF 2015 *Pro Forma* Financial Information may not be representative of what would have been the Group's actual results of operations had the Quick Acquisition and Belux Divestment occurred on the dates assumed and it may not be indicative of our future performance. The following section contains non-IFRS and non-GAAP measures that are not required by, or presented in accordance with French GAAP or IFRS or any other generally accepted accounting standards. We have included these measures because management uses them to measure operating performance in presentations to our directors and as a basis for strategic planning and forecasting, as well as in monitoring, as relevant, certain aspects of our operating cash flows, liquidity and business performance. See "*Presentation of Financial and Other Information—Non-IFRS and non-GAAP measures*".

The unaudited consolidated income statement and the other financial information presented for the twelve months ended September 30, 2017 have been derived by subtracting from the financial information of the Issuer as of and for the year ended December 31, 2016 the financial information from the Issuer's unaudited condensed interim consolidated financial statements as of and for the nine months ended September 30, 2016, and adding the financial information from the Issuer's unaudited condensed interim consolidated financial statements as of and for the nine months ended September 30, 2017. The unaudited consolidated income statement and the other financial information presented for the twelve months ended September 30, 2017 have been prepared for illustrative purposes only and are not necessarily representative of our results of operations for any future period or our financial condition at any future date. This data has been prepared solely for the purpose of this Listing Memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed.

This section should be read in conjunction with the financial statements included elsewhere in this Listing Memorandum as well as the disclosures provided under "*Presentation of Financial and Other Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented*" and "*Risk Factors—Risks related to our presentation of financial and other information*".

Consolidated Income Statement Data

The following table sets forth (i) the consolidated results of operations of the Issuer for the year ended December 31, 2015 prepared on a *pro forma* basis as though the Quick Acquisition had occurred on January 1, 2015 and as though the Belux Divestment operations had been reclassified as "discontinued operations" as of January 1, 2015, (ii) the historical consolidated income statement of the Issuer for the year ended December 31, 2016, derived from the BKF 2016 IFRS Financial Statements, (iii) the historical unaudited interim condensed consolidated result of operations of the Issuer for the nine months ended September 30, 2017, derived from the BKF Interim Financial Statements and (iv) the consolidated result of operations of the Issuer for the twelve months ended September 30, 2017, derived by subtracting from the result of operations of the Issuer for the year ended December 31, 2016, the result of operations of the Issuer for the nine months ended September 30, 2016, and adding the result of operations for the nine months ended September 30, 2017. See "*Presentation of Financial and Other Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	Burger King France				
	For the year ended December 31,		For the nine months ended September 30,		For the twelve months ended September 30, 2017
	2015 (*pro forma*)	2016	2016	2017	
	(€ in millions)				
Sales and franchise revenues	**555.9**	**578.3**	**426.8**	**443.6**	**595.1**
Cost of sales	(325.2)	(333.6)	(248.5)	(241.7)	(326.8)
Gross profit	**230.7**	**244.8**	**178.3**	**201.9**	**268.4**
Operating and occupancy costs (excluding depreciation and amortization)	(92.8)	(97.3)	(74.4)	(75.6)	(98.4)
Depreciation and amortization (restaurants)	(31.2)	(30.8)	(23.8)	(22.7)	(29.7)
Profit from operations	**106.7**	**116.7**	**80.1**	**103.6**	**140.2**
Selling costs	(48.1)	(47.6)	(37.0)	(37.0)	(47.5)
BK brand royalties	(3.5)	(8.3)	(5.3)	(11.7)	(14.7)
Pre-opening costs	(5.0)	(3.3)	(2.4)	(1.5)	(2.4)
Other operating income and expenses	(0.2)	7.5	3.6	7.6	11.5
Gross operating profit of restaurants	**49.9**	**65.1**	**38.9**	**61.0**	**87.1**
General and administrative costs (excluding depreciation and amortization)	(42.9)	(49.5)	(33.3)	(33.5)	(49.7)
Depreciation and amortization (corporate center)	(3.5)	(3.2)	(2.4)	(2.3)	(3.0)
Other corporate income and expenses	17.3	15.9	11.8	11.2	15.4
Operating profit before non-recurring items (EBIT)	**20.8**	**28.4**	**15.0**	**36.4**	**49.8**
Other non-recurring income and expenses	(166.3)	(15.2)	(4.5)	(18.1)	(28.8)
Operating profit/(loss) after non-recurring items	**(145.5)**	**13.2**	**10.5**	**18.3**	**21.0**
Net financial income/(expense)	(36.4)	(30.8)	(28.3)	(36.6)	(39.2)
Profit/(loss) before tax	**(181.9)**	**(17.7)**	**(17.8)**	**(18.3)**	**(18.2)**
Income tax	(5.4)	(8.3)	(7.7)	(4.3)	(8.7)
Income from assets held for sale and discontinued operations	12.3	4.9	4.9	—	—
Net profit/(loss) for the period	**(175.1)**	**(21.1)**	**(20.6)**	**(22.6)**	**(26.9)**

Consolidated Statement of Financial Position Data

	Burger King France		
	As of December 31,		As of September 30,
	2015	2016	2017
	(€ in millions)		
Goodwill	211.7	159.7	165.5
Intangible assets	253.9	215.3	214.1
Property, plant and equipment	228.6	211.1	240.2
Investment in associates	1.1	—	—
Financial receivables and other non-current assets	11.3	11.5	11.7
Deferred tax assets	2.4	2.0	1.9
Non-current assets	**709.0**	**599.6**	**633.4**
Inventories	13.1	11.8	11.5
Trade receivables	42.4	42.4	53.7
Current tax assets	1.7	2.9	5.8
Tax receivables excluding income tax	14.0	31.9	25.9
Financial receivables and other current assets	28.8	26.0	11.9
Other financial receivables	—	9.4	9.4
Cash and cash equivalents	177.2	161.1	129.9
Current assets	**277.2**	**285.5**	**248.2**
Total assets	**986.3**	**885.1**	**881.6**
Share capital	—	—	—
Share premiums	163.3	163.3	163.3
Retained earnings (including net profit for the period)	(9.8)	(38.1)	(61.6)
Attributable to non-controlling interests	12.1	12.8	—
Total equity	**165.7**	**138.1**	**101.7**
Non-current provisions	8.3	11.0	9.9
Financial liabilities	542.7	531.9	562.4
Other financial liabilities	—	—	14.9
Other non-current liabilities	6.4	5.8	5.2
Deferred tax liabilities	11.7	11.9	10.3
Non-current liabilities	**569.0**	**560.6**	**602.7**
Financial liabilities	104.4	11.3	17.5
Trade payables	86.0	101.2	88.6
Current tax liabilities	2.8	9.1	9.4
Other tax liabilities	13.7	17.1	17.1
Employees and social security liabilities	30.3	32.1	31.1
Other current liabilities	14.4	15.7	13.5
Current liabilities	**251.5**	**186.5**	**177.1**
Total equity and liabilities	**986.3**	**885.1**	**881.6**

Consolidated Cash Flow Data

	For the year ended December 31,		For the nine months ended September 30,		For the twelve months ended September 30, 2017
	2015	2016	2016	2017	
	(€ in millions)				
Cash generated by operating activities	9.6	82.7	40.6	33.2	75.3
Cash generated/(used) by investment activities	(6.8)	42.4	87.9	(65.0)	(110.5)
Cash generated/(used) by financing activities	138.3	(141.5)	(127.5)	0.9	(13.1)
Change in cash and cash equivalents	**141.1**	**(16.4)**	**1.0**	**(30.9)**	**(48.3)**

Other Financial Data including *pro forma* and as adjusted data

	Burger King France				
	As of and for the year ended December 31,		As of and for the nine months ended September 30,		As of and for the twelve months ended September 30, 2017
	2015 (*pro forma*)[(1)]	2016	2016	2017	
	(€ in millions, except percentages and ratios)				
Sales and franchise revenues	555.9	578.3	426.8	443.6	595.1
Of which Company Restaurant revenue	*304.5*	*331.9*	*242.9*	*252.2*	*341.1*
Of which Franchise revenue	*77.8*	*83.4*	*59.6*	*80.0*	*103.8*
Of which Other revenue	*173.7*	*163.1*	*124.3*	*111.4*	*150.2*
Franchise revenue as a percentage of Franchise SWS	13.4%	12.8%	12.7%	14.3%	14.0%
EBITDA[(2)]	55.5	62.4	41.2	61.4	82.6
Adjusted EBITDA[(3)]	60.5	65.7	43.6	62.9	85.0
Adjusted EBITDA margin[(4)]	10.9%	11.4%	10.2%	14.2%	14.3%
Adjusted Run-Rate EBITDA[(5)]					101.2
Pro forma Adjusted Run-Rate EBITDA[(6)]					111.5
Capital expenditures[(7)]	57.8	71.1	27.6	69.5	113.0
Of which capital expenditures dedicated for new restaurant openings	*30.2*	*24.0*	*13.2*	*15.4*	*26.2*
Of which capital expenditures for restaurant conversions	—	*36.0*	*4.4*	*43.3*	*74.9*
Of which maintenance capital expenditures	*16.5*	*4.4*	*3.9*	*1.9*	*2.4*
Of which other capital expenditures	*11.1*	*6.8*	*6.1*	*9.0*	*9.6*
As adjusted net debt[(8)]					499.0
As adjusted cash[(9)]					139.6
As adjusted financial expense[(10)]					(38.7)
Ratio of as adjusted net debt[(8)] to *Pro forma* Adjusted Run-rate EBITDA[(6)]					4.48x
Ratio of *Pro forma* Adjusted Run-rate EBITDA[(6)] to as adjusted financial expense[(10)]					2.9x

(1) Prepared on a *pro forma* basis as though the Quick Acquisition had occurred on January 1, 2015 and as though the Belux Divestment operations had been reclassified as "discontinued operations" as of January 1, 2015. See "*Presentation of Financial and Other Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Financial Information Presented*" for more information.

(2) "**EBITDA**" is defined as net profit/(loss) for the period, excluding the results of discontinued operations, before income tax expenses, net financial income/(expenses), other income/(expenses) from non-recurring items, headquarters depreciation and amortization and restaurants depreciation and amortization. See "*Presentation of Financial and Other Information—Non-GAAP and Non-IFRS Financial Measures*". The "other income/(expenses) from non-recurring items" are described in note 8 to the BKF Interim Financial Statements, an English language translation of which is included elsewhere in this Listing Memorandum. The term "non-recurring" shall not be construed as being used in accordance with the criteria as set forth in Item 10(c) of Regulation S-K under the U.S. Securities Exchange Act.

The following table presents a reconciliation of net loss for the period to EBITDA:

	For the year ended December 31,		For the nine months ended September 30,		For the twelve months ended September 30, 2017
	2015 (*pro forma*)	2016	2016	2017	
	(€ in millions)				
Net loss for the period	(175.1)	(21.1)	(16.8)	(22.6)	(26.9)
(−) Income from assets held for sale and discontinued operations	(12.2)	(4.9)	(4.9)	—	—
(−) Income tax	5.4	8.3	4.0	4.3	8.6
(−) Net financial income/(expense)	36.4	30.8	28.3	36.6	39.1
(−) Other non-recurring income and expenses	166.3	15.2	4.5	18.1	28.8
(−) Depreciation and amortization (corporate center)	3.5	3.2	2.4	2.3	3.1
(−) Depreciation and amortization (restaurants)	31.2	30.8	23.8	22.7	29.7
EBITDA	**55.5**	**62.4**	**41.2**	**61.4**	**82.6**

(3) "**Adjusted EBITDA**" is defined as EBITDA less pre-opening costs. Pre-opening costs refer to costs incurred prior to the opening of a new restaurant, including rent incurred prior to opening, wages of employees in training and food costs incurred for training of new employees. Total pre-opening costs for the twelve months ended September 30, 2017 were €2.4 million.

(4) "**Adjusted EBITDA margin**" is defined as Adjusted EBITDA divided by sales and franchise revenues.

(5) "**Adjusted Run rate EBITDA**" is defined as EBITDA of the Group, minus the EBITDA generated by the Southern Territories Divestment perimeter disposed of in 2016 in an amount of €(0.5) million as described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—*Factors Affecting the Comparability of the Financial Information Presented—Acquisitions and divestments*" and as further adjusted (i) to exclude pre-opening costs incurred prior to the commencement of operations of new Company Restaurants and Franchise with Lease Management Restaurants and (ii) for the full-period effect of Burger King restaurants newly opened, converted or temporarily closed for conversion during the relevant period as if they had been operational during the entire twelve-month period. Neither Adjusted EBITDA nor Adjusted Run-rate EBITDA is a recognized measure of financial performance or liquidity under IFRS. Adjusted EBITDA and Adjusted Run-rate EBITDA are not indicative of our historical operating results, nor are they meant to be predictive of potential future results. See "*Presentation of Financial and Other Information—Non-GAAP and Non-IFRS Financial Measures*".

The table below sets forth our Adjusted Run-rate EBITDA for the twelve months ended September 30, 2017 and a reconciliation of Adjusted Run-rate EBITDA to EBITDA.

	For the twelve months ended September 30, 2017
	(€ in millions)
EBITDA	82.6
Restaurant EBITDA of the 104 restaurants newly opened, converted or under conversion as of September 30, 2017[(a)]	(34.2)
Restaurant EBITDA of definitively closed and disposed restaurants[(b)]	(0.5)
Pre-opening costs[(c)]	2.4
Run-rate adjustment for new and converted restaurants[(d)]	50.9
Adjusted Run-rate EBITDA	**101.2**

We calculate Adjusted Run-rate EBITDA in the following manner:

(a) First, we remove the restaurant EBITDA of 104 new Burger King restaurants, consisting of (i) 79 former Quick restaurants converted into Burger King restaurants during the twelve months ended September 30, 2017; (ii) 25 Burger King restaurants newly-opened during the twelve months ended September 30, 2017 and (iii) 16 Quick restaurants temporarily closed for conversion into Burger King restaurants as of September 30, 2017.

(b) Second, we remove (i) the restaurant EBITDA attributable to the Southern Territories Divestment perimeter disposed in 2016 in the amount of €(0.5) million as described under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented—Acquisitions and divestments*" and (ii) the restaurant EBITDA of restaurants definitively closed or disposed of during the twelve months ended September 30, 2017.

(c) Third, we add back the actual pre-opening costs incurred during the period.

(d) Fourth, we reflect the run-rate adjustment which is calculated as follows: To estimate the sales that would have been generated in the twelve-month period by the 104 restaurants in the sample, we use the ARS of 96 of the 104 new restaurants operational on September 30, 2017 (as eight of them only began operations in September 2017 and their first month is excluded) for the period from the beginning of the first full month of operations as a Burger King restaurant through September 30, 2017, representing an ARS of €4.0 million. We then apply this ARS to the 104 restaurants in the sample. For the 24 Company Restaurants in the sample, we apply to the ARS a cost margin calculated on the basis of the actual restaurant costs of the entire Burger King brand Company Restaurant network for the twelve months ended September 30, 2017 as recorded, except with respect to occupancy costs, for which we apply the actual occupancy costs for each restaurant in the sample. For the 80 Franchise Restaurants in the sample, we apply to the ARS an EBITDA margin based on the underlying franchise arrangement of each business model, *i.e.*, 4.5% royalties for Pure Franchise Restaurants (representing the net amount collected after BK Europe's royalties) and 11.0% royalties and lease and business asset fees for Franchise with Lease Management Restaurants (representing the net amount collected after BK Europe's royalties plus the net amount collected in lease and business asset fees minus 6.0% of sales to represent rent payable to landlords).

See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators—Adjusted Run-rate EBITDA*" for a sensitivity analysis of the calculation of Adjusted Run-rate EBITDA with an ARS increase or decrease of €400,000.

Adjusted Run-rate EBITDA is not intended to be a projection, estimate or guarantee of performance regarding Adjusted EBITDA generation for the year ending December 31, 2017 or any other future period which may be affected by definitive closures of Quick restaurants, the phasing out of the novelty effect and the pace of conversions (including the length of temporary closures required for conversion). Moreover, prospective investors should note that the increase in Adjusted EBITDA modeled by Adjusted Run-rate EBITDA for new restaurant openings and conversions may be offset, to a degree that will vary on the circumstances, by a number of factors, including but not limited to, the performance of the Quick network and the loss of logistics services-related EBITDA no longer generated by Quick Franchise Restaurants once they are converted to Burger King (as Burger King's model does not include providing logistics services to franchisees).

Investors should note that EBITDA is not uniformly or legally defined and is not a recognized indicator under IFRS or French GAAP. Other companies in the QSHR category may calculate EBITDA differently, make different adjustments or employ other run-rate estimations, and consequently our presentation of these figures may not be readily comparable to other companies' figures and must be read in conjunction with the discussion of gross margin, operating profit and operating cash flows included elsewhere herein and in our consolidated financial statements. The adjusted run-rate information presented herein is for informational purposes only. This information does not necessarily represent the results we would have achieved had all such newly-opened or converted restaurants been in operation for twelve months ended September 30, 2017. This information is inherently subject to risks and uncertainties and it may not give an accurate or complete picture of our financial condition or results of operations, may not be comparable to our consolidated financial statements or the other financial information included in this listing memorandum and undue reliance should not be placed upon it when evaluating an investment decision. See "*Presentation of Financial and Other Information—Non-GAAP and Non-IFRS Measures*" and "*Risk Factors—Risks related to our presentation* of *financial and other information—The preparation of Adjusted Run-rate EBITDA as presented in this Listing Memorandum includes certain estimates and assumptions which we consider reasonable, but we cannot assure you that we would have achieved such levels of profitability for the twelve months ended September 30, 2017 had all of our Burger King restaurants in operation or under conversion as of September 30, 2017 been in operation during such period and Adjusted Run-rate EBITDA is not a projection of future performance*". See also "*Forward-Looking Statements*" and "*Risk factors—Risks related our business—Our results of operations and growth forecasts depend primarily on our ability to successfully convert existing Quick restaurants to the Burger King brand*".

(6) "***Pro forma* Adjusted Run-Rate EBITDA**" is defined as Adjusted Run-Rate EBITDA plus an estimated €10.3 million of EBITDA generated by the Targets for the twelve months ended September 30, 2017. The EBITDA generated by the Targets for the twelve months ended September 30, 2017 is calculated by aggregating the EBITDA generated by (i) the Investment Vehicles for the nine months ended September 30, 2017 (approximately €2.1 million in EBITDA) and (ii) BDBK for the twelve months ended September 30, 2017 (approximately €8.2 million in EBITDA).

Financial information for the Targets presented herein is derived from preliminary unaudited management accounts provided to the Issuer by the Sellers. This information has not been audited, reviewed or verified, and no procedures have been performed by the Issuer's independent auditors or any other independent accounting firm with respect to the accompanying financial data. Further, the information does not take into account a run-rate analysis of the performance of the restaurants owned by the Targets. *Pro forma* Adjusted Run-Rate EBITDA has not been audited and is not derived from accounts prepared in accordance with IFRS. Further, the EBITDA of the Targets is not directly comparable to the Group's EBITDA. *Pro forma* Adjusted Run-Rate EBITDA is presented for informational purposes only. This information does not purport to represent what the Group's results of operations or other financial information would have been had the Acquisitions occurred on October 1, 2016, or on any other date. This information is inherently subject to risks and uncertainties and undue reliance should not be placed upon it when evaluating an investment decision.

(7) "**Capital expenditures**" is presented net of disposals. For a breakdown and discussion of the various categories of capital expenditures, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Expenditures*".

(8) "**As adjusted net debt**" is defined as total short-term and long-term debt following the Transactions, including bank overdrafts net of as adjusted cash. See "*Use of Proceeds*" and "*Capitalization".*

(9) "**As adjusted cash**" is defined as the cash and cash equivalents on balance sheet after the Transactions. See "*Capitalization*".

(10) "**As adjusted financial expense**" is defined as the financial expense on the Notes and other applicable financial indebtedness for the twelve months ended September 30, 2017, as if the Offering had occurred on October 1, 2016. As adjusted financial expense excludes charges allocated to debt issuance costs.

Other Financial and Operational Data

System-wide sales (SWS)

	For the year ended December 31,		For the nine months ended September 30,		As of and for the twelve months ended September 30, 2017
	2015 *(pro forma)*	2016	2016	2017	
			(€ in millions)		
SWS	883.4	981.8	712.6	810.6	1,079.8
Of which Burger King	105.8	241.8	153.6	365.8	454.0
Of which Company Restaurants	*43.4*	*85.6*	*57.0*	*97.8*	*126.3*
Of which Franchise Restaurants	*62.4*	*156.2*	*96.5*	*268.0*	*327.7*
Of which Quick	777.6	740.1	559.1	444.8	625.8
Of which Company Restaurants	*261.0*	*246.3*	*185.9*	*154.4*	*214.8*
Of which Franchise Restaurants	*516.5*	*493.8*	*373.2*	*290.4*	*411.0*

Total Restaurants

Total restaurants	December 31, 2014 BK	2014 Quick	2015 BK	2015 Quick	2016 BK	2016 Quick (1)	September 30, 2017 BK	2017 Quick (2)
	(number of restaurants)							
France (mainland only)	16	382	42	393	108	347	172	284
Of which Company Restaurants	*4*	*103*	*16*	*111*	*32*	*101*	*42*	*87*
Of which Pure Franchise Restaurants[3]	*12*	*22*	*26*	*25*	*50*	*23*	59	15
Of which Franchise with Lease Management Restaurants[3]	—	*257*	—	*257*	*26*	*223*	71	182
International[4]	—	1	—	8	—	7	—	9
Subtotal		**399**		**443**		**462**		**465**
Belgium[5]	—	91	—	92	—	—	—	—
Luxembourg[5]	—	9	—	9	—	—	—	—
Reunion and New Caledonia[6]	—	12	—	13	—	—	—	—
Total restaurants		**511**		**557**		**462**		**465**

(1) Includes eight restaurants temporarily closed as of December 31, 2016 for conversion into Burger King, of which five were Company restaurants, one was a Pure Franchise Restaurant and two were Franchise with Lease Management Restaurants.

(2) Includes 16 restaurants temporarily closed as of September 30, 2017 for conversion into Burger King, of which three were Company restaurants and 13 were Franchise with Lease Management Restaurants.

(3) Quick has historically had a more heterogeneous mix of franchise arrangements which included variations of pure franchise and franchise with lease management arrangements. For simplification of the presentation, all arrangements with some degree of lease management have been recorded as "Franchise with Lease Management Restaurants" and the remainder has been recorded as "Pure Franchise Restaurants".

(4) Includes Franchise Restaurants in the French departments of Guadeloupe and Martinique, as well as Morocco and Tunisia.

(5) Belgium and Luxembourg had 92 and nine Quick restaurants as of September 1, 2016, respectively, when those operations were sold to QSR Belgium. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Financial Information Presented—Acquisitions and divestments—Belux Divestment*".

(6) Reunion and New Caledonia had eleven and four Quick restaurants as of December 12, 2016, respectively, when those operations were sold to an affiliate of BKC. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Financial Information Presented—Acquisitions and divestments—Southern Territories Divestment*".

Average Restaurant Sales

Average restaurant sales (ARS)[1]	Year ended December 31, 2014	2015	2016	As of and for the twelve months ended September 30, 2017
	(€ in thousands)			
Burger King	4,078	4,396	3,979	3,596
Quick (mainland France only)	2,075	1,931	1,873	1,950

(1) ARS refers to the average trailing twelve-month sales (excluding VAT) recorded per restaurant for the given brand calculated by (i) adding all sales generated for the restaurant sample, but excluding the month in which the opening of any restaurant occurred (as applicable); (ii) dividing by the number of restaurant months to attain the ARS per month; and (iii) multiplying the ARS per month by 12 to annualize it. ARS is largely driven by footfall, which is in turn generated by a variety of factors, including but not limited to, location of the restaurants, product attractiveness, brand equity, consumer preferences, societal trends, general economic conditions, consumer sentiment, weather, opening hours, marketing, digital presence and promotional activity and limited time offers. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations*".

RISK FACTORS

An investment in the Additional Notes involves a high degree of risk. You should read and carefully consider the risks described below and the other information contained in this Listing Memorandum before making an investment in the Additional Notes. Any of the following risks could materially and adversely affect our business, financial condition or results of operations and this, in turn, could adversely affect our ability to repay the Additional Notes and cause you to lose all or part of your original investment.

The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition or results of operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer.

This Listing Memorandum includes forward-looking statements that involve risks and uncertainties and our actual results may differ substantially from those discussed in these forward-looking statements. See "Forward-Looking Statements".

Risks related to our business

We operate in a highly competitive industry, and our business and financial results may be adversely affected by actions of our competitors and our failure to respond to competitive pressures.

The restaurant industry in France is highly competitive. We compete primarily with other well-established international fast food restaurant chains and franchises (such as McDonald's, our main competitor with a dominant market share), as well as other regional and local QSR restaurants on the basis of product choice, quality, affordability, service, location and the nature and condition of the restaurants in our network.

The restaurant industry has few barriers to entry for opening one or numerous points of sale and therefore new competitors may emerge at any time. We may lose market share to well-established companies such as McDonald's. Other international and national QSR chains such as KFC and Subway may also take market share as they expand in France, and new chains may enter the market. We also compete with QSR restaurants that focus on sandwiches or offer alternative menus, such as Paul, Brioche Dorée, Exki and Prêt à Manger as well as "fast casual" restaurants. Lastly, we also compete with certain segments of the food industry, such as convenience stores, delicatessens and prepared food counters in grocery stores as well as online food ordering services such as Deliveroo and Foodora.

Our ability to compete depends on our ability to expand our network and modernize and refurbish certain of our existing restaurants, develop and roll-out new products and product line extensions, effectively respond to consumer preferences, manage the complexity of our restaurant operations and franchisee network as well as the impact of our competitors' actions, and maintain our customer's perception of the quality and value of our products.

The Burger King brand is a relatively new brand following its return to France in 2012 compared to our main competitor, McDonald's, which has been present in France longer and has a more established market presence, including three times as many restaurants and substantially greater financial resources than we do. See "*—Our main competitor has a substantially larger network than we do, and therefore we may be at a disadvantage in competing with it*".

In addition to competing for customers, we also compete for franchisees, management personnel and employees. Our competitors may be able to offer greater resources and benefits to their franchisees (for example, in terms of lower franchise royalties, advertising programs, greater training and more extensive franchise support), as well as better salaries, compensation and benefits to their management personnel and employees, all of which may enable them to attract and retain franchisees, management personnel and employees more effectively than we can. The market for suitable restaurant locations is also highly competitive and QSR companies, restaurant chains and other retail companies compete for prime real estate sites. As a result of their size advantage and/or their greater financial resources, some of our competitors may have the ability to negotiate more favorable commercial lease terms than we can and some landlords and developers may offer priority or grant exclusivity to some of our competitors for desirable locations. As a result, we may not be able to obtain leases for new restaurants or renew leases for existing restaurants on acceptable terms, if at all, which could adversely affect our business, results of operations and financial condition.

Furthermore, to the extent that one of our existing or future competitors offers items that are better priced or more appealing to consumer tastes, increases the number of restaurants it operates in one of our key markets, rebrands its restaurant portfolio to better enhance the restaurant experience or has more effective advertising and marketing programs than we do, our revenue and those of our franchisees could be adversely affected. If we are unable to maintain our competitive position, we could experience downward pressure on prices, lower demand for our products, reduced margins, the inability to take advantage of new business opportunities and the loss of market share, which could adversely affect our business, results of operations and financial condition.

Our main competitor has a substantially larger network than we do, and therefore we may be at a disadvantage in competing with it.

Our main competitor, McDonald's, through its French master franchisee, is a well-established branded chain and has substantially greater financial resources, higher revenue and greater economies of scale than we do. McDonald's had a market share of 76.1% in the QSHR category of the QSR segment for the year ended December 31, 2015. Its significantly greater size may enable it to negotiate lower prices than we can from our suppliers (for example, in respect of raw materials) or better absorb increases in its cost base (for example, due to inflation of raw material prices and increases in labor, rental and other operating costs). McDonald's also has a denser network of restaurants in France than either Burger King or Quick, with 1,419 locations (as of December 31, 2016). These competitive advantages may enable it to react to changes in pricing more quickly and more effectively than we can. McDonald's can and does spend significantly more on advertising, marketing and other promotional activities than we do, which may give it a competitive advantage through higher levels of brand awareness among consumers. In addition, McDonald's and other competitors may be able to deploy greater resources in order to accelerate restaurant openings and refurbishment efforts, to rapidly expand their offer of new products or to implement aggressive product discounting, all of which could give them a competitive advantage over us and could in consequence adversely affect our business, results of operations and financial condition.

Under challenging economic conditions, the competitive advantages resulting from greater financial resources and economies of scale may intensify, thereby permitting McDonald's or other competitors to gain market share. If we are unable to maintain our competitive position, we could experience downward pressure on prices, lower demand for our products, reduced margins and revenue from Company Restaurants and royalty payments from Franchise Restaurants, the inability to take advantage of new business opportunities and the loss of market share, all of which could adversely affect our business, results of operations and financial condition.

Our results of operations and growth forecasts depend primarily on our ability to successfully convert existing Quick restaurants to the Burger King brand.

One of the key components of our business strategy is the conversion of our restaurants in France currently under the Quick brand to Burger King branded restaurants. The timely implementation of this strategy is critical to achieving our anticipated expansion and projected levels of SWS and EBITDA. If we are unable to convert the anticipated number of existing Quick restaurants to the Burger King brand, we may not achieve anticipated levels of SWS, EBITDA, gross margins or target number of Burger King restaurants which could adversely affect our business, results of operations and financial condition.

We may also incur substantial capital expenditures in connection with the anticipated conversions. If we are required to make greater than expected capital expenditures in connection with our conversion strategy or are unable to complete a certain number of restaurant conversions within the anticipated timeframe, our business, results of operations and financial condition could be adversely affected.

Each conversion generally requires renegotiation of the relevant franchise agreement (in the case of Franchise Restaurants), amending the leasehold with the landlord, obtaining the necessary local construction permits and authorizations, refurbishment and redesign of the restaurant, installation of new equipment and employee training on the Burger King menu and customer service approach. The process of converting a Quick restaurant location requires an interruption of the restaurant's activities for a period of eight to ten weeks. The diversion of management's attention and any delays or difficulties encountered in connection with the conversion and integration of restaurants to the Burger King model could adversely affect our business, results of operations and financial condition.

Achieving the anticipated benefits of the conversion of these restaurants will depend in part upon whether we can convert these restaurants in an efficient and cost-effective manner. If management is unable to successfully convert the existing Quick restaurants or fails to conduct the conversion in the estimated time frame, the anticipated benefits of the conversion may not be realized. Furthermore, pursuant to the Master Franchise Agreement with Burger King Europe GmbH ("**BK Europe**"), we are not permitted to operate Quick restaurants anywhere in the world. We intend to convert, sell or cease activities at our remaining Quick restaurants in France and in territories outside France prior to this date and focus entirely on the Burger King brand. Our progress in converting restaurants from quarter to quarter may occur at an uneven rate. If we do not successfully convert the Quick restaurants that we have identified for conversion according to our strategy, our business, results of operations and financial condition could be adversely affected.

In particular, our franchisees' willingness or suitability to convert Quick restaurants to Burger King restaurants (which tend to generate higher sales) or open additional restaurants may affect our ability to successfully implement our strategy. Indeed, if a franchisee experiences financial difficulties or declining sales, the franchisee may decide against opening or converting an additional restaurant, decline to participate in promotions or even close an existing restaurant or default on his or her royalty or rent payment obligations. While we are not able to force our franchisees to convert to the Burger King brand, we may choose to not renew certain franchise agreements at the end of their contractual terms in the event that certain franchisees are unwilling or unable to participate in the conversion to the Burger King brand. Any difficulty in convincing our franchisees or their ability to convert their existing restaurants could adversely affect our business, results of operations and financial condition.

In addition, we believe that certain existing Quick restaurants may not be suitable for conversion to the Burger King brand due to their location, size or other factors. If these restaurants are Company Restaurants, we may decide to divest them, which could generate an impairment charge if we are unable to sell them for a favorable price. If these restaurants are Franchise Restaurants, franchisees may seek to leave the Quick network or we may need to negotiate other arrangements with them.

Moreover, the Quick brand and the performance of the remaining restaurants may be adversely affected by the progressive conversion of such restaurants to the Burger King brand. As we continue with the conversion process, the perception of the Quick brand will likely decline commensurately and failure to manage this process may harm our business, results of operations and financial condition. In addition, any deterioration in the perceived or actual value of the Quick brand as a result of this process may result in further impairment charges relating to the Quick brand.

Our business depends on the health of the French economy due to the geographical concentration of our restaurants in France.

Our revenue and profitability are strongly correlated to consumer discretionary spending, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and consumer confidence, particularly in the communities where our restaurants are located. Because our restaurants are concentrated in France, any deterioration in the French economy could have a significant effect on our overall business, results of operations and financial condition. According to INSEE, French GDP grew at only 1.1% in 2016, 1.2%, in 2015 and 0.2% in 2014. Significant events such as the UK's impending withdrawal from the EU and political uncertainty tied to upcoming elections in France and other EU Member States, could result in the implementation of strong protectionist measures and may affect the recovery of the euro zone, including the French economy or lead to additional exits from the EU or the Eurozone. Furthermore, potential EU instability may have important consequences on our ability to obtain supplies from other EU countries at reasonable costs. An economic downturn could cause our suppliers difficulty in accessing financing, which could lead to insolvency or general decline in the financial condition of our suppliers resulting in disruptions in our supplies. The occurrence of any of the foregoing could adversely affect our business, results of operations and financial condition.

Our business, results of operations and financial condition can be adversely affected by unforeseen events, such as terrorist attacks, natural disasters or catastrophic events.

Unforeseen events, such as terrorist attacks, natural disasters, sustained episodes of inclement weather or other catastrophic events can adversely impact our and our franchisees' restaurant sales and may discourage our customers from dining out, thereby reducing footfall to our and our franchisees' restaurants. For example, Quick's results of operations for the year ended December 31, 2015 were adversely affected by the terrorist attacks in Paris. Similarly Quick's formerly-held Belgian operations were impacted by the 2015 Brussels attacks and continuing threats prompted several restaurants to temporarily close due to lack of customers and transportation disruptions affecting staff. Such events, even when outside of France, could dampen consumer spending among French consumers, reduce footfall and prevent us from operating our restaurants at peak capacity or cause disruptions to our supplies. Because a significant portion of our restaurant operating costs is fixed or semi-fixed in nature, the loss of revenue following such events harms our operating margins and can result in restaurant operating losses.

In addition, other developments, such as local strikes, boycotts, both nationally and in areas in which our restaurants operate, social and economic instability, civil disturbances or similar events, could adversely affect our business, results of operations and financial condition.

We hold a master franchise for the Burger King trademarks and trade names in France and are therefore highly dependent on our franchisor.

In 2013, we entered into the twenty-year Master Franchise Agreement with BK Europe pursuant to which we have the exclusive right to use certain trademarks and trade names associated with Burger King in France, open and operate Burger King Company Restaurants and select and offer sub-franchisees the right to operate such restaurants. We do not own the Burger King brand, and we are therefore highly dependent on our franchisor, BK Europe and its ultimate parent, BKC. Moreover, the Master Franchise Agreement contains certain undertakings, and failure to reach certain restaurant opening milestones may result in fines or early termination in certain circumstances. If the Master Franchise Agreement were terminated, we would not be able to continue to expand our network and realize our anticipated economies of scale although we would be able to continue to operate our existing network under certain conditions. The early termination of the Master Franchise Agreement with BK Europe could adversely affect our business, results of operations and financial condition.

We cannot control or influence the actions of our master franchisor, and our master franchisor may take actions that could harm us. For example, BK Europe may at any time have economic, business or legal interests or goals that are inconsistent with ours. Certain actions taken by BK Europe, including those involving the Burger King brand, may adversely affect our business operations such as BKC requiring its franchisees to adopt a product offering that we do not believe would be popular with consumers in France. Moreover, if BK Europe does not adequately protect the Burger King brand and other intellectual property rights, our competitive position, business, results of operations and financial condition could be adversely affected.

Additionally, pursuant to the Master Franchise Agreement with BK Europe, we are required to comply with operational programs established by our master franchisor. For example, the Master Franchise Agreement requires that our restaurants comply with specified design criteria. In addition, our master franchisor generally has the right to require us to remodel our restaurants to conform to the then-current image of Burger King, which may require the expenditure of considerable funds. Failure to conform to these requirements could constitute a breach of the Master Franchise Agreement, which could adversely affect our competitive position, business, results of operations and financial condition.

See "*Business—Our Business—Restaurant operations—Franchise Restaurants*".

Our success is directly related to the success of the Burger King brand worldwide.

As a master franchisee, our success is, to a large extent, directly related to the success of the Burger King brand, including the financial condition, advertising programs, new product development, overall quality of operations of the BKC group and the successful and consistent operation of Burger King restaurants by other franchisees in other countries. We cannot assure you that the Burger King brand will be able to compete effectively with other well-established international QSR chains. As a result, any impairment of the brand or adverse publicity could adversely affect our business, results of operations and financial condition.

Food safety, food-traceability, food-borne illness and hygiene-related concerns including failure by third-parties and us to supply or handle food products in compliance with food safety regulations or our requirements may adversely affect our business, results of operations and financial condition.

Food safety, food-traceability (including in respect of product origins, freshness and conditions of preservation through the supply chain) and hygiene are top priorities, and we dedicate substantial resources to ensure that our customers enjoy safe, quality food products in a clean environment. However, food-borne illnesses, such as E. coli, bovine spongiform encephalopathy or "mad cow disease", hepatitis A, trichinosis or salmonella, and food safety issues have occurred in the food industry in the past, and could occur in the future. New illnesses resistant to existing precautions or diseases with long incubation periods may develop in the future, such as mad cow disease, which could give rise to claims or allegations on a retroactive basis. Risks to the health of our customers can arise from our supply and logistics chain, which we do not control, and at our Company Restaurant and Franchise Restaurant locations. We rely on third party food suppliers, distributors, logistics and warehousing partners to supply ingredients used in the preparation of the meals we sell, including sauces, meat and fresh produce. Although such third parties are subject to regulations, including food safety and environmental regulations, such regulations may not prevent such third parties from experiencing problems related to food safety and hygiene. As a result, our reliance on third party food suppliers, distributors, logistics and warehousing partners increases the risk that food-borne illness incidents could be caused by factors outside of our control and that multiple locations would be affected rather than a single restaurant. In addition, although we maintain operational controls and provide employee and franchisee training at our Company Restaurants and Franchise Restaurants aimed at preventing food-borne illnesses, food tampering and other food safety issues, we can provide no assurance that these measures will be sufficient.

Any report or publicity linking us, one of our franchisees or Burger King or Quick restaurants in other markets to instances of food-borne illness or other food safety issues, including food tampering or contamination, could adversely affect the reputation of the Burger King or Quick brand along with our revenue and profits. Outbreaks of disease, including influenza, could reduce footfall in our restaurants. If customers were to become ill from food-borne or hygiene-related illnesses, we could also be forced to temporarily close some restaurants and, more significantly, the Burger King or Quick brand and reputation could be damaged, which could result in a decline in sales, thereby negatively affecting our business, results of operations and financial condition. Additionally, failure by any of our third party food suppliers, distributors, logistics and warehousing partners to comply with regulations, allegations of compliance failure, claims of intentional or negligent contamination of ingredients and raw materials or prolonged and intense negative publicity may disrupt their operations and result in a disruption of our food supply. Disruption of our third party food suppliers, distributors, logistics and warehousing partners' operations could in turn reduce or impair our supply of ingredients or other raw materials, which could have a material adverse effect on our business, financial condition and results of operations. In addition, instances of food-borne illness, food tampering or food contamination occurring at restaurants of competitors could also adversely affect our business, results of operations and financial condition as a result of negative publicity about the foodservice industry generally.

The occurrence of food-borne illnesses or food safety issues could also adversely affect the price and availability of ingredients, which could result in supply chain disruptions, significantly increasing our costs and/or lowering margins for us and our franchisees. In addition, our industry has long been subject to the threat of food tampering by suppliers, employees or guests, such as the addition of foreign objects in the food that we sell. Reports, true or not of injuries caused by food tampering have in the past severely injured the reputations of restaurant chains in the QSR segment and could negatively affect us in the future as well.

Our results of operations depend on the effectiveness of our marketing and advertising programs which in turn require the support of our franchisees for their success.

The success of our Company Restaurants and our Franchise Restaurants as well as our revenue are heavily influenced by brand marketing and advertising, and depend upon the effectiveness of the advertising programs and promotions that we implement. Burger King France's marketing and advertising programs must be approved by BKC, the owner of the Burger King brand. If BKC does not approve our marketing and advertising programs, we may have to develop replacement programs, which could involve additional costs and delay the implementation of our marketing and advertising programs.

Moreover, if our marketing and advertising programs are not successful, if our competitors increase spending on advertising and promotion or if our marketing and advertising programs happen to coincide with a larger marketing and advertising program from one or more of our competitors thereby rendering our advertising program less visible or effective, we may not be able to attract new customers and retain existing customers and our business, results of operations and financial condition could be adversely affected.

We currently operate two distinct marketing programs, one for the Quick brand and one for the Burger King brand, as our franchise contracts require that contributions by the relevant franchisees are only spent to advertise for the respective brands of such franchisees. This limits our ability to pool resources and obtain volume discounts from advertising carriers. In addition, because Franchise Restaurants and Company Restaurants contribute to our advertising fund based on a percentage of their gross sales, our advertising fund expenditures depend on sales volumes at system-wide restaurants. If SWS decline, there will be a reduced amount available for our marketing and advertising programs. However, because of the significant financial resources of our main competitors which have larger marketing and advertising budgets than we do, we may have to maintain a certain level of marketing and advertising expenditure (notwithstanding any decline in sales) in order to compete and maintain our exposure in the market. In such circumstances, our margins may be diminished, which will have a negative effect on our results of operations. In addition, our margins may also be affected if the cost of mounting advertising campaigns increases. If our marketing and advertising programs are unsuccessful or are subject to an increase in cost, our business, results of operations and financial condition could be adversely affected.

Our success depends substantially on our corporate reputation and on the value and perception of the Burger King and Quick brands.

Our success depends in large part upon our ability and our franchisees' ability to maintain and enhance the value of the Burger King and Quick brands in the eyes of our customers. Brand value is based in part on consumer perceptions of a variety of subjective qualities. Isolated or repeated events, that originate from us, our franchisees or suppliers, can significantly reduce brand value and consumer trust, particularly if the incidents receive considerable publicity or result in litigation. For example, the Burger King and/or Quick brand could be damaged by claims or perceptions about the quality or safety of our products or the quality of our suppliers and distributors, regardless of whether such claims or perceptions are true. Similarly, entities in our supply chain may engage in conduct, including alleged human rights abuses, that damages the Burger King and/or Quick brand or its reputation. Any such incidents could cause a decline in consumer confidence in, or negatively affect the perception of, the Burger King and/or Quick brand and/or our products and decrease the value of our brands as well as consumer demand for our products, which could result in lower revenue and profits. Additionally, our corporate reputation could suffer from a real or perceived failure of corporate governance or misconduct by a company officer or representative.

Our inability to control our franchisees may limit our ability to implement our strategic initiatives and could adversely affect our business, results of operations and financial condition.

As of September 30, 2017, 72% of our restaurants were Franchise Restaurants and 28% of the remaining restaurants were Company Restaurants. As such, we derive a significant portion of our revenue from Franchise Restaurants. Revenue from Franchise Restaurants consists of brand royalties and rent under Franchise with Lease Management agreements, each calculated on the basis of a percentage of sales. Consequently, our results of operations depend substantially upon our franchisees' sales volumes. Our franchisees are independent operators and, while we can mandate certain operational standards and procedures through the enforcement of our franchise agreements, we may not be able to quickly respond to franchisees that do not uphold these standards. In addition, we cannot prevent our franchisees from incurring indebtedness or conducting other businesses that could adversely affect their financial viability, nor can we control many factors that impact the profitability of our Franchise Restaurants. Furthermore, franchisees may be less directly interested in preserving or enhancing the Burger King or Quick brands and reputations than we are. Franchisees may operate their restaurants in a manner inconsistent with our standards and requirements, such as the cleanliness, service or quality standards set forth in our franchise agreements and manuals, or standards set by governmental laws and regulations. In addition, franchisees may fail to adequately hire and train qualified managers and other restaurant personnel. While we ultimately can terminate franchisees that do not comply with the terms and conditions of our franchise agreements, our brand and reputation may nonetheless suffer and our franchise business, results of operations and financial condition could be adversely affected.

In addition, our ability to promote and implement our strategic initiatives depends on the financial ability, managerial competence and willingness of our franchisees to participate. For example, our strategy to grow the Burger King network in France depends in the near term on our franchisees' willingness to convert their existing Quick restaurants to Burger King restaurants and the ability of our franchisees to fund the necessary capital expenditures. Moreover, our franchisees may not have access to bank financing or other sources of financing, including subsidies available from local and national government programs, such as tax relief for new business owners, and may therefore not be able to fund these conversions. Therefore, our strategy may take longer than originally planned to implement and may ultimately not be successful.

The support of our franchisees is also important for the success of our promotional activities and the strategic initiatives that we seek to undertake, and the successful execution of these initiatives will depend on our ability to maintain alignment with our franchisees. While we can generally mandate certain strategic initiatives through enforcement of our franchise agreements, we need the active support of our franchisees if the implementation of these initiatives is to be successful. In addition, our efforts to secure alignment with franchisees may result in a delay in the implementation of our promotional activities and other key initiatives. If a significant number of our franchisees are unwilling or unable to participate in the implementation of strategies that we believe are necessary to promote further growth, our business, results of operations and financial condition could be adversely affected.

Our franchisees may not be willing or able to renew their franchise agreements with us.

We enter into two types of agreements with our franchisees: traditional franchise agreements ("**Pure Franchise**") and franchise with lease management agreements ("**Franchise with Lease Management**"). See "*Business—Our Business—Restaurant operations—Franchise Restaurants—Types of franchise arrangements*". These agreements have a typical duration of nine years (renewable under certain conditions) for Franchise with Lease Management and ten years (renewable under certain conditions) for Pure Franchise. Our franchisees who have entered into such agreements to operate one or several Burger King or Quick restaurants may be unwilling or unable to renew their franchise agreements with us for a number of reasons, including low sales volumes, high rental costs, lack of profitability or a desire to retire. If our franchisees cannot, or decide not to, renew their franchise agreements with us, we will have to find a replacement franchisee to operate their restaurants or otherwise operate them as Company Restaurants. If a substantial number of franchises are not renewed, our business, results of operations and financial condition could be adversely affected.

We are subject to risks associated with leasing substantial amount of space, including future increases in occupancy costs.

We currently lease the premises for all our Company Restaurants and Franchise with Lease Management Restaurants. Leases are generally for a fixed term between nine and twelve years and feature periodic increases based on indexation clauses. In addition, market practice for leasing commercial space in certain high value areas such as central Paris requires the payment of key money to lessors and/or the former tenant.

Our ability to effectively renew our existing restaurant leases or obtain restaurant leases to open new restaurants depends on the availability of locations that meet our criteria for traffic, square footage, lease economics, demographics and other factors. We may not be able to renew our existing restaurant leases on favorable terms or at all, including, for example, when the landlord is able to establish statutory grounds for non-renewal or if the leases do not have the benefit of statutory or contractual rights of renewal.

We typically occupy our restaurants under operating leases with terms of nine years. Any favorable rental rates that we were able to negotiate over the years when there are high vacancy rates due in part to the state of the economy are not guaranteed to continue, and this may force us to pay higher rents once those leases expire or restaurants are closed in desirable locations. In addition, under French law, the maximum increases in rent imposed by law do not apply to leases with a term in excess of nine years.

For the year ended in December 31, 2016, on a *pro forma* basis, leasehold and occupancy costs represented 9.8% of our consolidated revenue; however, as we expand our restaurant base, our lease expense and our cash outlays for rent under the lease agreements will increase. Our substantial operating lease obligations could have significant negative consequences, including:

- requiring that a substantial portion of our available cash be applied to pay our rental obligations, thus reducing cash available for other purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for or reacting to changes in our business or in the industry in which we compete; and
- limiting our ability to obtain additional financing.

If an existing or future Company Restaurant or a Franchise with Lease Management Restaurant is not profitable and we decide to close it prior to expiration of the relevant lease, we would still be liable for the fulfillment of the obligations under the lease. In the event we decide to close any underperforming restaurant we would have to renegotiate the terms of the lease agreement with the landlord for the remainder of the term of the lease and/or potentially assign or sub-lease the premises to a third-party. For additional information regarding our real estate, see "*Business—Real Estate*".

Increases in input costs, such as ingredients, packaging materials and fuel, or shortages or interruptions in the availability of these supplies, could adversely affect our results of operation.

The primary raw materials that we use are beef and chicken. Plastic and paper for packaging materials are also significant components of our cost of sales. See "*Business—Operations—Procurement and Logistics—Raw Materials Supply*". The prices of many of our raw materials are affected by fluctuations in commodities markets, governmental agricultural policies, food safety warnings, the operations of suppliers, political upheavals and acts of God, such as severe weather conditions. Our Burger King operations are required to source raw materials from BKC-approved suppliers, of which there are a limited number in France as our operations are relatively new. While we have access to approved suppliers in other European countries where the Burger King brand is present, we may not be able to obtain sufficient supplies at a cost-effective price from other sources. In the event of a supply disruption, a rise in commodities prices or other adverse event that affects our sources could materially increase our food or logistics costs. In addition, BKC may choose not to certify the France-based suppliers that we may find in order to diversify our raw material sourcing or to replace our existing suppliers, or such certifications may take longer than anticipated to obtain. Furthermore, our existing or future suppliers may not maintain their compliance with BKC's standards in order to maintain such certification. Certain of our restaurants may have difficulty locating suppliers that meet certain certification requirements. Any difficulty in locating an adequate number of such certified suppliers could affect these restaurants' market position which could adversely affect our business, results of operations and financial condition.

In addition, we and our franchisees are dependent on third parties that can make frequent deliveries of perishable food products that meet our specifications. Our ability to pass through any increase in raw material costs to our customers depends upon competitive conditions and pricing methods in France. If supplies of these materials become scarce or prices otherwise increase significantly and remain high for an extended period of time, there can be no assurance that we would be able to pass on any or all of the effects of such price increases to our customers, which could adversely affect our business, results of operations and financial condition.

Increases in labor costs could adversely affect our business, results of operations and financial condition.

We are a labor intensive business, directly employing 6,173 people as of September 30, 2017. Consequently, our success depends in part on our ability to manage our labor costs and its impact on our margins. In this respect, we have to continuously monitor the productivity levels of our employees by measuring a variety of productivity indicators, such as number of tickets per working hour and sales revenue per working hour. In addition, we currently seek to minimize the long-term trend toward higher wages through increases in labor efficiencies; however, we may not be successful.

Furthermore, we must continue to attract, motivate and retain regional operational and restaurant general managers with the qualifications to succeed in our industry and the motivation to apply our core service philosophy. If we are unable to continue to recruit and retain sufficiently qualified managers or to motivate our employees to sustain high service levels, our business and our growth could be adversely affected. Our success depends on our ability to attract, motivate and retain a sufficient number of qualified employees to work in restaurants, as well as restaurant managers and supervisors. Qualified individuals of the requisite caliber and number needed to fill these positions are in short supply. The inability to recruit and retain qualified individuals may delay the planned openings of new restaurants or result in high employee turnover in existing restaurants, which could harm our business. Any increase in the minimum wage or labor regulations or protracted renegotiations of the restaurant industry collective contract in France could also increase our labor costs. Additional labor costs could adversely affect our and our franchisees' business, results of operations and financial condition.

Our business is affected by changes in consumer preferences and perceptions.

The restaurant industry is affected by consumer preferences and perceptions. Moreover, concerns have become increasingly widespread about the health risks associated with the QSR segment. If prevailing health or dietary preferences and perceptions cause consumers to avoid our products in favor of alternative food options, our business could suffer. In addition, negative publicity about our products could adversely harm our business, results of operations and financial condition. In recent years, numerous companies in the QSR segment have introduced products positioned to capitalize on the growing consumer preference for food products that are, or are perceived to be, healthy, nutritious and, low in calories, sodium and fat content or that meet other nutritional criteria, such as gluten-free. Our success will depend in part on our ability to anticipate and respond to changing consumer preferences, tastes and eating and purchasing habits.

Our future prospects depend on our ability to successfully implement our restaurant expansion strategy, but we may not be able to attract new franchisees or successfully develop, convert or open restaurants.

Our growth strategy is based on the expansion of our network of Burger King restaurants and the conversion of existing Quick restaurants in France to Burger King restaurants. As part of this growth strategy, we will continue to seek franchisees to operate new Burger King restaurants in France. We believe that our ability to recruit, train, retain and contract with qualified franchisees will be increasingly important to our operations as we expand. However, there is no assurance that we will be able to attract new franchisees and/or joint venture partners which will affect our ability to implement our growth strategy. In addition, while we apply stringent criteria when selecting new franchisees, such as previous experience in the business and access to financial resources, there is no assurance that the franchisee will be successful.

Developing and opening restaurants involve substantial risks, including the following:

- the availability of and competition for suitable locations for potential development sites, the negotiation of acceptable lease terms, and delays in obtaining construction permits and in completion of construction;

- the impact of local tax, zoning, land use and environmental rules and regulations on our ability and the ability of our franchisees to develop restaurants, and the impact of any material difficulties or failures that we and our franchisees experience in obtaining the necessary licenses and approvals for new restaurants;

- changes in governmental rules, regulations and interpretations;
- the availability of financing, at acceptable rates and terms, to both franchisees and third party landlords, for restaurant development;
- employing and training qualified personnel;
- securing acceptable suppliers;
- developed properties not achieving desired revenue or cash flow levels once opened; and
- general economic and business conditions.

There is no assurance that we, whether through Company Restaurants or Franchise Restaurants, will be able to convert our existing Quick restaurants to Burger King restaurants or open new restaurants.

New restaurants may be located in areas where we have little or no meaningful operating experience and in such instances we typically have to rely on the expertise and local knowledge of our local partners. Those markets may have different competitive conditions, consumer tastes and discretionary spending patterns than our existing markets, which may cause our new restaurants to be less successful than restaurants in our existing markets or to incur losses.

We may be unable to obtain suitable locations for new restaurants and the quality of the locations of our current restaurants may decline.

The success of our restaurants depends in large part on their locations. As demographic and economic patterns change, current locations may not continue to be attractive or profitable. Possible declines in neighborhoods where our restaurants are located or adverse economic conditions in areas surrounding those neighborhoods could result in reduced revenue in those locations. In addition, drive-through restaurants require sites with specific characteristics and there are a limited number of suitable sites available in our geographic market. Desirable locations for new restaurant openings or for the relocation of existing restaurants may not be available at an acceptable cost when we identify a particular opportunity for a new restaurant or relocation and we may face competition from other restaurant chains for the same or nearby locations. Furthermore, we may relocate or open restaurants in new areas in anticipation of future development which ultimately does not materialize. The occurrence of one or more of these events could adversely affect our business, results of operations and financial condition.

We face risks of litigation and negative publicity from customers, suppliers and employees.

We face the risk of lawsuits and negative publicity resulting from customer complaints concerning food safety, service, operations, illnesses and injuries, including injuries allegedly caused by our products, toys and other promotional items available in our restaurants, as well as illnesses or injuries resulting from the fact that we and our franchisees operate retail commercial establishments that are open to the public. In addition to decreasing our revenue and profitability and diverting our management resources, adverse publicity or a substantial judgment against us could harm our brand reputation, hindering our ability to attract and retain franchisees and grow our business, any of which could negatively impact our business, results of operations and financial condition.

Further, we may be subject to employee, customer and other claims in the future based on, among other things, mismanagement, unfair or unequal treatment, discrimination, harassment, violations of privacy and consumer credit laws, wrongful termination, and wage, rest break and meal break issues, including those relating to overtime compensation. We have been subject to these types of claims in the past and if one or more of these claims were to be successful or if there is a significant increase in the number of these claims, our business, results of operations and financial condition could be harmed.

One of our key strategies for growth is to improve the overall restaurant experience for families with young children, which includes introducing more playground facilities in both our Company Restaurants and Franchise Restaurants. Although we devote significant attention and resources in ensuring that our playground facilities meet all applicable safety standards, any injury experienced by a customer in our playground facilities may result in litigation and negative publicity, and could adversely affect our business, results of operations and financial condition.

We face risks of litigation from franchisees.

From time to time, we face litigation from current or former franchisees in connection with the termination or non-renewal of a franchise agreement or regarding the implementation of our expansion and conversion strategy or for other reasons.

In December 2016, one of our international master franchisees (which operates a limited number of Quick restaurants in the Americas) initiated proceedings in the Paris commercial court (*Tribunal de commerce de Paris*) alleging that we, along with our subsidiary France Quick, breached the franchise agreement and trademark license agreement entered into between France Quick and this franchisee as a result of the Quick Acquisition in December 2015. The franchisee is seeking termination of the franchise agreement and the trademark license agreement, as well as significant damages in relation thereto. The Paris commercial court rendered a first instance decision denying all of the franchisee's requests. The franchisee appealed the decision. The Paris Court of Appeals confirmed the decision in the court of first instance in all respects and, accordingly, denied all of the franchisee's requests. We have not booked any provision with respect to this litigation in our financial statements as of the date of this Listing Memorandum.

In November 2015, we terminated the franchise agreement and trademark license agreement between us and one of our international master franchisees (which operated a limited number of Quick restaurants outside France), when it came to our attention that this franchisee had filed trademark applications for certain trademarks bearing the Quick name, thus violating the terms of the agreements between us and this franchisee. This former franchisee initiated an arbitration proceeding against France Quick before the International Chamber of Commerce in Paris (the "**ICC**"), alleging that France Quick had wrongfully terminated the franchise agreement and trademark license agreement and requesting significant damages. In parallel to the arbitration proceeding, this franchisee filed a motion before a French court requesting to block one of France Quick's bank accounts for an amount of approximately €9 million and such motion was granted by the court. Such amount is reflected on balance sheet as an other financial receivable rather than cash and cash equivalents. France Quick is appealing this decision. In parallel, the arbitration proceeding against France Quick is ongoing. We have maintained a provision of €2.5 million in our consolidated financial statements for the nine months ended September 30, 2017, in connection with this proceeding.

We cannot exclude the possibility that an arbitrator or a judge, as applicable, could decide such proceedings against us, that such a decision could require us to pay significant damages, could lead to other similar litigation, could harm our reputation or that our business, results of operations and financial condition could be harmed as a result. See "*Business—Legal Proceedings*".

We may not be able to adequately protect our intellectual property rights, which could harm the value of the Burger King and Quick brands and hurt our business.

We are the master franchisee for the Burger King brand in France and the owner of the Quick brand. We therefore hold the exclusive right to use and to grant the right to use the trademarks and trade names of both Burger King and Quick in France. We rely on a combination of trademarks, copyrights, service marks, trade secrets and similar intellectual property rights to protect the Quick brand and other intellectual property rights. The success of our business strategy depends, in part, on our continued ability to use Burger King's and Quick's existing trademarks and service marks in order to increase brand awareness and further develop our products in our existing market.

However, the protection of Burger King's intellectual property rights including the iconic names of its product Listing, such as the WHOPPER® burger, is outside of our control. We depend on BKC to adequately protect Burger King's intellectual property rights. If BKC's efforts are not adequate or if any third party misappropriates or infringes on Burger King-related and/or Quick-related intellectual property rights, either in print or on the Internet, the value of the Burger King and/or Quick brands may be harmed, which could adversely affect our business, results of operations and financial condition.

We enter into franchise and license agreements with our franchisees to operate and manage their own restaurants under the Burger King or Quick brands. While we encourage our franchisees to maintain the integrity of the Burger King and/or Quick brands, these franchisees may take actions that could harm the value of Burger King's and/or Quick's intellectual property rights or the reputation of the franchise.

Burger King's trademarks and our trademarks are registered in France. However, we cannot assure you that all of the steps we and BKC have taken to protect these intellectual property rights in France will be adequate. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of France.

Information technology system failures or interruptions or breaches of our network security may interrupt our operations or cause customer personal data to be lost.

We rely heavily on our computer systems and network infrastructure across our operations including, point-of-sale processing at our restaurants. The robustness and efficiency of such systems and network infrastructure are critical to our business because our revenue and franchisee royalty calculations are based entirely on the accurate and timely recordation of SWS. However, despite our implementation of security measures, all of our technology systems are vulnerable to damage, disability or failures due to physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, denial of service attacks, viruses, worms and other disruptive problems caused by hackers. If our technology systems were to fail, and we were unable to recover in a timely way, we could experience an interruption in our operations which could adversely affect our business, results of operations and financial condition.

Failure to protect the integrity and security of personal information of our customers and employees could result in substantial costs, expose us to litigation and damage our reputation.

We receive and maintain certain personal financial and other information about our customers and employees. We also rely on third party service providers to process customer payments made using bank cards and credit cards. The use and handling of this information is regulated by evolving and increasingly demanding laws and regulations, as well as by certain third party contracts. If we, or any such third party service providers, fail to transmit customer information in a secure manner, if any such loss of personal customer data were otherwise to occur or if our security and information systems are compromised as a result of data corruption or loss, cyber-attack or a network security incident or if our employees, franchisees or vendors fail to comply with data protection laws and regulations (and as a result information about our customers and employees is obtained by unauthorized persons or used inappropriately), this could result in liabilities and penalties, damage our reputation, subject us to litigation or government enforcement actions, cause us to incur substantial costs, and result in a loss of customer confidence, thereby adversely affecting our business, results of operations and financial condition.

Increased use of social media could create and/or amplify the effects of negative publicity.

Events reported in the media, including social media, whether or not accurate or involving Burger King or Quick, could create and/or amplify negative publicity for Burger King, Quick or for the industry or market segments in which we operate. Such media topics could include food-borne or hygiene-related illnesses, issues with food traceability, contamination, unsanitary restaurant environment, issues relating to quality of service or product quality, discriminatory behavior, injuries or good citizenship. Media reports relating to any of these topics, even where not involving us, could reduce demand for our products and could result in a decrease in customer footfall in our restaurants as consumers shift their preferences to our competitors or to other products or food types.

In addition, activist groups, including animal rights activists and groups acting on behalf of franchisees, the workers employed by suppliers and others, have in the past, and may in the future, use pressure tactics to generate adverse publicity by alleging, for example, inhumane treatment of animals by our suppliers, poor working conditions or unfair purchasing policies. These groups may be able to coordinate their actions with other groups, threaten strikes or boycotts or enlist the support of well-known persons or organizations in order to increase the pressure on us or our industry to achieve their stated aims. In the future, these actions or the threat of these actions may force us to change our business practices or pricing policies, which may have a material adverse effect on our business, results of operations and financial condition. A decrease in footfall in our restaurants as a result of negative publicity from social media could result in a decline in revenue at Company Restaurants and Franchise Restaurants, which could adversely affect our business, results of operations and financial condition.

Certain restrictions on media advertising may limit our ability to advertise and promote our products to our key target market.

We are subject to legislation that restricts advertising and promotion affecting the QSR segment specifically targeted towards children on certain channels and at certain times of the day when children and young adults are likely to represent the largest portion of the audience. Families with children are one of our key target markets and if we are unable to effectively advertise and promote our products as a result of these restrictions on our media advertising campaigns, our business, results of operations and financial condition could be adversely affected.

We are subject to health, safety and environmental regulations, which could result in increased costs and fines, as well as the potential for damage to our reputation.

As a preparer of food products for human consumption, we are subject to health, safety and environmental directives, laws and regulations, including regulations promulgated and enforced by local, national, European and international authorities. See "*Regulation*". These directives, laws and regulations relate to the remediation of land and water supply and use, water discharges, air emissions, waste management, noise pollution, the use of refrigerators and workplace and product health and safety. We are also subject to stringent food preparation, health, quality and nutritional disclosure regulations and standards. Health, safety and environmental legislation in France and elsewhere has tended to become broader and stricter, and enforcement has tended to increase over time.

Any failure to comply with health, safety and environmental requirements may lead to fines and other sanctions and even restaurant closures, as well as damage our reputation. If health, safety and environmental laws and regulations in France or in the countries from where we source our ingredients are strengthened in the future, the extent and timing of investments required to maintain compliance may differ from our internal planning and may limit the availability of funding for other investments. In addition, if the costs of compliance with health, safety and environmental directives, laws and regulations continue to increase and it is not possible for us to reflect these additional costs in the price of our products, our profitability could be adversely affected.

In addition, compliance with current and future directives, laws and regulations regarding the ingredients and nutritional content of our menu items may be costly and time-consuming and could affect consumer eating habits. If consumer health regulations change significantly, we may be required to modify or discontinue certain menu items, and we may experience higher costs associated with the implementation of those changes. Therefore, we cannot make any assurances regarding our ability to effectively respond to changes in consumer health regulations or our ability to successfully implement the nutrient content disclosure requirements and to adapt our menu offerings accordingly. See "*Regulation—Food and Beverage Regulations—Food Labeling and Nutrition*".

Our current insurance may not provide adequate levels of coverage against claims that may be filed.

We currently maintain insurance we believe is customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure, such as losses due to natural disasters or acts of terrorism. Unanticipated changes in the actuarial assumptions and management estimates underlying our reserves for losses could result in materially different amounts of expense under these programs, which could adversely affect our business, results of operations and financial condition.

We depend on the services of key executives, and our business and growth strategy could be materially harmed if we were to lose these executives and were unable to replace them with executives of equal experience and capabilities.

Our senior executives are particularly important to our success because they have been instrumental in setting our strategic direction, operating our business, identifying, recruiting and training key personnel, identifying expansion opportunities and arranging necessary financing. We have employment agreements with all members of senior management; however, we cannot prevent our executives from terminating their employment with us. Losing the services of any of these individuals could adversely affect our business until a suitable replacement is found. We also believe that they could not quickly be replaced with executives of equal experience and capabilities and their successors may not be as effective. See "*Management".*

We are subject to tax risks.

We must structure our organization and operations appropriately while respecting the various tax laws and regulations of the jurisdictions in which we operate. Such laws and regulations are generally very complex. Additionally, because tax laws may not provide clear-cut or definitive doctrines, the tax regime applied to our operations and intragroup transactions or reorganizations is sometimes based on our interpretations of tax laws and regulations. We cannot guarantee that such interpretations will not be questioned by the relevant tax authorities, which may adversely affect our financial condition or results of operations. Tax laws and regulations are subject to change, and new laws and regulations may make it difficult to restructure our operations in an advantageous manner. More generally, any failure to comply with the tax laws or regulations of the countries in which we operate may result in reassessments, interest on late payments, fines and penalties.

Furthermore, we may record deferred tax assets on our balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of tax loss carry-forwards from our entities. The actual realization of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits and the future results of the relevant entities. In particular, pursuant to Article 209, I, paragraph 3 of the *Code général des impôts* (the "**French Tax Code**"), the fraction of French tax loss carry-forwards that may be used to offset the taxable profit with respect to a given fiscal year is limited to €1.0 million plus 50% of the portion of taxable profit exceeding €1.0 million. As the case may be, similar rules apply to tax losses generated by French tax consolidated groups. Any reduction in our ability to use these assets due to changes in laws and regulations, potential tax reassessments, or lower than expected results could have a negative impact on our business, results of operations and financial condition. Any reduction in our ability to use these assets due to changes in laws and regulations, potential tax reassessments, or lower than expected results could have a negative impact on our business, results of operations and financial condition.

Finally, the services we provide to our clients are subject to value added taxes, sales taxes or other similar taxes. Tax rates may increase at any time, and any such increase could affect our business and the demand for our services, and thereby reduce our operating profit, negatively affecting our business, results of operations and financial condition.

The introduction of the Organization for Economic Cooperation and Development's ("OECD") Base Erosion and Profit Shifting ("BEPS") may impact our effective rate of tax in future periods.

In 2015, the OECD released various final reports under its BEPS action plan to reform the international tax system to prevent tax avoidance and aggressive tax planning. The proposed actions have a very broad scope including, but not limited to, neutralizing the effects of hybrid mismatch arrangements, limiting base erosion involving interest deductions and other financial payments, countering harmful tax practices, preventing the granting of treaty benefits in inappropriate circumstances, and mandatory disclosure rules. The final reports give countries and jurisdictions tools in order to implement new policies to prevent tax avoidance and aggressive tax planning. Prospective investors should consult their own tax advisors on the impact of the BEPS' final reports prior to making an investment decision in respect of the Notes.

In addition, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS signed in Paris on June 7, 2017 could increase our administrative efforts and impact existing structures.

Furthermore, the European Commission has published a corporate reform package proposal on October 25, 2016 including three new proposals that aim at (i) re-launching the Common Consolidated Corporate Tax Base ("**CCCTB**") which is a single set of rules to compute companies' taxable profits in the EU, (ii) avoiding loopholes associated with profit-shifting for tax between EU countries and non-EU countries, and (iii) providing new dispute resolution rules to relieve problems with double taxation for businesses, which could also impact our tax position in the future.

French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of interest incurred in France, thus reducing the cash flow available to service our indebtedness.

Under Article 212 § II of the French Tax Code, the deduction of interest paid on loans granted by a related party within the meaning of Article 39.12 of the French Tax Code or on loans granted by a third party that are guaranteed by a related party (such third party being assimilated to a related party) may be subject to certain limitations. Deduction for interest paid on such loans may be partially disallowed in the financial year during which they are accrued if such interest exceeds each of the following thresholds: (i) the amount of interest multiplied by the ratio of (a) 1.5 times the company's net equity or, subject to certain conditions, share capital, and (b) the average amount of indebtedness owed to related parties (or third parties assimilated to related parties) over the relevant financial year; (ii) 25% of the company's earnings before tax (as increased by certain items for the purpose of these limitations); and (iii) the amount of interest received by the indebted company from related parties. Deduction may be disallowed for the portion of interest that exceeds, in a relevant fiscal year, the highest of the above three limitations if such portion of interest exceeds €150,000, unless the company is able to demonstrate for the relevant fiscal year that the indebtedness ratio of the group to which it belongs is higher or equal to its own indebtedness ratio. Specific rules apply to companies that belong to French tax-consolidated groups.

In addition, Article 209 § IX of the French Tax Code imposes restrictions on the deductibility of interest expenses incurred by a French company if such company has acquired shares of another company qualifying as "*titres de participation*" within the meaning of Article 219 I a *quinquies* of the French Tax Code and if such acquiring company cannot demonstrate, with respect to the fiscal years running over the twelve-month period from the acquisition of the shares (or with respect to the first fiscal year opened after January 1, 2012 for shares acquired during a fiscal year opened prior to such date), that (i) the decisions relating to such acquired shares are actually taken by the company having acquired them (or, as the case may be, by a company controlling the acquiring company or by a company directly controlled by such controlling company, within the meaning of Article L. 233-3 § I of the French *Code de commerce* (the "**French Commercial Code**"), which is located in France) and (ii) where control or influence is exercised over the acquired company, such control or influence is exercised by the acquiring company (or, as the case may be, by a company controlling the acquiring company or by a company directly controlled by such controlling company, within the meaning of Article L. 233-3 § I of the French Commercial Code, which is located in France). Article 223 B of the French Tax Code also provides for certain specific limitations applicable in case of an acquisition of shares of a company from an affiliated person or entity that does not belong to the French tax group of the purchaser, where the acquiring company and the target are or become part of the same French tax group. We note that Article 14 of the French Finance Bill for 2018 (*Projet de loi de finances pour 2018*) (as amended by the French Parliament) which is currently being debated before the French Parliament proposes to amend Article 209 §IX of the French Tax Code in order to assimilate any company having its registered office in a EU Member State or in a EEA Member State (which had signed with France an agreement on mutual administrative assistance providing for an exchange of information on tax matters) for the abovementioned provisions purposes.

Moreover, Article 212 *bis* of the French Tax Code provides for a general limitation of deductibility of net financial charges, subject to certain exceptions. 25% of the adjusted net financial charges incurred by French companies that are subject to French corporate income tax and are not members of a French tax consolidated group are added-back to their taxable result, to the extent that such companies' financial charges (*i.e.*, financial charges decreased by certain financial income) are at least equal to €3.0 million in a given fiscal year. Under Article 223 B *bis* of the French Tax Code, special rules apply to companies that belong to French tax consolidated groups. The 25% add-back is factored on the basis of the Group's consolidated taxable result and applies to the adjusted aggregate net financial charges incurred by companies that are members of the French tax consolidated group with respect to amounts made available by lenders outside such group, to the extent that the tax group companies' consolidated financial charges (net of financial income) are at least equal to €3.0 million in a given fiscal year.

Pursuant to Article 212, I (b) of the French Tax Code, the deductibility of interest paid to a related party within the meaning of Article 39.12 of the French Tax Code is subject to an additional requirement: if the lender is a related party to the borrower within the meaning of Article 39.12 of the French Tax Code, the French borrower shall demonstrate, at the French tax authorities' request, that the lender is, for the current fiscal year and with respect to the concerned interest, subject to an income tax in an amount which is at least equal to 25% of the corporate income tax determined under standard French tax rules (the "**Anti Hybrid Loans Provisions"**).

Furthermore, the above set of rules restricting the deductibility of interest under French tax law will be completed in the future. On July 12, 2016, the Council of the European Union adopted Council Directive 2016/1164/EU laying down rules against tax avoidance practices that directly affect the functioning of the internal market (the "**ATAD**"). The ATAD includes, in particular, a mechanism under which adjusted net financial expenses incurred by an EU company will be deductible from its taxable results only up to 30% of earnings before interest, tax, depreciation and amortization (EBITDA), it being noted that net financial expenses may be deductible up to an amount of €3.0 million in a given fiscal year. The detailed implementation of such new rule in France remains largely unknown, including whether this rule will replace existing French limitation regimes or be added in full or in part to them. The ATAD should in principle enter into force in January 2019, but this remains uncertain at this stage. EU Member States that have, at the date of the entry into force of the ATAD, national targeted rules for preventing base erosion and profit shifting risk that are equally effective to the interest limitation rule set out by the ATAD may apply these targeted rules until the adoption by the OECD members of a minimum standard with regard to the four OECD Action Items against BEPs (which purpose is to limit base erosion involving interest deductions and other financial payments) or, at the latest, until January 1, 2024, to the extent they had expressly requested to benefit from this postponement to the European Commission by June 30, 2017, and subject to its acceptance by the European Commission. Despite the absence of any official notice on this subject, we understand that France used the possibility offered to EU Member States to ask for a deferral of application of the new interest deduction limitation rules resulting from the ATAD and, for this purpose, filed a request with the European Commission before June 30, 2017.

Finally, on May 29, 2017, the Council of the European Union adopted Council Directive 2017/952/EU amending the provisions of the ATAD with respect to mismatches resulting from divergent national tax treatment of hybrid financial instruments or entities involving EU Member States and third countries, which would be applicable as from January 1, 2020 except for certain of its provisions which would be applicable as from January 1, 2022. These new rules may impact the abovementioned Anti Hybrid Loans Provisions.

These abovementioned specific tax rules as well as generally applicable tax principles may limit our ability to deduct interest accrued on our indebtedness incurred in France and may thus increase our tax burden, which could adversely affect our business, financial condition and results of operations and reduce the cash flow available to service our indebtedness.

We qualify for a recently enacted French employment incentive tax credit. However, the extent to which we benefit may be materially adversely affected by changes in the law or in the application of related accounting rules.

On December 2012, the French government enacted a competitiveness and employment tax credit (*crédit d'impôt pour la compétitivité et l'emploi* or the "**CICE**"), as part of an overall French government policy to support employment in France and improve the competitiveness of the French economy. Pursuant to the CICE, French corporations receive a tax credit equal to 4% of the gross salaries paid to certain employees in 2013, 6% of the gross salaries paid to these employees in 2014, 2015 and 2016, and 7% of the gross salaries paid to these employees in 2017 and subsequent years. The amount of the CICE is calculated on the basis of gross salaries paid in the course of each calendar year to employees whose wages are up to a maximum of 250% of the French statutory minimum wage. Pursuant to the terms of the CICE scheme, gross salary is calculated on the basis of regular working hours plus overtime hours (but without taking into account the overtime rate payable in respect of such overtime).

Under accounting policies as of the date hereof, we are able to record the benefit of the CICE (which amounted to €5.0 million in 2016) as a deduction from personnel costs. As such, the benefit of the CICE has a positive impact on our operating income and our EBITDA. Any changes to the CICE, including changes in the conditions or requirements companies must satisfy in order to claim the CICE or the accounting treatment thereof, may result in the decrease or elimination of the positive impact of the CICE on our results of operations.

The benefit of the CICE for any particular financial year may only be used, during an initial period of four years, to decrease our payable corporate income tax, it being noted that the CICE cannot be used to offset additional contributions to the corporate income tax. The portion of the benefit of the CICE that will not have been used to offset corporate income tax during the initial four-year period will be payable to us by the French Treasury at the end of this period.

Further, Article 42 of the French Finance Bill for 2018 (*Projet de loi de finances pour 2018*) which is currently being debated before the French Parliament proposes to decrease the rate of the CICE from 7% to 6% as from January 1, 2018 and to replace it with a decrease in employer social charges as from January 1, 2019. However, it is still uncertain whether the proposed article will be approved as it is currently drafted or if it will be amended and to what extent. There can be no assurance, therefore, that we will continue to be able to benefit from the CICE under the same conditions, or that the contemplated decrease in employer social charges, if enacted, would have the exact same financial impact as the CICE for us.

Finally, certain commercial partners of the Group, such as customers, suppliers and concession grantors, may increase price pressure on the Group in order to share the benefit of the CICE or the decrease in employer social charges, if any, which may have an impact on our revenue and margins and as such decrease or eliminate the impact of the CICE.

Transactions in the Notes could be subject to the European financial transaction tax, if adopted.

On February 14, 2013, the European Commission published a proposal for a Directive (the "**Commission's Proposal**") for a common financial transaction tax (the "**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the "**Participating Member States**"). Following the ECOFIN Council meeting of December 8, 2015, Estonia officially announced its withdrawal from the negotiations and, on March 16, 2016, completed the formalities required to leave the enhanced cooperation on FTT.

The Commission's Proposal has a very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. It would call for the Participating Member States to impose a tax of generally at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 should, however, be exempt. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Under Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State, or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The ECOFIN Council indicated in June 2016 that work on the FTT would continue during the second half of 2016. On October 10, 2016, the European Commission has been tasked with drafting the legislation that will be submitted to the Participating Member States in view of reaching a political agreement on the FTT by the end of 2016. However, no agreement has been found between the Participating Member States so far. The Council of the European Union on Economic and Financial Affairs indicated on December 6, 2016 that the ten Participating Member States (excluding Estonia) agreed to pursue the on-going work and discussions on the main features of the FTT during the first half of 2017. A written answer given by Pierre Moscovici in the European Parliament, speaking on behalf of the European Commission on March 8, 2017, also confirmed that negotiations between Participating

Member States on the Commission's proposal are continuing with a number of key areas still open for discussion

The FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the Participating Member States may decide to withdraw. It should also be noted that France has recently restated its willingness to implement the FTT.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

Risks related to our presentation of financial and other information

We do not present financial statements from the same reporting entity or scope of consolidation or prepared under a single set of accounting principles for the periods presented herein which may make it difficult to compare our results of operations and financial condition over time.

Burger King France prepared its consolidated financial statements as of and for the years ended December 31, 2014 and 2015 in accordance with French GAAP (referred to herein as the BKF 2015/2014 French GAAP Financial Statements), whereas (i) Financière Quick prepared its consolidated financial statements in accordance with IFRS for the same period and (ii) Burger King France adopted IFRS as of January 1, 2016 (referred to as the BKF 2016 IFRS Financial Statements). The financial information presented herein also includes certain unaudited *pro forma* financial information (referred to herein as the BKF 2015 *Pro Forma* Financial Information).

As a result, both the adoption of IFRS and the change in perimeter and change in reporting entity indicated above greatly reduces the comparability of our financial statements between those prepared in accordance with French GAAP and IFRS. It therefore may be difficult for investors to compare results of operations across the full three-year period discussed in this Listing Memorandum.

The BKF 2015 Pro Forma Financial Information has been prepared using certain assumptions and it may not be representative of what would have been the Group's actual results of operations had the Quick Acquisition and Belux Divestment occurred on the dates assumed and it may not be indicative of our future performance.

In order to assist investors in understanding the changes in our consolidated income statement for the years ended December 31, 2015 and 2016, we have prepared the BKF 2015 *Pro Forma* Financial Information to simulate the effects of the Quick Acquisition as if it had occurred on January 1, 2015 and the Belux Divestment operations as if they had been reclassified as "discontinued operations" as of January 1, 2015. This exercise is for information purposes only and is presented in order to facilitate a discussion of changes in income statement line items for a substantially consistent perimeter across the two periods. It should be noted that the BKF 2015 *Pro Forma* Financial Information does not give effect to the Southern Territories Divestment pursuant to which an additional 15 restaurants were sold to an affiliate of BKC. Moreover, it is not intended to be representative of what our business, results of operations and financial condition would have been had we controlled Financière Quick for the entire period assumed and if we had divested our former operations in Belgium and Luxembourg as of January 1, 2015. In addition, the BKF 2015 *Pro Forma* Financial Information does not include a consolidated statement of cash flows. Therefore, the discussion presented under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources of the Issuer—Cash Flows*" for the year ended December 31, 2016 has been prepared on the basis of the BKF 2016 IFRS Financial Statements which includes the impact of our former Belgium and Luxembourg operations for approximately three months of the year ended December 31, 2016.

As a result of the foregoing, the financial information presented in this Listing Memorandum under "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" may not be representative of the Group's actual profit and loss results of operations and consolidated cash flow condition which may impair prospective investors' ability to discern trends and assess the performance of our business across the periods under review.

The BKF 2015 *Pro Forma* Financial Information included in this Listing Memorandum has not been prepared in accordance with the requirements of Regulation S-X of the SEC or in accordance with the Prospectus Directive. The BKF 2015 *Pro Forma* Financial Information should therefore not be relied on to reflect what our results of operations and financial condition would have actually been had the Quick Acquisition and Belux Divestment occurred on the date assumed. See "*Presentation of Financial and Other Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented*".

The preparation of Adjusted Run-rate EBITDA as presented in this Listing Memorandum reflects certain estimates and assumptions which we consider reasonable, but we cannot assure you that we would have achieved such levels of profitability for the twelve months ended September 30, 2017 had all of our Burger King restaurants in operation or under conversion as of September 30, 2017 been in operation during such period and Adjusted Run-rate EBITDA is not a projection of future performance.

We have prepared Adjusted Run-rate EBITDA on the basis of certain estimates and assumptions to present an estimate of what our Adjusted EBITDA would have been, had all of our Burger King restaurants that were opened or under conversion as of September 30, 2017 been in operation for the twelve months ended September 30, 2017.

Adjusted Run-rate EBITDA is not intended to be a projection, estimate or guarantee of performance regarding Adjusted EBITDA generation for the twelve months ended September 30, 2017 which may be affected by definitive closures of Quick restaurants, the phasing of the novelty effect and the pace of conversions (including temporary closures for conversion). Moreover, prospective investors should note that the additional Adjusted EBITDA modeled by Adjusted Run-rate EBITDA for new restaurant openings and conversions may be offset, to a degree that will vary on the circumstances, by a number of factors, including but not limited to, any negative LfL SWS performance for the Quick network and the loss of logistics-services related EBITDA no longer generated by Quick Franchise Restaurants converted to Burger King (as Burger King's model does not include providing logistics services to franchisees).

Adjusted Run-rate EBITDA is subject to significant business, economic, financial and competitive risks and uncertainties that could have caused actual results to differ materially. Such estimates and assumptions include, but are not limited to:

- the impact of the novelty effect for new Burger King restaurants discussed under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Evolution of our network*" and whether this has been sufficiently accounted for in our assumptions;

- estimates and assumptions regarding demand by customers patronizing our increased number of restaurants; and

- assumptions regarding the absence of increases in our fixed costs resulting from the operation of additional Company Restaurants during such period.

Adjusted Run-rate EBITDA and the underlying calculations have not been audited, reviewed or verified by any independent accounting firm. Adjusted Run-rate EBITDA is included in this Listing Memorandum because we believe that it provides a useful indication of what our Adjusted EBITDA for the twelve months ended September 30, 2017 would have been under certain circumstances and assumptions as described herein; however, this information does not constitute a measure of financial performance under IFRS, and you should not consider Adjusted Run-rate EBITDA as an alternative to net income or any other performance measure derived in accordance with IFRS or as a measure of our results of operations or liquidity. Although we believe the estimates and assumptions we have used to calculate Adjusted Run-rate EBITDA are reasonable and are based either on historical experience and our knowledge of the marketplace, investors should not place undue reliance upon any of these calculations, as underlying estimates and assumptions could differ from what would have been our actual results of operations if all Burger King restaurants in operation or under conversion as of September 30, 2017 had been operational for the twelve months ended September 30, 2017. In addition, our results of operations that are ultimately achieved with the conversion in accordance with our strategy could differ from the model of Adjusted Run-rate EBITDA presented herein. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators—Adjusted Run-rate EBITDA*".

Risks related to our indebtedness

Our significant leverage may make it difficult for us to service our debt, including the Additional Notes, and operate our business.

We currently have a substantial amount of outstanding indebtedness with significant debt service requirements. As of September 30, 2017, on an as-adjusted basis after giving effect to the Transactions, our total outstanding principal amount of financial indebtedness would have been €638.5 million. As of the same date, after giving effect to the Transactions, we also would have had €60.0 million available for borrowing under our Revolving Credit Facility. See "*Description of Certain Financing Arrangements*" and "*Description of the Notes*".

Our significant leverage could have important consequences for a holder of the Notes, including:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debt and liabilities;

- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;

- increasing our vulnerability to a downturn in our business or economic or industry conditions;

- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;

- limiting our flexibility in planning for or reacting to changes in our business and our industry;

- restricting us from investing in strategic initiatives, growing our business and exploiting certain business opportunities; and

- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Our ability to service our indebtedness will depend on our future performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. Many of these factors are beyond our control. If we cannot service our indebtedness and meet our other obligations and commitments, we might be required to refinance our debt or to dispose of assets to obtain funds for such purpose. We cannot assure you that refinancings or asset dispositions could be effected on a timely basis or on satisfactory terms, if at all, or would be permitted by the terms of our debt instruments.

We may incur additional indebtedness, including at the level of our subsidiaries, which could increase our risk exposure from debt and could decrease your share in any proceeds from enforcement of the Collateral.

Subject to restrictions in the Indenture and the Revolving Credit Facility Agreement, we may incur additional indebtedness, which could increase the risks associated with our already substantial indebtedness. We have the ability to borrow up to €60 million under our Revolving Credit Facility, which borrowings and indebtedness are secured by the Collateral on a *pari passu* basis with the Additional Notes and the Existing Notes. The terms of the Indenture permit us to incur additional indebtedness which may also be secured on a *pari passu* basis with the Notes.

Our subsidiaries may also be able to incur substantial additional indebtedness in the future, further increasing the risks associated with our substantial leverage. If any of our subsidiaries incur additional indebtedness, the holders of that debt will be entitled to share ahead of you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of such subsidiaries, to the extent they are not Guarantors. See "*Description of Certain Financing Arrangements*". If we incur additional indebtedness, the related risks that we now face, as described above and elsewhere in these "*Risk Factors,*" could intensify.

We are subject to restrictive covenants under the Revolving Credit Facility Agreement and the Indenture, which could impair our ability to run our business.

Restrictive covenants under the Revolving Credit Facility Agreement and the Indenture may restrict our ability to operate our business. Our failure to comply with these covenants, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our financial condition and results of operations.

The Revolving Credit Facility Agreement and the Indenture contain negative covenants restricting, among other things, our ability to:

- make certain loans or investments;
- incur indebtedness or issue guarantees;
- sell, lease, transfer or dispose of assets and subsidiary stock;
- merge or consolidate with other companies;
- transfer all or substantially all of our assets;
- make a substantial change to the general nature of our business;
- pay dividends and make other restricted payments;
- create or incur liens;
- agree to limitations on the ability of our subsidiaries to pay dividends or make other distributions;
- layer indebtedness; and
- enter into refinancings with affiliates.

In addition, the Revolving Credit Facility Agreement contains a springing financial maintenance covenant that is tested quarterly to the extent total cash drawings outstanding under the Revolving Credit Facility on the last day of the relevant financial quarter are equal to or greater than 35% of the total commitment under the Revolving Credit Facility. See "*Description of Certain Financing Arrangements—Revolving Credit Facility*".

The restrictions contained in the Revolving Credit Facility Agreement and the Indenture could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, pursue our strategic initiatives, make investments, restructure our organization or finance our capital needs. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the Revolving Credit Facility Agreement or the Indenture.

If there were an event of default under any of our debt instruments that is not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross-defaults under our other debt instruments, including the Notes. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay our obligations under the Notes in such an event. See "*Description of Certain Financing Arrangements*" and "*Description of the Notes*".

We may not be able to generate sufficient cash to meet our debt service obligations, or our obligations under other financing agreements, in which case our creditors could declare all amounts owed to them due and payable, leading to liquidity constraints.

Our ability to make interest payments on the Notes and to meet our other debt service obligations, including under the Revolving Credit Facility Agreement and the Indenture, or to refinance our debt, depends on our future operating and financial performance, which in turn depends on our ability to successfully implement our business strategy as well as general economic, financial, competitive, regulatory and other factors that are beyond our control. If we cannot generate sufficient cash to meet our debt service requirements, we may, among other things, need to refinance all or a portion of our debt, including the Notes, obtain additional financing, delay planned capital expenditures or investments or sell material assets. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including the Notes. If we are also unable to satisfy our obligations on other financing arrangements, we could be in default under the Revolving Credit Facility Agreement, the Indenture and other relevant financing agreements which we may enter into in the future. In the event of a default under the Revolving Credit Facility Agreement or certain other defaults under any other agreement, the lenders under the respective facilities or financing instruments could take certain actions, including terminating their commitments and declaring all amounts that we have borrowed under our credit facilities and any other indebtedness that we have incurred or may incur in the future to be due and payable, together with accrued and unpaid interest. Such a default, or a failure to make interest payments on the Notes, could mean that borrowings under other debt instruments that contain cross-acceleration or cross-default provisions, including the Notes and the Revolving Credit Facility, may as a result also be accelerated and become due and payable. If the debt under the Revolving Credit Facility or the Notes or any other material financing arrangement that we have entered into or will subsequently enter into were to be accelerated, our assets may be insufficient to repay the Notes in full. Any such actions could force us into bankruptcy or liquidation, and we might not be able to repay our obligations under the Notes in such an event. See "*Description of Certain Financing Arrangements*" and "*Description of the Notes*".

Risks related to the Notes, the Guarantees and the Collateral

The Existing Notes and the Additional Notes are structurally subordinated to the liabilities of non-guarantor subsidiaries.

Certain of our subsidiaries do not guarantee the Existing Notes and the Additional Notes, respectively. Our subsidiaries will not have any obligations to pay amounts due under the Notes or to make funds available for that purpose unless they guarantee the Notes.

Generally, holders of debt of, and trade creditors of, non-guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payment of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer or any Guarantor, as a direct or indirect shareholder. Accordingly, in the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent refinancing:

- the creditors of the Issuer (including the holders of the Notes) and the Guarantors will have no right to proceed against the assets of such subsidiary; and
- the creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer or any Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Notes and each Guarantee will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries. Our non-Guarantor subsidiaries generated 29.5% of our consolidated EBITDA after the elimination of the effect of subsidiaries generating negative EBITDA for the nine months ended September 30, 2017 and represented 22.6% of our consolidated total assets including goodwill as of September 30, 2017, and in each case net of intercompany eliminations. Any of the debt that our non-guarantor subsidiaries incur in the future in accordance with the Indenture will rank structurally senior to the Existing Notes and the Additional Notes and the Guarantees.

The holders of the Existing Notes and the Additional Notes may not control certain decisions regarding the Collateral.

Pursuant to the Intercreditor Agreement, one or more common security agents shall serve as the Security Agent for the secured parties under the Revolving Credit Facility, the Existing Notes, the Additional Notes and certain hedging obligations with regard to the Collateral (as applicable). The Intercreditor Agreement provides that the Security Agent will, subject to certain limited exceptions, act to enforce the security interests in the Collateral and take instructions from the relevant secured creditors in respect of the Collateral only at the direction of the "instructing group".

Subject to certain exceptions described below and in further detail in the section entitled "*Description of Certain Financing Arrangements—Intercreditor Agreement*," among other things, the "majority *pari passu* creditors" (generally, creditors representing the simple majority of, among other things, the outstanding principal amount under the Notes and any *pari passu* secured indebtedness) shall constitute an instructing group and shall have the right to instruct the Security Agent as to the enforcement of the Collateral, provided that such instructions are consistent with the "enforcement principles" set forth in the Intercreditor Agreement. If, however:

- the majority *pari passu* creditors have not either: (i) made a determination as to the method of enforcement and notified the Security Agent of that determination; or (ii) appointed a financial adviser to assist them in making such a determination, in each case, within three months of the date on which an instructing group delivers a copy of their proposed enforcement instructions (the "initial notice"); or

- the "super senior discharge date" (as described in the section below entitled "*Description of Certain Financing Arrangements—Intercreditor Agreement*") has not occurred within six months of the date of the initial notice; or

- an insolvency event is continuing with respect to a member of the Group; or

- the majority *pari passu* creditors have not either: (i) made a determination as to the method of enforcement and notified the Security Agent of that determination; or (ii) appointed a financial adviser to assist them in making a determination, and the "majority super senior creditors" (as described below): (a) determine in good faith that a delay in issuing enforcement instructions could have a material adverse effect on the ability to effect a distressed disposal or on the expected realization proceeds of any enforcement; and (b) deliver enforcement instructions they believe to be consistent with the enforcement principles before the Security Agent has received instructions from the majority *pari passu* creditors;

then the Security Agent shall, instead follow the instructions that are subsequently given by the "majority super senior creditors" (generally, creditors representing more than 66.67% of the aggregate of all unpaid and undrawn commitments under the Revolving Credit Facility and the termination value or assumed termination value of certain hedging liabilities), provided that such instructions are consistent with the "enforcement principles" set forth in the Intercreditor Agreement.

The foregoing security enforcement arrangements could be disadvantageous to the holders of the Existing Notes and the Additional Notes in a number of respects. Disputes may occur between the holders of the Existing Notes, the Additional Notes and creditors under our Revolving Credit Facility, the counterparties to the relevant hedging obligations or holders of any permitted additional indebtedness as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the Collateral securing such obligations. In such an event, the holders of the Existing Notes and the Additional Notes will be bound by any decisions of the instructing group, which may result in enforcement action in respect of the relevant collateral, whether or not such action is approved by the holders of the Existing Notes and the Additional Notes or may be adverse to such noteholders. The Intercreditor Agreement also provides that the enforcement sale of any Collateral will be subject to, as a condition to the release of any claims of any other indebtedness secured by such collateral under the Intercreditor Agreement, certain protections intended to maximize the cash recovery from an enforcement sale. The creditors under the Revolving Credit Facility, the counterparties to certain hedging obligations or the holders of any permitted additional indebtedness may have interests that are different from the interest of holders of the Existing Notes and the Additional Notes and they may elect to pursue their remedies under the relevant security documents at a time when it would otherwise be disadvantageous for the holders of the Existing Notes and the Additional Notes to do so.

In addition, other creditors not party to the Intercreditor Agreement could commence enforcement action against us or our subsidiaries, we or one or more of our subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain Collateral could otherwise be impaired or reduced in value. In addition, if we incur substantial additional indebtedness which may be secured by security interests in the Collateral, the holders of the Existing Notes and the Additional Notes may not constitute the requisite majority of *pari passu* creditors for the purposes of instructing the Security Agent. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

The holders of the Existing Notes and the Additional Notes may be limited in their ability to take enforcement action in respect of the Collateral.

The Indenture and the Intercreditor Agreement provide that, to the extent permitted by applicable law, only the Security Agent has the right to enforce the security documents relating to the Collateral on behalf of the Trustee and the holders of the Existing Notes and the Additional Notes. As a consequence of such contractual provisions, holders of the Existing Notes and the Additional Notes are and will be barred from taking enforcement action in respect of the Collateral securing the Existing Notes and the Additional Notes, except through the Trustee under the Indenture, who will (subject to the provisions of such Indenture) provide instructions to the Security Agent.

Applicable laws may limit amounts recoverable under the Guarantees and the security interests in the Collateral.

The obligations of the Guarantors and grantors of security interests in the Collateral are limited to the maximum amount that can be guaranteed or granted by such Guarantor or grantor under the applicable laws of each jurisdiction without rendering the relevant Guarantee or security interest in the Collateral voidable or otherwise ineffective under applicable law.

In France, the enforcement of the Guarantees and the security interests in the Collateral is limited to the maximum amount that can be guaranteed or secured over such Collateral, as applicable, under the applicable laws of each jurisdiction, to the extent that the granting of such a Guarantee or security interest in the Collateral is not in the grantor's corporate interests, or the burden of such security interest exceeds the benefit to the relevant grantor, or such guarantee or security interest would be in breach of capital maintenance or thin capitalization rules or any other general statutory laws and would cause the directors of such subsidiary grantor, in certain jurisdictions, to contravene their fiduciary duties and incur civil or criminal liability.

In France, the liabilities and obligations under the Guarantees and the security interests in the Collateral are subject to (i) certain exceptions, including any obligations which, if incurred, would constitute prohibited financial assistance within the meaning of Article L.225-216 of the French *Code de Commerce* or infringement of the provisions of Articles L.242-6 or L.244-1 of the French *Code de Commerce*; and (ii) a financial limitation corresponding to an amount equal to the proceeds from the offering of the Notes which the Issuer has applied for the direct benefit of each French Guarantor through intercompany loans. By virtue of this limitation, each French Guarantor's obligations under the Guarantees and the security interests in the Collateral could be significantly less than amounts payable with respect to the Notes or a French Guarantor may have effectively no obligation under the Guarantee and the security interest in the Collateral. French law requires that, when a French company grants a guarantee of third-party obligations, the guarantee must be in the corporate purpose and corporate interest of the guarantor company. The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

Belgian law requires that a guarantee granted by a Belgian company for the obligations of a group company meets the following conditions: (i) it must be part of the corporate purpose of the guarantor, as provided in its by-laws (*statuts/statute*); (ii) it must be for the corporate benefit of the granting company, and (iii) it must comply with any applicable financial assistance rules. In addition, the Indenture provides for a financial limitation corresponding to the amount of the proceeds loan from the Offering that the Issuer has on-lent to the guarantor incorporated under the laws of Belgium.

Corporate benefit is not a well-defined term under Belgian law and its interpretation is left to the courts. The corporate benefit rules and their application in the context of guarantees granted for the benefit of a group company are not clearly established under Belgian law and there is only limited case law on the subject.

The question of corporate benefit must be determined on a case-by-case basis and consideration has to be given to any direct and/or indirect benefit that the company would derive from the refinancing. Two principles apply to this evaluation: (i) the risk taken by the company in issuing the guarantee must be proportional to the direct and/or indirect benefit derived from the refinancing; and (ii) the financial support granted by the company should not exceed its financial capabilities.

The presence of an actual benefit to a Belgian guarantor is a matter of fact, which must be assessed by the board of directors of the company granting the guarantee and is ultimately subject to the appreciation of the court. The board of directors of Quick Restaurants SA has resolved that the guarantee of the Notes falls within the corporate purpose of the company and confers an actual benefit to it. However, due to the absence of case law, we cannot assure you that a court in Belgium would agree with this determination. If a court in Belgium determined that actual benefit is not established, then the guarantee by Quick Restaurants SA could be declared null and void and, under certain circumstances, a creditor that has benefitted from the guarantee could be held liable for up to the amount of any payments it has received under the guarantee. Alternatively, the guarantee could be reduced to an amount corresponding to the corporate benefit or the creditor may be held liable for any guarantee amount in excess of such amount. If the corporate benefit requirement is not met, the directors of Quick Restaurants SA may also be held liable (i) by the company for negligence in the management of the company and (ii) by third parties in tort. These rules have been seldom tested under Belgian law, and there is only limited case law on this issue.

In order to enable Belgian subsidiaries to grant a guarantee of liabilities of a direct or indirect parent or sister company without the risk of violating Belgian rules on corporate benefit, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to such subsidiaries. Accordingly, the Guarantee of Quick Restaurants SA will contain such limitation language and will be limited to reflect the corporate benefit position of Quick Restaurants SA taking into account its financial capabilities at the time of any enforcement of the Guarantee. Including such limitation language is, however, not conclusive in determining the corporate benefit.

The grant of a guarantee by Quick Restaurants SA must further be within or serve the corporate purpose of Quick Restaurants SA as described in its by-laws, and the guarantee may not include any liability that would result in unlawful financial assistance within the meaning of Article 629 of the Belgian Companies Code.

Secured parties may be required to pay a "soulte" in the event they decide to enforce a pledge over the shares of French subsidiaries by judicial or contractual foreclosure of the Collateral consisting of shares rather than by a sale of such collateral in a public auction.

Security interests in the Collateral governed by French law may only secure payment obligations, may only be enforced following a payment default and may only secure up to the secured amount which is due and remaining unpaid.

Under French law, pledges over assets may generally be enforced at the option of the secured creditors either (i) in connection with a judicial process (x) by way of a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors) or (y) by way of the judicial attribution (*attribution judiciaire*) of the pledged assets or (ii) by way of non-judicial private attribution (*pacte commissoire*) of the pledged assets to the secured creditors, following which the secured creditors become the legal owner of the pledged assets. Enforcement by way of private sale may not be agreed at the time of granting of the security, and therefore, holders of the Notes will not benefit from such enforcement method.

If the secured creditors choose to enforce by way of attribution (whether judicial attribution or private attribution), the secured liabilities will be deemed extinguished up to the value of the attributed assets. Such value is determined either by the judge in the context of a judicial attribution or by a pre-contractually agreed expert in the context of a private attribution. In any event, if the value of the pledged assets exceeds the amount of the secured liabilities, the secured creditors will be required to pay the pledgor a "*soulte*" equal to the difference between the value of the pledged assets and the amount of the secured liabilities. This is true regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent sale of the Collateral.

Consequently, in the event that the lenders under the Revolving Credit Facility Agreement and the holders of the Existing Notes and the Additional Notes are entitled to, and decide to, enforce the Collateral, which consists of a pledge over shares of a French subsidiary, through judicial or private foreclosure, and the value of such shares exceeds the amount of the secured debt, the lenders under the Revolving Credit Facility Agreement and the holders of the Existing Notes and the Additional Notes may be required to pay immediately to the relevant pledgors a "*soulte*" equal to the amount by which the value of such shares exceeds the amount of the secured debt.

If the value of such shares is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such shares, and the remaining amount owed to such creditors will be unsecured.

Alternatively, the lenders under the Revolving Credit Facility Agreement and the holders of the Existing Notes and the Additional Notes could decide to undertake the sale of the pledged shares by public auction. As public auction procedures are not designed for a sale of a business as a going concern, however, it is possible that the sale price received in any such auction might not reflect the value of the group as a going concern.

The Issuer and certain Guarantors are holding companies dependent upon cash flows from the operating companies of our Group to meet our obligations on the Notes or the Guarantees.

The Issuer and certain Guarantors are holding companies that conduct no business operations of their own and have no significant assets other than the equity interests and/or the intercompany receivables they hold in each of their subsidiaries. The Issuer and such Guarantors are dependent upon the cash flow from their operating subsidiaries available to them, by dividend, interest payments on intercompany loans or other distributions to meet their obligations, including under the Notes or their respective Guarantees. The amounts of such payments, dividends and other distributions available to the Issuer and such Guarantors will depend on the profitability and cash flows of their respective subsidiaries as well as the ability of those subsidiaries to declare dividends under applicable law. The subsidiaries of the Issuer and such Guarantors, however, may not be able to, or may not be permitted under applicable law to, make distributions, make interest payments on, or otherwise advance upstream loans to the Issuer or such Guarantors to make payments in respect of their debt, including the Notes and the Guarantees. While the Indenture and the Revolving Credit Facility Agreement limit the ability of our subsidiaries to incur contractual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain significant qualifications and exceptions. We cannot assure you that arrangements with our subsidiaries, the funding permitted by the agreements governing existing and future indebtedness of our subsidiaries and our results of operations and cash flow generally will provide us and such Guarantors with sufficient dividends, distributions or loans to fund payments on the Notes or the Guarantees. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required principal and interest payments on the Notes.

You may face interest rate risks by investing in the Notes, as certain of our borrowings bear, and the Floating Rate Notes bear, interest at floating rates that could rise significantly, increasing our interest cost and reducing cash flow.

Our borrowings under the Revolving Credit Facility and the Floating Rate Notes, which represent a substantial part of our indebtedness, do or will bear interest, as applicable, at per annum rates equal to EURIBOR, in each case adjusted periodically, plus a spread. These interest rates could rise significantly in the future, thereby increasing our interest expenses associated with these obligations, reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes. Although we currently hedge the interest rates with respect to the Existing

Floating Rate Notes, we may not be able to maintain such hedges or replace such hedges on terms that are acceptable to us, and any such hedge may not be fully effective, which would expose us to interest rate risk.

We may incur other indebtedness secured on a pari passu basis with the Notes. In addition, creditors under the Revolving Credit Facility and certain hedging obligations are entitled to be repaid with the proceeds of the Collateral sold in any enforcement sale in priority to the Notes.

The Existing Notes are and the Additional Notes are secured by the Collateral. See "*Description of the Notes—Security*". The Indenture and the Revolving Credit Facility also permit the Collateral to be pledged to secure additional indebtedness on a *pari passu* basis with the Notes in accordance with the terms thereof and the Intercreditor Agreement. Furthermore, pursuant to the Intercreditor Agreement, the liabilities under the Revolving Credit Facility and certain hedging obligations have priority over any amounts received from the sale of the Collateral pursuant to an enforcement action taken with respect to such Collateral. As a result, in the event of an enforcement of the Collateral, you may not be able to recover on such Collateral if the then outstanding claims under the Revolving Credit Facility and certain of our hedging obligations are greater than the proceeds realized from such enforcement. As a result, holders of the Existing Notes and the Additional Notes may not be able to recover the full amount from an enforcement action.

The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations under the Notes.

The Existing Notes are and the Additional Notes are secured on a first-ranking basis by the Collateral. The Collateral also secures on a first-ranking basis our obligations under the Revolving Credit Facility and certain hedging obligations. The Collateral may also secure additional debt to the extent permitted by the terms of the Indenture, the Revolving Credit Facility and the Intercreditor Agreement. The rights of holders of the Existing Notes and the Additional Notes to the Collateral may be diluted by any increase in the first-priority debt secured by the Collateral.

Not all of our assets secure, directly or indirectly, the Existing Notes and the Additional Notes. The value of the Collateral and the amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, whether or not the business is sold as a going concern, the condition of the French and Belgian economies and the availability of buyers. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the pledges, shares and ownership interests of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding because all of the obligations of the entity must first be satisfied, leaving little or no remaining assets in the entity.

It may be difficult to realize the value of the Collateral.

The Collateral is subject to exceptions, defects, encumbrances, liens, loss of legal perfection and other imperfections permitted under the Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement and accepted by other creditors that have the benefit of first-priority security interests in the Collateral from time to time, whether on or after the date the Existing Notes or the Additional Notes are first issued, as the case may be. The existence of any such exceptions, defects, encumbrances, liens, loss of legal perfection and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or characterization under the laws of France or Belgium. The security interests are subject to practical problems generally associated with the realization of security interests in collateral. For example, the Security Agent may need to obtain the consent of a third party to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such consents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

Furthermore, due consideration should be given by investors to the circumstance that enforcement procedures and timing for obtaining judicial decisions in France or Belgium may be materially more complex and time-consuming than in equivalent situations in jurisdictions with which investors may be familiar.

There are circumstances other than repayment or discharge of the Existing Notes and the Additional Notes under which the applicable Collateral will be released automatically without your consent or the consent of the Trustee.

Under various circumstances, the Collateral will be released automatically, including:

- in connection with any sale, transfer or other disposition of Collateral to a person that is not the Issuer or a Restricted Subsidiary;
- the release of Collateral owned by or in respect of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture;
- the release of Collateral owned by a Guarantor upon its designation by the Issuer as an Unrestricted Subsidiary;
- the release of a pledge over the shares of the Issuer in connection with certain qualifying initial public offerings of the shares of the Issuer; or
- the release of Collateral in the case of a security enforcement sale in compliance with the Intercreditor Agreement.

See "*Description of the Notes—Security—Release of the Security*".

Unless consented to by the holders of the Existing Notes and the Additional Notes (and subject to certain exceptions), the Intercreditor Agreement provides that the Security Agent shall not, in an enforcement scenario, exercise its rights to release the security interests in the Collateral unless, among other things, the relevant sale or disposal is made:

- for consideration of which all or substantially all is in the form of cash; and
- pursuant to a public auction, or if a fairness opinion has been obtained from an internationally recognized investment bank selected by the Security Agent.

The Intercreditor Agreement also provides that the Collateral may be released and retaken in connection with the refinancing of certain indebtedness, including the Existing Notes and the Additional Notes. Under certain circumstances, other creditors, insolvency administrators or representatives or courts could challenge the validity and enforceability of the grant of the Collateral. Any such challenge, if successful, could potentially limit your recovery in respect of the Collateral and thus reduce your recovery under the Existing Notes and the Additional Notes. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes*".

Rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and the grantor of the security. The liens on the Collateral securing the Existing Notes and the Additional Notes may not be perfected with respect to the claims of the Existing Notes and the Additional Notes if we, or the Security Agent, fail or are unable to take the actions required to perfect any of these liens. Furthermore, it should be noted that neither the Trustee nor the Security Agent shall have any obligation to take any steps or action to perfect any of these liens.

In France, share pledges over the shares of French subsidiaries that are governed by French law consist of pledges over a securities account (*nantissement de compte de titres*) in which the relevant shares are registered. The securities account pledges were validly established after execution of a statement of pledge (*déclaration de nantissement de compte titres financiers*) by each security provider in favor of the Security Agent. Each statement of pledge was registered in the relevant shareholder's account (*compte d'actionnaire*) and shares registry (*registre de mouvement de titres*) of each French Guarantor. In France, no lien searches are available for security interests which are not publicly registered, with the result that no assurance can be given on the priority of a security interest if it is not publicly registered.

In Belgium, share pledges over the shares of Belgian subsidiaries governed by Belgian law are perfected by registration in the securities account in case of dematerialized shares and by registration in the share register in the case of registered shares of the Belgian subsidiary. Pledges over receivables governed by Belgian law are validly established after execution of the pledge agreement. The pledge is only enforceable against the debtor once it has been notified to or acknowledged by the debtor.

We may not have the ability to raise the funds necessary to finance a change of control offer.

Upon the occurrence of certain events constituting a "change of control," we will be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase. If a change of control were to occur, we cannot assure you that we would have sufficient funds available at such time to pay the purchase price of the outstanding Notes or that the restrictions in the Revolving Credit Facility Agreement, the Intercreditor Agreement or our other then-existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default under, or acceleration of, our Revolving Credit Facility, the Notes and any other indebtedness that we have incurred or may incur in the future. The repurchase of the Notes pursuant to such an offer could cause a default under the Revolving Credit Facility and any other indebtedness that we have incurred or may incur in the future, even if the change of control itself does not. The ability of the Issuer to receive cash from its subsidiaries to allow it to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by our then existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when our subsidiaries are prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, our subsidiaries may seek the consent of the lenders under such indebtedness to fund the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, we will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that we would be able to obtain such financing. Our failure to offer to purchase the Notes would constitute a default under the Indenture, which would, in turn, constitute a default under the Revolving Credit Facility and certain other indebtedness. See "*Description of the Notes—Purchase of Notes upon a Change of Control*".

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring or other similar refinancings involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Indenture. Except as described under "*Description of the Notes—Purchase of Notes upon a Change of Control*," the Indenture does not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, recapitalization or similar refinancing.

The definition of "change of control" in the Indenture includes a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular Refinancing would involve a disposition of "all or substantially all" of the Issuer's assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

The interests of our shareholders may conflict with yours as a creditor.

BH, the parent company of the Groupe Bertrand entities controlled by Olivier Bertrand, owns 91.31% of the share capital of the Issuer through various entities as of the date of this Listing

Memorandum. As a result, Groupe Bertrand has the power to elect most of the members of our Supervisory Committee and effectively has control over major decisions regardless of whether other stakeholders, including noteholders, believe that any such decisions are in their own best interests. The interests of Groupe Bertrand as equity holder may conflict with your interests as a noteholder. Groupe Bertrand may have an incentive to increase the value of its investment or cause us to distribute funds at the expense of our financial condition and affect our ability to make payments on the Notes. In addition, Groupe Bertrand may have an interest in pursuing acquisitions, divestitures, financings, capital expenditures or other refinancings that it believes could enhance its equity investments even though such refinancings might involve risks to the noteholders. Groupe Bertrand is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us.

Furthermore, the NewCo PIK Notes require the Issuer to pay dividends (in certain circumstances) in order to upstream cash to NewCo GB to enable the latter to pay cash interest on the NewCo PIK Notes (subject to the restricted payments covenants of the Indenture and the Revolving Credit Facility), which dividend payments would not otherwise have been required to be made by the Issuer. The NewCo PIK Notes also have an earlier maturity date than the Existing Notes or the Additional Notes which may in turn require their refinancing or repayment ahead of repayment of the Existing Notes or the Additional Notes (subject to the restrictions in the Indenture and the Revolving Credit Facility).

Moreover, in connection the incurrence of the Warrant Bonds by NewCo GB, NewCo GB issued several series of warrants giving access to new shares of NewCo GB (the "**NewCo GB Warrants**"). In connection with the expected refinancing of the Warrant Bonds by NewCo GB with a portion of the proceeds from the offering of the PIK Notes, the holder of the Warrant Bonds and NewCo GB have entered into an agreement whereby they have agreed to amend the documentation relating to the NewCo GB Warrants. Such amendments allow, in the event of the exercise of the NewCo GB Warrants, NewCo GB to deliver either new shares of NewCo GB or existing shares of the Issuer owned by NewCo GB (the latter option being available only in the event of an initial public offering of the Issuer). If the NewCo GB Warrants are exercised and NewCo GB chooses to deliver existing shares of the Issuer in connection therewith, NewCo GB's shareholding in the Issuer will be diluted. See "*Principal Shareholders and Related Party Transactions—The NewCo GB Warrants*".

We maintain cash management arrangements with our indirect parent BH, and as a result a significant amount of our free cash is held by BH.

We have entered into the BH Cash Management Agreement with BH, our indirect principal shareholder whom we do not control. See "*Principal Shareholders and Related Party Transactions—Related Party Transactions—Cash Management Agreement*". Under the BH Cash Management Agreement, we advance to BH a portion of our cash on balance sheet to facilitate the deposit of such cash with certain financial institutions on our behalf in order to optimize our cash management and increase the return on our cash investments. BH can only invest this cash in liquid and risk-free financial instruments. Our consolidated free cash is subject to this arrangement. All funds we advance to BH, and all securities purchased with such funds, and proceeds of all of the foregoing, are deposited in segregated accounts in the name of BH, and these accounts were pledged to us in connection with the issuance of the Existing Notes to secure BH's obligations under the BH Cash Management Agreement. Our rights under the Cash Management Agreement have in turn been pledged to the Security Agent for the benefit of the Trustee and the holders of Existing Notes and the Additional Notes to secure our obligations under the Existing Notes and the Additional Notes and the Revolving Credit Facility.

Under the BH Cash Management Agreement, we have the right at any time to require BH to repay us any cash or other property held on our behalf by BH thereunder, subject to reasonable notice. However, our ability to enforce this right may be suspended in the context of certain French insolvency proceedings involving BH. Moreover, even though the Security Agent can, on behalf of the Trustee and the holders of Existing Notes and the Additional Notes, enforce the pledge of our rights under the BH Cash Management Agreement, thereby giving it a direct claim against BH on behalf of the holders of Existing Notes and the Additional Notes, its ability to enforce this direct claim would be similarly adversely affected under such circumstances. Therefore, if BH were to become subject to insolvency proceedings, our ability to access the cash and other property held by BH on our behalf may be legally blocked, and the amount of such cash and other property may be significant.

Moreover, we do not control BH, and, since it is not in the restricted group under the Indenture, it is not subject to the covenants set out in the Indenture or the Revolving Credit Agreement. Therefore, the ability of the holders to monitor and assess any potential for insolvency at the level of BH or to prevent it from taking actions that would violate the BH Cash Management Agreement or be inconsistent with the interests of the holders is very limited.

See "—*The insolvency laws of applicable jurisdictions may not be as favorable to you as the insolvency laws of the jurisdiction with which you are familiar*".

The insolvency laws of applicable jurisdictions may not be as favorable to you as the insolvency laws of the jurisdiction with which you are familiar.

Our obligations under the Existing Notes and the Additional Notes are, guaranteed by the Guarantors and secured by security interests in the Collateral. The Guarantors are organized under the laws of France and Belgium. In addition, the Collateral includes, among other assets, first-ranking pledges over shares in the Issuer and certain of its subsidiaries and first-ranking pledges of certain bank accounts and present and future intercompany loan receivables held by subsidiaries of the Issuer incorporated in France and Belgium and a first-ranking pledge over Quick's trademarks. The insolvency, administration and other laws of foreign jurisdictions may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar.

Applicable fraudulent transfer and conveyance and equitable principles, insolvency laws and limitations on the enforceability of judgments obtained in courts in such jurisdictions could limit the enforceability of the Notes against the Issuer, the enforceability of a Guarantee against a Guarantor and the enforceability of the security interests in the Collateral. The court may also in certain circumstances avoid the security interest or the Guarantee where the company is close to or near insolvency.

In France, among other limitations, the granting of the security interests in the Collateral in connection with the issuance of the Notes may fall under the legal framework of hardening periods where certain arrangements or dispositions that are made during a specified period (the "**suspect period**") preceding the opening order of reorganization proceedings or liquidation proceedings may be challenged by the receiver, the judicial administrator or the public prosecutor in bankruptcy and certain creditors under the applicable rules of avoidance. Indeed, while opening reorganization or judicial liquidation proceedings, a French Court will set the date on which the debtor is deemed to have become insolvent (*date de cessation des paiements*). This date can be fixed at any time up to 18 months prior to the judgement opening the proceedings. The period between the date of insolvency and the commencement of insolvency proceedings is known as the suspect period. The Indenture also permits the security interests in the Collateral to be released and retaken in certain circumstances. At each time, if the security interest were granted or recreated during the hardening period applicable in such jurisdiction, it may be declared void or ineffective or it may not be possible to enforce it. For more information see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*". In France, insolvency legislation tends to favor the continuation of a business and protection of employment over the payment of creditors. In the context of insolvency proceedings affecting creditors, including court-assisted pre-insolvency proceedings (*mandat ad hoc* proceedings or conciliation proceedings (*procédure de conciliation*)), and court-controlled insolvency proceedings (safeguard proceedings, accelerated safeguard (*sauvegarde accélérée*), accelerated financial safeguard (*sauvegarde financière accélérée*) and reorganization or liquidation proceedings (*redressement ou liquidation judiciaire*)), the ability of holders of the Notes to enforce their rights under the Notes could be limited or suspended.

For more information regarding insolvency laws and enforceability issues as they relate to the Issuer, the Guarantees and security interests in the Collateral, see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*".

In the event that any one or more of the Issuer, the Guarantors, or any other of the Issuer's subsidiaries, or any other grantor of security interests in the Collateral, experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. In the event of bankruptcy, insolvency, administration or similar event, proceedings could be initiated in any of these jurisdictions.

Rights under the Notes, the Guarantees and the Collateral are likely to be subject to insolvency and administrative laws of more than one jurisdiction and there can be no assurance that the holders of the Notes will be able to effectively enforce their rights in complex proceedings. The application of these laws may also conflict with each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, the ability to obtain post-petition interest and the duration of the proceeding. The application of these laws could call into question whether any particular jurisdiction's law should apply, adversely affect your rights under the Guarantees and limit any amounts that you may realize from the Collateral.

There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited.

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment-grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all. In addition, the Indenture allows us to issue further additional notes in the future, which could adversely impact the liquidity of the Notes.

You may face foreign exchange risks by investing in the Notes, which risk may be increased if the euro no longer exists or if the Notes are otherwise redenominated as a result of member states leaving the Eurozone.

The Notes are denominated and payable in euro. If investors measure their investment returns by reference to a currency other than euro, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which the investors measure the return on their investments. Investments in the Notes by U.S. holders (as defined in "*Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations*") may also have important tax consequences as a result of foreign exchange gains or losses, if any. See "*Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations*". Despite the measures taken by countries in the Eurozone to alleviate credit risk, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Eurozone member states. These and other concerns could lead to the reintroduction of individual currencies in one or more member states, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. We cannot assure you that the official exchange rate at which the Notes may be redenominated would accurately reflect their value in euro. These potential developments, or market perceptions concerning these developments and related issues, could adversely affect the value of the Notes.

You may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuer and its subsidiaries are organized outside the United States, and our business is conducted entirely outside the United States. Most of the members of our supervisory board and all of our executive officers are nonresidents of the United States. Although the Issuer and the Guarantors has submitted to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on our directors and executive officers. In addition, as the assets of the Issuer and its subsidiaries and those of its directors and executive officers are generally located outside of the United States, you may be unable to enforce judgments obtained in the U.S. courts against them. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Issuer may not be subject to the civil liability provisions of the federal securities laws of the United States.

The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with France or Belgium. There is, therefore, doubt as to the enforceability of civil liabilities based upon U.S. federal securities laws in an action to enforce a U.S. judgment in France or Belgium. In addition, the enforcement in France or Belgium of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that a court in France or Belgium would have the requisite power or authority to grant remedies sought in an original action brought in France or Belgium on the basis of U.S. federal securities laws violations. For further information, see "*Service of Process and Enforcement of Civil Liabilities*".

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Notes are being offered and sold pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws of the United States. The Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws. Therefore, you may not transfer or sell the Notes in the United States except pursuant to an exemption from, or a refinancing not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, or pursuant to an effective registration statement, and you may be required to bear the risk of your investment in the Notes for an indefinite period of time. The Indenture contains provisions that restrict the Notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S under the U.S. Securities Act, or other exemptions under the U.S. Securities Act. In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal amount of less than €100,000.

Furthermore, we have not registered the Notes under any other country's securities laws and do not have any intention to do so. It is your obligation to ensure that your offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See "*Notice to Investors*".

The Notes are initially held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes initially have only been issued in global certificated form and held through Euroclear and Clearstream, Luxembourg.

Interests in the global Notes will trade in book-entry form only, and Notes in definitive registered form, or definitive registered Notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of Notes. The common depositary, or its nominee, for Euroclear and Clearstream, Luxembourg will be the sole registered holder of the global notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the Notes will be made to the paying agent, which will make payments to Euroclear and Clearstream, Luxembourg. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global Notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, Luxembourg, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if investors own a book-entry interest, they must rely on the procedures of Euroclear and Clearstream, Luxembourg, and if investors are not participants in Euroclear and Clearstream, Luxembourg, they must rely on the procedures of the participant through which they own their interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests do not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if an investor owns a book-entry interest, it is permitted to act only to the extent it has received appropriate proxies to do so from Euroclear and Clearstream, Luxembourg. The procedures implemented for the granting of such proxies may not be sufficient to enable such investor to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, if investors own book-entry interests, they are restricted to acting through Euroclear and Clearstream, Luxembourg. The procedures to be implemented through Euroclear and Clearstream, Luxembourg may not be adequate to ensure the timely exercise of rights under the Notes. See "*Book-Entry, Delivery and Form*".

Risks Related to the Acquisitions

We may not be able to enforce claims with respect to the representations and warranties that the BDBK Seller has provided under the BDBK Acquisition Agreement.

In connection with the BDBK Acquisition, the BDBK Seller will give certain limited customary warranties and undertakings related to their shares in BDBK and the business of BDBK under the BDBK Acquisition Agreement. There can be no assurance that we will be able to enforce any claims against the BDBK Seller relating to breaches of such warranties and undertakings. The BDBK Seller's liability with respect to breaches of warranties and undertakings under the BDBK Acquisition Agreement is limited and there can be no assurance that such limited liability to the extent enforced, will be adequate to cover any losses or damages resulting from the BDBK Seller's breach of its warranties and undertakings under the BDBK Acquisition Agreement. Moreover, even if we ultimately succeed in recovering any amounts from the BDBK Seller, we may temporarily be required to bear these losses ourselves.

The Targets may have liabilities that are not known to us and the indemnities we have negotiated in the BDBK Acquisition Agreement may not adequately protect us.

As part of the Acquisitions, we will assume certain liabilities of the Targets. There may be liabilities that we failed or were unable to discover in the course of performing due diligence investigations into the Targets. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations. Further, we have not performed all of the valuations necessary to ascertain the fair value of the identifiable assets acquired and the liabilities assumed and the related allocation of the purchase price. The purchase price allocation relating to each of the Acquisitions may result in significant adjustments to the historical values of property, plant, and equipment, intangible assets and other assets, liabilities and provisions, which could, in turn, result in depreciation and amortization expense. As we integrate the Targets, we may learn additional information about the Targets that adversely affects us, such as unknown or contingent liabilities and issues relating to non-compliance with applicable laws.

We may experience difficulties integrating the business of the Targets.

Our ability to achieve the benefits we anticipate from the Acquisitions will depend in large part upon whether we are able to integrate the business of the Targets into our business in an efficient and effective manner. We may not be able to integrate the business of the Targets smoothly or successfully and the process may take longer than expected. The integration of certain operations and the differences in operational culture following the Acquisitions will require the dedication of significant management resources which may distract management's attention from day-to-day business operations. If we are unable to successfully integrate the operations of the business of the Targets, we may be unable to realize the synergies, revenue growth and other anticipated benefits we expect to achieve as a result of the Acquisitions and our business and results of operations could be adversely affected.

The success with which we are able to integrate the business of the Targets will depend on our ability to manage a variety of issues, including the following:

- consolidating work sites in a timely manner and coordinate equipment, personnel and work processes;
- retaining employees of the Targets; and
- integrating the business of the Targets with our existing operations will require us to coordinate geographically separated organizations, address possible differences in corporate culture and management philosophies, merge financial processes and risk and compliance procedures, combine separate information technology platforms and integrate the business operations of the Targets.

We expect to incur certain one-off costs in connection with the Acquisitions and the related integration of the business of the Targets. The costs and liabilities actually incurred in connection with the Acquisitions and subsequent integration process may exceed those anticipated.

In addition, the Acquisitions may entitle customers of the Targets to terminate their agreements as a result of change of control provisions. The Acquisitions may constitute a change of control under certain agreements entered into by the Targets. Certain counterparties will be entitled to terminate their agreements with us. Some of these counterparties may exercise their termination rights, which could have an adverse effect on our business, results of operations and financial condition.

USE OF PROCEEDS

The gross proceeds from the Offering was €61.1 million. The gross proceeds from the sale of the Temporary Notes (including accrued interest from, and including, November 2, 2017 to, but excluding, the Temporary Notes Issue Date) were deposited into the Escrow Account, pending satisfaction of the conditions to the release of the Escrowed Proceeds. Following satisfaction of the conditions to the release of the Escrowed Proceeds to the Issuer, the Escrowed Proceeds were released and used, along with proceeds from the NewCo-BKF Equity Injection to finance the BKF-BKRO Equity Injection, the proceeds from which were in turn used by BKRO to pay the Consideration for the Acquisitions, and pay certain estimated costs, fees and expenses incurred in connection with the Offering and the Acquisitions. The remainder of the proceeds of the Offering were held by the Issuer for general corporate purposes. See "*Summary—The Transactions*". Following payment of certain fees and expenses and advisory costs of approximately €1.5 million, the net proceeds from the Offering were approximately €59.6 million.

The table below sets forth the estimated sources and uses of funds in connection with the Offering. Amounts included in the table below are based on the assumption that the Transactions occurred on the BDBK Acquisition Completion Date. Actual amounts will vary from estimated amounts depending on several factors, including the date of the Investment Vehicle Acquisition Completion Date and the actual cash consideration to be paid thereon, as well as the differences between estimated and actual fees and expenses. Any increase in these amounts will be funded using cash on our balance sheet. This table should be read in conjunction with "*Capitalization*".

Sources of Funds	Amount (in € millions)	Uses of Funds	Amount (in € millions)
Temporary Notes [(1)]	61.1	Consideration for the Acquisitions[(3)]	92.9
NewCo-BKF Equity Injection[(2)]	40.0	Estimated costs, fees and expenses[(4)]	1.5
		Cash on balance sheet	6.7
Total Sources	101.1	**Total Uses**	101.1

(1) Represents the gross proceeds from the Offering and excludes payment by the purchasers of the Temporary Notes of an amount equal to the accrued interest on the Temporary Notes from, and including, November 2, 2017 to, but excluding, the Temporary Notes Issue Date.

(2) Represents amounts received by the Issuer in consideration for the subscription by NewCo GB of the New Preferred Shares on the BDBK Acquisition Completion Date. For a description of the New Preferred Shares, see "*Principal Shareholders and Related Party Transactions—Principal Shareholders—Preferred Shares.*"

(3) Represents the estimated BDBK Acquisition Price, the estimated amount of the BDBK Intercompany Loan and the estimated Investment Vehicle Price.

(4) Includes the estimated costs, fees, expenses and other payments related to the Offering and the Acquisitions, including underwriting commissions, other transaction costs and professional fees.

CAPITALIZATION

The following table sets forth the cash and cash equivalents and the consolidated capitalization of the Issuer as of September 30, 2017 on an actual basis and as adjusted to give effect to the Transactions as if they had occurred on September 30, 2017. The as adjusted financial data has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Directive or any generally accepted accounting standards. The adjusted financial data has not been audited or reviewed in accordance with any generally accepted auditing standards.

The financial information in the actual column has been derived from the unaudited interim condensed consolidated financial statements of the Group as of and for the period ended September 30, 2017, an English translation of which is included elsewhere in this Listing Memorandum. The financial information in the as adjusted column relating to the Targets is derived from management accounts furnished by the Sellers and amounts estimated to be outstanding as of September 30, 2017.

The table below should be read in conjunction with "*Selected Historical Financial Data*," "*Use of Proceeds*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Description of Certain Financing Arrangements"*, "*Description of the Notes*" and the financial statements and the related notes, an English translation of which is included elsewhere in this Listing Memorandum.

	As of September 30, 2017	
	Actual	**As Adjusted**
	(€ in millions)	
Cash and cash equivalents[1]	**129.9**	**139.6**
Additional Notes [2]	—	60.0
Revolving Credit Facility[3]	—	—
Existing Fixed Rate Notes[4]	315.0	315.0
Existing Floating Rate Notes[5]	250.0	250.0
Capital leases[6]	6.0	6.2
Other[7]	(2.0)	7.3
Total Debt	**569.0**	**638.5**
Total Shareholders' equity	**101.7**	**141.7**
Total Capitalization	**670.9**	**780.2**

(1) Represents cash available in bank accounts and in hand as well as short-term investments with terms typically of three months or less. As adjusted cash represents cash and cash equivalents on balance sheet immediately after the Transactions, including an estimated €3.0 million of cash and cash equivalents of the Investment Vehicles.

(2) Represents the aggregate principal amount of the Additional Notes. On the BDBK Acquisition Completion Date, the Temporary Notes were exchanged for an equal principal amount of Additional Notes to be issued under the Indenture that has the same terms and conditions as the Existing Floating Rate Notes.

(3) The Revolving Credit Facility provides for borrowings of up to €60 million. The Revolving Credit Facility was undrawn as of September 30, 2017 and we expect it to remain undrawn on the BDBK Acquisition Completion Date.

(4) Represents the principal amount of the Existing Fixed Rate Notes outstanding as of September 30, 2017.

(5) Represents the principal amount of the Existing Floating Rate Notes outstanding as of September 30, 2017. The Additional Notes to be issued in exchange for the Temporary Notes on the BDBK Acquisition Completion Date have the same terms and conditions as the Existing Floating Rate Notes.

(6) Refers to certain capital leases outstanding as of September 30, 2017, principally related to equipment. As adjusted amounts reflect an additional estimated amount of capital leases of BDBK of approximately €0.2 million outstanding as of September 30, 2017.

(7) Other consists of (i) a €4.8 million bilateral loan granted by Bpifrance to France Quick with maturity in April 2022; (ii) a €1.1 million CICE financing line granted by Bpifrance to Agaquick (our joint venture with Auchan Group); (iii) a €5.0 million bilateral loan granted to France Quick maturing in October 2020; (iv) a €3.4 million CICE financing line granted by Bpifrance to the Issuer; (iv) €(16.7) million in debt issuance costs relating to the offering of the Existing Notes that are capitalized in accordance with IFRS; (v) other debt, including bank overdrafts of €0.5 million; (vi) with respect to the As Adjusted column, the estimated debt issuance costs relating to the offering of the Temporary Notes (€(1.5) million) to be capitalized in accordance with IFRS; and (vii) with respect to the As Adjusted column, an estimated amount of debt of the Investment Vehicles outstanding as of September 30, 2017 of approximately €10.8 million comprising bilateral bank loans.

SELECTED HISTORICAL FINANCIAL DATA

Overview

The following tables present selected historical consolidated and *pro forma* financial information for the Issuer and other data for the Issuer and Financière Quick, its predecessor, as of and for each of the years ended December 31, 2014, 2015 and 2016 and as of and for the nine months ended September 30, 2016 and 2017. The Issuer was established in October 2013 as a *société par actions simplifiée* under the laws of France in order to develop the Burger King brand in France, carry out the activities contemplated by the Master Franchise Agreement and serve as the Group's holding company. For the years ended December 31, 2014 and 2015, the Issuer prepared its consolidated financial statements in accordance with French GAAP. The Issuer had limited activities in 2014. Following the Quick Acquisition in December 2015, the Issuer adopted IFRS for the preparation of its consolidated financial statements as of and for the year ended December 31, 2016 in order to provide accounting and financial data that is more comparable to financial information published by its peers.

As regards the Issuer:

- The selected unaudited interim condensed consolidated financial information as of and for the nine months ended September 30, 2017 and other financial data presented in the tables below has been derived from the BKF Interim Financial Statements, a free English translation of which is included elsewhere in this Listing Memorandum;

- The selected historical consolidated financial information as of and for the year ended December 31, 2016 and other financial data presented in the tables below has been derived from the BKF 2016 IFRS Financial Statements, a free English translation of which is included elsewhere in this Listing Memorandum.

- The selected *pro forma* financial information for the year ended December 31, 2015 has been derived from note 12 to the BKF 2016 IFRS Financial Statements.

- The selected historical consolidated financial information as of and for the year ended December 31, 2015 and other financial data presented in the tables below has been derived from the BKF 2015/2014 French GAAP Financial Statements, a free English translation of which is included elsewhere in this Listing Memorandum.

As regards Financière Quick, its predecessor:

- The selected historical consolidated financial information as of and for the year ended December 31, 2015 and other financial data presented in the tables below has been derived from the Quick 2015/2014 IFRS Financial Statements, a free English translation of which is included elsewhere in this Listing Memorandum.

- The selected historical consolidated financial information as of and for the year ended December 31, 2014 and other financial data presented in the tables below has been derived from the Quick 2015/2014 IFRS Financial Statements, a free English translation of which is included elsewhere in this Listing Memorandum.

As a result of the adoption of IFRS, the Issuer's consolidated financial statements as of and for the year ended December 31, 2016 prepared in accordance with IFRS are not comparable to the Issuer's consolidated financial statements as of and for the year ended December 31, 2015 prepared in accordance with French GAAP. In addition, as a result of the Quick Acquisition, the Issuer's consolidated financial statements as of and for the year ended December 31, 2016 are not comparable to the Financière Quick consolidated financial statements as of and for the years ended December 31, 2015 and 2014, primarily because of the above-mentioned differences.

The *pro forma* consolidated income statement for the year ended December 31, 2015 derived from note 12 to the BKF 2016 IFRS Financial Statements has been prepared on a *pro forma* basis as though the Quick Acquisition and the reclassification with respect to the Belux Divestment had occurred, in each case, on January 1, 2015 (the "**BKF 2015 *Pro Forma* Financial Information**"). The BKF 2015 *Pro Forma* Financial Information may not be representative of what would have been the Group's actual results of operations had the Quick Acquisition and Belux Divestment occurred on the dates assumed and it may not be indicative of our future performance. The following section contains non-IFRS and non-GAAP measures that are not required by, or presented in accordance with French GAAP or IFRS or any other generally accepted accounting standards. We have included these measures because management uses them to measure operating performance in presentations to our directors and as a basis for strategic planning and forecasting, as well as in monitoring, as relevant, certain aspects of our operating cash flows, liquidity and business performance. See "*Presentation of Financial and Other Information—Non-IFRS and non-GAAP measures*".

The unaudited consolidated income statement and the other financial information presented for the twelve months ended September 30, 2017 have been derived by subtracting from the financial information of the Issuer as of and for the year ended December 31, 2016 the financial information from our unaudited condensed interim consolidated financial statements as of and for the nine months ended September 30, 2016, and adding the financial information from our unaudited condensed interim consolidated financial statements as of and for the nine months ended September 30, 2017. The unaudited consolidated income statement and the other financial information presented for the twelve months ended September 30, 2017 have been prepared for illustrative purposes only and are not necessarily representative of our results of operations for any future period or our financial condition at any future date. This data has been prepared solely for the purpose of this Listing Memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed.

This section should be read in conjunction with the financial statements included elsewhere in this Listing Memorandum as well as the disclosures provided under "*Presentation of Financial and Other Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented*" and "*Risk Factors—Risks related to our presentation of financial and other information*".

Consolidated Income Statement Data

The following table sets forth (i) the consolidated results of operations of the Issuer for the year ended December 31, 2015 prepared on a *pro forma* basis as though the Quick Acquisition had occurred on January 1, 2015 and as though the Belux Divestment operations had been reclassified as "discontinued operations" as of January 1, 2015, (ii) the historical consolidated income statement of the Issuer for the year ended December 31, 2016, derived from the BKF 2016 IFRS Financial Statements, (iii) the historical unaudited interim condensed consolidated result of operations of the Issuer for the nine months ended September 30, 2017, derived from the BKF Interim Financial Statements and (iv) the consolidated result of operations of the Issuer for the twelve months ended September 30, 2017, derived by subtracting from the result of operations of the Issuer for the year ended December 31, 2016, the result of operations of the Issuer for the nine months ended September 30, 2016, and adding the result of operations for the nine months ended September 30, 2017. See "*Presentation of Financial and Other Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	Burger King France				
	For the year ended December 31,		For the nine months ended September 30,		For the twelve months ended
	2015 (*pro forma*)	2016	2016	2017	September 30, 2017
	(€ in millions)				
Sales and franchise revenues	**555.9**	**578.3**	**426.8**	**443.6**	**595.1**
Cost of sales	(325.2)	(333.6)	(248.5)	(241.7)	(326.8)
Gross profit	**230.7**	**244.8**	**178.3**	**201.9**	**268.4**
Operating and occupancy costs (excluding depreciation and amortization)	(92.8)	(97.3)	(74.4)	(75.6)	(98.4)
Depreciation and amortization (restaurants)	(31.2)	(30.8)	(23.8)	(22.7)	(29.7)
Profit from operations	**106.7**	**116.7**	**80.1**	**103.6**	**140.2**
Selling costs	(48.1)	(47.6)	(37.0)	(37.0)	(47.5)
BK brand royalties	(3.5)	(8.3)	(5.3)	(11.7)	(14.7)
Pre-opening costs	(5.0)	(3.3)	(2.4)	(1.5)	(2.4)
Other operating income and expenses	(0.2)	7.5	3.6	7.6	11.5
Gross operating profit of restaurants	**49.9**	**65.1**	**38.9**	**61.0**	**87.1**
General and administrative costs (excluding depreciation and amortization)	(42.9)	(49.5)	(33.3)	(33.5)	(49.7)
Depreciation and amortization (corporate center)	(3.5)	(3.2)	(2.4)	(2.3)	(3.0)
Other corporate income and expenses	17.3	15.9	11.8	11.2	15.4
Operating profit before non-recurring items (EBIT)	**20.8**	**28.4**	**15.0**	**36.4**	**49.8**
Other non-recurring income and expenses	(166.3)	(15.2)	(4.5)	(18.1)	(28.8)
Operating profit/(loss) after non-recurring items	**(145.5)**	**13.2**	**10.5**	**18.3**	**21.0**
Net financial income/(expense)	(36.4)	(30.8)	(28.3)	(36.6)	(39.2)
Profit/(loss) before tax	**(181.9)**	**(17.7)**	**(17.8)**	**(18.3)**	**(18.2)**
Income tax	(5.4)	(8.3)	(7.7)	(4.3)	(8.7)
Income from assets held for sale and discontinued operations	12.3	4.9	4.9	—	—
Net profit/(loss) for the period	**(175.1)**	**(21.1)**	**(20.6)**	**(22.6)**	**(26.9)**

Consolidated Statement of Financial Position Data

	Burger King France		
	As of December 31,		As of September 30,
	2015	2016	2017
	(€ in millions)		
Goodwill	211.7	159.7	165.5
Intangible assets	253.9	215.3	214.1
Property, plant and equipment	228.6	211.1	240.2
Investment in associates	1.1	—	—
Financial receivables and other non-current assets	11.3	11.5	11.7
Deferred tax assets	2.4	2.0	1.9
Non-current assets	**709.0**	**599.6**	**633.4**
Inventories	13.1	11.8	11.5
Trade receivables	42.4	42.4	53.7
Current tax assets	1.7	2.9	5.8
Tax receivables excluding income tax	14.0	31.9	25.9
Financial receivables and other current assets	28.8	26.0	11.9
Other financial receivables	—	9.4	9.4
Cash and cash equivalents	177.2	161.1	129.9
Current assets	**277.2**	**285.5**	**248.2**
Total assets	**986.3**	**885.1**	**881.6**
Share capital	—	—	—
Share premiums	163.3	163.3	163.3
Retained earnings (including net profit for the period)	(9.8)	(38.1)	(61.6)
Attributable to non-controlling interests	12.1	12.8	—
Total equity	**165.7**	**138.1**	**101.7**
Non-current provisions	8.3	11.0	9.9
Financial liabilities	542.7	531.9	562.4
Other financial liabilities	—	—	14.9
Other non-current liabilities	6.4	5.8	5.2
Deferred tax liabilities	11.7	11.9	10.3
Non-current liabilities	**569.0**	**560.6**	**602.7**
Financial liabilities	104.4	11.3	17.5
Trade payables	86.0	101.2	88.6
Current tax liabilities	2.8	9.1	9.4
Other tax liabilities	13.7	17.1	17.1
Employees and social security liabilities	30.3	32.1	31.1
Other current liabilities	14.4	15.7	13.5
Current liabilities	**251.5**	**186.5**	**177.1**
Total equity and liabilities	**986.3**	**885.1**	**881.6**

Consolidated Cash Flow Data

	For the year ended December 31,		For the nine months ended September 30,		For the twelve months ended September 30, 2017
	2015	2016	2016	2017	
	(€ in millions)				
Cash generated by operating activities	9.6	82.7	40.6	33.2	75.3
Cash generated/(used) by investment activities	(6.8)	42.4	87.9	(65.0)	(110.5)
Cash generated/(used) by financing activities	138.3	(141.5)	(127.5)	0.9	(13.1)
Change in cash and cash equivalents	**141.1**	**(16.4)**	**1.0**	**(30.9)**	**(48.3)**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the financial condition and results of operations of the Group in the periods set forth below, based on data extracted from the financial statements and *pro forma* financial information of the Issuer and Financière Quick as discussed under "*Presentation of Financial and Other Information*".

This discussion should be read together with, and is qualified in its entirety by reference to the consolidated financial statements prepared in accordance with French GAAP or IFRS, free English translations of which are included elsewhere in this Listing Memorandum.

The following discussion should also be read in conjunction with "*Presentation of Financial and Other Information*," and "*Summary Historical Consolidated Financial Information and Other Data*". A summary of the Group's critical accounting policies that have been applied to these financial statements is set out below under the caption "—*Critical Accounting Policies*". The discussion in this section may contain forward-looking statements that reflect the Group's plans, estimates and beliefs and involve risks and uncertainties. The Group's actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Listing Memorandum, particularly under "*Risk Factors*" and "*Forward-Looking Statements*".

Unless the context indicates otherwise, in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," references to "we," "us" or the "Group" (i) refer to, prior to the Quick Acquisition, the Issuer and its consolidated subsidiaries, (ii) refer to, following the Quick Acquisition, the Issuer and its subsidiaries, including Financière Quick and its subsidiaries (but excluding the companies and assets constituting the perimeter of the Belux Divestment unless clear from the context) and references to the "**Financière Quick Group**" refer to Financière Quick and its subsidiaries for all periods and (iii) do not include the Targets and do not take into account the effects of the Acquisitions, unless the context otherwise requires. For more information on the Acquisitions, see "*Summary—The Transactions".*

Overview

We are Burger King France, resolutely focused on the expansion of the world's second largest QSHR chain in the French market which is characterized by secular, long-term demand for eating out and a strong affinity for our brand. Guided by the Burger King philosophy of "Have it your way", we offer consumers a differentiated eating experience, combining high-quality food, such as our flame-grilled hamburgers, with attractive restaurant locations.

In 2013, our principal shareholder Groupe Bertrand reintroduced the Burger King brand to the French market after a 15 year absence, by signing of a master franchise agreement between Burger King France and BK Europe, the holder of the Burger King brand. Groupe Bertrand is a leader in the French restaurant industry, known for its ability to roll out and transform restaurant concepts. In our first two years of operations in 2014 and 2015, we implemented an ambitious expansion program, leading to the opening of 42 restaurants and generating significant brand awareness through a savvy marketing campaign that harnesses the amplification effects of social media.

In December 2015, we seized the opportunity to secure the growth trajectory of the Burger King brand throughout mainland France with the acquisition of Financière Quick Group, an incumbent QSHR operator with nearly 400 prime restaurant locations in France. Following the acquisition of Quick, we have demonstrated a successful track-record of converting Quick restaurants to the Burger King brand as well as new Burger King restaurant openings. Since we began to implement the "Quick & King 2020" plan, which focuses on the conversion of our legacy Quick restaurants to Burger King brand restaurants and aims to add a minimum of 100 new restaurants every year for the next three years, we have demonstrated a successful track-record of converting Quick restaurants to the Burger King brand, as well as opening new Burger King brand restaurants. See "*Forward-Looking Statements*". As of September 30, 2017, we operated 172 restaurants under the Burger King brand, as compared with 108 restaurants as of December 31, 2016.

Our mission is to continue to deliver high-quality service to our customers and support the growth of our franchisees through expansion according to our strict development criteria, while exploiting economies of scale, optimizing logistics costs and further growing our EBITDA. We believe that our business model, which features a mix of Pure Franchise Restaurants and Franchise with Lease Management Restaurants, as well as Company Restaurants, enables us to flexibly manage our growth while controlling the locations of the restaurants in our network. As of September 30, 2017, we were the direct lessee for or owner of approximately 82% of the restaurant locations in our network.

As of September 30, 2017, 72% of our restaurants are Franchise Restaurants and the remaining 28% are Company Restaurants, a balance that supports our gross margin and reduces our capital expenditure requirement for expansion, as demonstrated by an annual cash conversion ratio of 70% and 93% for the years ended December 31, 2015 (*pro forma*) and 2016, respectively.

In 2016, Burger King was the preferred QSR brand in France over Brioche Dorée, Subway, KFC and McDonald's, according to an OC&C consumer survey. The strong recognition of the Burger King and Quick brands in France, together with Burger King's significant restaurant network worldwide, serves as a solid base to attract customers and prospective franchisees.

For the twelve months ended September 30, 2017, average restaurant sales ("**ARS**") for Burger King restaurants were approximately €3.6 million, compared to ARS for Quick for the same period and McDonald's (in 2016, according to GIRA) restaurants of approximately €2.0 million and €3.4 million, respectively. Additionally, enhanced marketing communication and turnaround initiatives in our Quick brand restaurants resulted in positive LfL SWS performance of Quick brand restaurants in mainland France for the quarter ended September 30, 2017.

Combined with Quick, we are the second largest QSHR chain in France, with approximately 15% market share by revenue in 2016, generating €1,079.8 million in SWS, €595.1 million in revenue and €85.0 million of Adjusted EBITDA for the twelve months ended September 30, 2017, with 465 restaurants as of September 30, 2017 (172 of which were under the Burger King Brand).

Presentation of Financial and Other Information

This Listing Memorandum includes consolidated financial and other data for the Issuer and Financière Quick.

The Issuer was established in October 2013 as a *société par actions simplifiée* under the laws of France in order to lead and develop the Burger King brand in France, carry out the activities contemplated by the Master Franchise Agreement and serve as the Group's holding company. For the years ended December 31, 2014 and 2015, the Issuer prepared its consolidated financial statements in accordance with French GAAP. Following the Quick Acquisition, the Issuer adopted IFRS for the preparation of the consolidated financial statements as of and for the year ended December 31, 2016 and subsequent periods in order to provide accounting and financial data that is more comparable to financial information published by its peers.

Financière Quick was established in March 2004 as a *société par actions simplifiée* under the laws of France. In October 2006, it served as the acquisition vehicle for the acquisition and taking private of Quick Restaurants S.A., the owner of the Quick brand and holding company of the eponymous franchisor following which it became the new reporting entity of the Group. Financière Quick issued the Quick Notes in April 2014 to refinance certain indebtedness. Pursuant to the terms of the Quick Indentures, Financière Quick was required to prepare consolidated financial statements at the level of Financière Quick and its consolidated subsidiaries.

Financial Statements

In order to present and discuss comparable financial periods in this Listing Memorandum, we include and discuss the following financial information in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" as further discussed under "*—Factors Affecting the Comparability of the Financial Information Presented—Acquisitions and divestments*":

(a) the unaudited interim condensed consolidated financial statements of the Issuer and its subsidiaries as of and for the nine months ended September 30, 2017 prepared in accordance with IAS 34, the standard of IFRS applicable to interim financial statements, which includes comparative information as of and for the nine months ended September 30, 2016 (the "**BKF Interim Financial Statements**");

(b) the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the year ended December 31, 2016 prepared in accordance with IFRS, the "**BKF 2016 IFRS Financial Statements**");

(c) certain unaudited *pro forma* financial information of the Issuer and its subsidiaries as of and for the year ended December 31, 2015 derived from note 12 to the BKF 2016 IFRS Financial Statements, which has been prepared as though the Quick Acquisition had occurred on January 1, 2015 and the Belux Divestment had occurred on January 1, 2015 (the "**BKF 2015 Pro Forma Financial Information**");

(d) the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the year ended December 31, 2015 prepared in accordance with French GAAP;

(e) the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the year ended December 31, 2014 prepared in accordance with French GAAP (together with d)) above, the "**BKF 2015/2014 French GAAP Financial Statements**");

(f) the audited consolidated financial statements of the Financière Quick Group as of and for the year ended December 31, 2015 prepared in accordance with IFRS; and

(g) the audited consolidated financial statements of the Financière Quick Group as of and for the year ended December 31, 2014 prepared in accordance with IFRS (together with (f)) above, the "**Quick 2015/2014 IFRS Financial Statements**").

Free English-language translations of the above-listed financial statements are included elsewhere in this Listing Memorandum.

The BKF Interim Financial Statements have been subject to a review by KPMG SA and Exelmans Audit et Conseil, as stated in their report thereon. The BKF 2016 IFRS Financial Statements have been audited by KPMG SA and Exelmans Audit et Conseil, as stated in their report thereon. The BKF 2015 *Pro Forma* Financial Information is unaudited and provided to assist investors in evaluating the changes in the results of operations of the Group adjusting for the perimeter effects of the Quick Acquisition and the Belux Divestment. See "*Risk Factors—Risks related to our presentation of financial and other information—The BKF 2015 Pro Forma Financial Information has been prepared using certain assumptions and it may not be representative of what would have been the Group's actual results of operations had the Quick Acquisition and Belux Divestment occurred on the dates assumed and it may not be indicative of our future performance*". The BKF 2015/2014 French GAAP Financial Statements have been audited by Exelmans Audit et Conseil, as stated in its reports. The Quick 2015/2014 IFRS Financial Statements have been audited by KPMG SA, as stated in its report thereon.

Factors Affecting the Comparability of the Financial Information Presented

Set forth below are certain factors that affect the comparability of the financial information presented in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

Acquisitions and divestments

During the periods under review, certain acquisitions and divestments impacted our scope of consolidation and, therefore, our results of operations, including principally the transactions described below.

Quick Acquisition

In December 2015, Burger King France, majority-owned by Groupe Bertrand, acquired Financière Quick (the "**Quick Acquisition**"). The Quick Acquisition involved a cash payment as well as an equity capital injection by Burger King France to fund a partial redemption of €90.0 million aggregate principal amount of Quick Notes. As a result of the Quick Acquisition, the System-wide sales ("**SWS**"), revenue and EBITDA of Burger King France increased significantly with the addition of the Financière Quick Group to its perimeter. In order to assist prospective investors in evaluating the results of operations and business performance of the Group following the Quick Acquisition, we have prepared the BKF 2015 *Pro Forma* Financial Information, which presents our results of operations as though the Quick Acquisition had occurred at the beginning of the relevant period.

See note 12 to the BKF 2016 IFRS Financial Statements included elsewhere in this Listing Memorandum and "*Risk factors—Risks related to our presentation of financial and other information—The BKF 2015 Pro Forma Financial Information has been prepared using certain assumptions and it may not be representative of what would have been the Group's actual results of operations had the Quick Acquisition and Belux Divestment occurred on the dates assumed and it may not be indicative of our future performance*".

Belux Divestment

In September 2016, following the Quick Acquisition, we divested the Quick operations in Belgium and Luxembourg and, following such divestment, we then reclassified the contribution of such divested operations in our consolidated financial statements as "discontinued operations" with effect as of January 1, 2015 (the "**Belux Divestment**"). The perimeter of the Belux Divestment included certain legal entities in Belgium and Luxembourg as well as related assets and liabilities, representing 101 Quick restaurants in Belgium and Luxembourg (92 in Belgium, of which 80 were Franchise Restaurants, and 9 in Luxembourg, all operated as Company Restaurants). The buyer was QSR Belgium, a new master franchisee for the Burger King brand for Belgium and Luxembourg with a similar intention to progressively convert most of the Quick restaurants to Burger King restaurants. From January 1, 2016 to September 1, 2016, the date the Belux Divestment was effective, the activities related to the Belux Divestment generated €132.3 million of sales which contributed to €57.9 million of revenue and € 14.3 million of EBITDA recorded in the BKF 2016 IFRS Financial Statements.

In order to assist prospective investors evaluate the results of operations and business performance of the Group following the Belux Divestment, we have prepared the BKF 2015 *Pro Forma* Financial Information, which presents our results of operations as though the Belux Divestment had occurred at the beginning of the relevant period. In preparing the BKF 2015 *Pro Forma* Financial Information, management allocated to Quick's Belgian and Luxembourg operations the dedicated headquarters costs of such entities as well as the *pro rata* amount of certain distribution services revenue received by the Group from suppliers. See note 12 to the BKF 2016 IFRS Financial Statements included elsewhere in this Listing Memorandum and "*Risk factors—Risks related to our presentation of financial and other information—The BKF 2015 Pro Forma Financial Information has been prepared using certain assumptions and it may not be representative of what would have been the Group's actual results of operations had the Quick Acquisition and Belux Divestment occurred on the dates assumed and it may not be indicative of our future performance*".

From a cash flow perspective, we were unable to isolate the effects of the Belux Divestment on our consolidated statement of cash flows on a *pro forma* basis. Therefore, the discussion included under "*—Liquidity and Capital Resources—Cash Flows—BKF 2016 IFRS Financial Statements as of and for the year ended December 31, 2016 compared to the year ended December 31, 2015*" contains the impact of Quick's former operations in Belgium and Luxembourg. Management has provided qualitative commentary to the cash flow discussion included herein to discuss the impact of the perimeter sold as part of the Belux Divestment on the Group's consolidated cash flow statement as of and for the year ended December 31, 2016. It should also be noted that during the years ended December 31, 2016 and 2015, the Quick Indentures imposed restrictions on dividends and other payments from the Financière Quick Group to its parent Burger King France and any of Burger King France's other subsidiaries which led to inefficiencies in the cash management of the combined Group. As a result of the foregoing, prospective investors may find it difficult to compare the Group's consolidated cash flow statements for the periods indicated.

Southern Territories Divestment

In December 2016, following the Quick Acquisition and the decision to concentrate on developing the Burger King brand in mainland France and focusing on Quick's core market of mainland

France, Financière Quick sold its 15 Franchise Restaurants operating in Reunion and New Caledonia, respectively an overseas department and overseas collectivity of France, to a subsidiary of BKC (the "**Southern Territories Divestment**"). From January 1, 2016 to December 12, 2016, the date the Southern Territories Divestment was effective, the activities related to the Southern Territories Divestment generated €29.6 million of SWS for the year ended December 31, 2016, which contributed to €2.4 million of revenue and €2.1 million of EBITDA. The BKF 2015 *Pro Forma* Financial Information does not give *pro forma* effect to the Southern Territories Divestment and therefore our results of operations discussed herein include the revenue and EBITDA generated by those Franchise Restaurants.

Because of the perimeter effects caused by acquisitions and divestments as discussed under "—*Acquisitions and divestments*," the restated information as of and for the year ended December 31, 2015 included in the BKF 2016 IFRS Financial Statements prepared in accordance with IFRS and the BKF 2015/2014 French GAAP Financial Statements are not comparable as the BKF 2015/2014 French GAAP Financial Statements exclude the impact of the Quick Acquisition. Investors may therefore find it difficult to evaluate the impact of the application of IFRS on the BKF 2015/2014 French GAAP Financial Statements and discern underlying trends.

Application of IFRS

Following the Quick Acquisition, in order to present consolidated financial statements using unified accounting principles, Burger King France adopted IFRS as of January 1, 2016 for the preparation of its consolidated financial statements as of and for the year ended December 31, 2016. The main impacts resulting from the adoption of IFRS include: (i) the acquisition costs related to the Quick Acquisition expensed under IFRS 3, whereas they are included in "*Goodwill*" under French GAAP, and (ii) deferred tax expenses.

Key Factors Affecting Our Results of Operations

Set forth below are certain key factors that historically have affected our results of operations, and which may impact our results of operations in the future.

Consumer preferences and societal trends, general economic conditions and consumer sentiment

We operate in the QSHR category of the QSR segment and our results of operations during the periods under review have been, and in the future may continue to be, affected by changes in consumer preferences and societal trends. Among the most significant trends that have affected our results of operations is the increased prevalence of eating away from home as the habits of the French population begins to exhibit greater convergence with other Northern European countries. Average time dedicated to meal consumption decreased to 28 minutes in 2012, having declined a minute per year since 2004. Demographic, social and economic trends underlying this decline include profound shifts in the way people live, work and eat in recent decades that have accelerated with economic and technological changes. More people are living alone, which means that people are eating out alone, stopping to eat while in transit or getting together to eat outside the home as a social activity. According to the *Institut national d'études démographiques* (INED) the percentage of single-person households in metropolitan France was 35.1% of total households in 2014, up from 31.0% in 1999—the figure averages approximately 50% in Nordic countries and approximately 40% in Germany according to Eurostat (2013 data). In addition, more French households with children have dual incomes, meaning both parents are working and more likely to be on the go during the week and pressed for time on the weekends. Moreover, more French young people are working while pursuing their studies and therefore have comparatively more spending power than prior generations. These demographic, social and economic changes support the QSR segment as the price points are accessible, customer service delivery is geared towards efficiency and the portion sizes can be generous. Data from INED and INSEE suggest that these societal trends continued even through economic downturns, which leads us to believe that they may provide additional resilience for our business. Additionally, we believe that these societal trends contributed to increase footfall which had a positive impact on our results of operations, during the periods under review.

Our results of operations are also influenced by changes in consumer preferences and trends regarding taste, packaging, ordering and customer service. To the extent we are able to maintain a fresh brand image and good reputation among consumers for products that appeal to them, our results of operations will be positively affected. Conversely, if we are unable to anticipate, identify and respond to such changes by evolving our product offering, menu customization options, portion sizing, pricing and other aspects of our business operations adequately and in a timely fashion, our results of operations may be adversely affected. We are constantly seeking to stay at the vanguard of consumer preferences through product offering and customer service, and have begun initiatives to better satisfy customer needs, for example through a Burger King France mobile app that helps customers find restaurants and learn about promotions.

In addition, our results of operations are also affected to a degree by global economic conditions and specific local economic conditions in the markets and geographic areas in which we operate. Such conditions include levels of employment, disposable income, consumer confidence and consumer willingness to spend, which are influenced by a variety of factors, including gross domestic product and interest and inflation rates. During the periods under review, our results of operations were affected by the state of the French economy, our principal market following the Belux Divestment. According to INSEE, France recorded GDP growth rates of 0.2% in 2014, 1.2% in 2015 and 1.1% in 2016. During periods of economic growth, consumers tend to eat outside the home more frequently, young people, an important demographic for the QSHR sector, tend to have more disposable income and consumers generally tend to travel more often for work or leisure, all of which can lead to greater traffic in our restaurants and contribute to SWS generation. Conversely, during periods with unfavorable economic conditions characterized by stagnant or negative GDP growth and/or a decrease in disposable income, consumers may reduce the frequency with which they dine out or choose more inexpensive restaurants when dining away from home. Unfavorable changes in general economic conditions, therefore, can reduce customer traffic, as consumers may prefer to prepare food at home, or comparison shop for the best promotional deals from restaurants, which can reduce footfall at our restaurants. Nevertheless, we believe that our positioning in the QSR segment with good value-for-money products mitigates the impact of potential changes in general and local economic conditions as this sector has historically been relatively resilient. According to GIRA, sales in the QSR segment (excluding cafés and bars) grew at a CAGR of approximately 3.4% from 2013 to 2016 while sales in the overall AFH market in France grew at a CAGR of approximately 0.9% over the same period in France. According to INSEE, nominal GDP in France grew at a CAGR of 1.3% during the same period. This segment has notably benefited from increasing out-of-home meal consumption, shorter time dedicated to meals and the shift towards more affordable meals. See "*Industry*".

In addition, footfall in our restaurants is a product of, among other things, consumer sentiment which can be affected by significant global or national events. Large-scale sporting or cultural events can encourage additional travel to certain regions by domestic and international tourists, which can drive footfall and drive-throughs at certain restaurant locations where the event is held or on routes to such locations. For example, in 2016, France hosted the UEFA Euro 2016 Cup with matches held at a number of cities in France where the Group is present, such as Paris, Saint-Denis, Marseille, Lyon, Bordeaux, Toulouse and Lille. Conversely, events such as terrorist attacks or civil disturbances such as prolonged labor strikes can negatively affect our results of operations and discourage customers from dining out, particularly if transportation networks are disrupted. For example, the greater Paris area experienced a series of terrorist attacks, including attacks on the headquarters of the satirical magazine *Charlie Hebdo* in January 2015 and a number of locations in November 2015, including outside the Stade de France in Saint-Denis, the Bataclan theatre and several restaurants and cafés in the eleventh *arrondissement* of Paris. Additionally, police investigation regarding potential terrorist activities affected Brussels in November 2015, which led to a closure of shops, schools and public transportation for a four-day period. Following these tragic events, consumers may have been less likely to patronize our restaurants in and around the affected areas or in urban centers generally which affected the LfL SWS performance of Quick for the year ended December 31, 2015 and may have partially offset increased sales recorded by Burger King restaurants in the same period.

Evolution of our network

One of the drivers of our results of operations is the size and evolution of our restaurant network. Prior to the Quick Acquisition, the Burger King restaurant network was still in its nascent stages in France with 42 restaurants in its network (as of December 31, 2015). The Quick Acquisition permitted Burger King France to accelerate its development through the conversion of existing Quick restaurants to Burger King brand restaurants. Additionally, we opened new restaurants during the period under review as we sought to continue to expand our nationwide coverage. As a result, our network of Burger King restaurants expanded from 16 as of December 31, 2014 to 172 as of September 30, 2017. Concurrently, the number of Quick restaurants operated by the Group in mainland France during the period under review decreased from 382 as of December 31, 2014 to 268 as of September 30, 2017 (excluding 16 restaurants temporarily closed and under conversion to the Burger King brand) due to closures and conversions to the Burger King brand (excluding the 101 restaurants sold as part of the Belux Divestment, 15 additional restaurants sold as part of the Southern Territories Divestment and nine restaurants operated under the Quick brand outside of mainland France).

Our results and our margins are also affected by the evolution of the mix between Company Restaurants and Franchise Restaurants in our network, as sales from our Company Restaurants add leases and personnel costs to our cost structure. In addition, we generally incur capital expenditures and pre-opening costs with each new Company Restaurant, whereas due to franchise arrangements, the cost impact on the Group for adding a new Franchise Restaurant is more limited and the sales and margin impact may be significant by comparison. Additionally, the cost of converting a Franchise Restaurant is more limited in terms of investment, though the return in terms of additional royalties is significant.

Our strategy is focused on continuing to roll out the Burger King brand. For the years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017 we opened 12, 26, 30 and 15 restaurants, respectively, of which four, 12, seven and three were Company Restaurants. We generally record pre-opening costs corresponding to wages prior to trading, training and rent. During years with a high number of Company Restaurant openings, such costs may be unevenly distributed and disproportionally recorded during certain quarters before the sales uplift is experienced. This necessary network growth may affect certain cost items in our consolidated income statement as well as our cash flow related to investing activities in our consolidated cash flow statement. We expect this opening effect to continue to be recorded, though the mix of Company Restaurants opened will likely diminish over time as network expansion stabilizes. See also "—*Key Performance Indicators—Number of Restaurants*" below for a discussion of restaurant openings and closings.

In addition, QSHR restaurant locations generally require a certain level of renovation and refurbishment every six to seven years in order to maintain customer traffic. As all of our Burger King restaurants have opened within the last three years, renovation and refurbishment expenses have affected the cash flows and costs recorded in the Quick 2015/2014 IFRS Financial Statements with respect to Quick branded restaurants, but this refurbishment requirement did not affect Burger King branded restaurants. Furthermore, the works undertaken as part of the conversion process are sufficient to restart the refurbishment cycle for such restaurants.

The following discusses the main trends discernable when examining the evolution of our network during the periods under review that affected our results of operations.

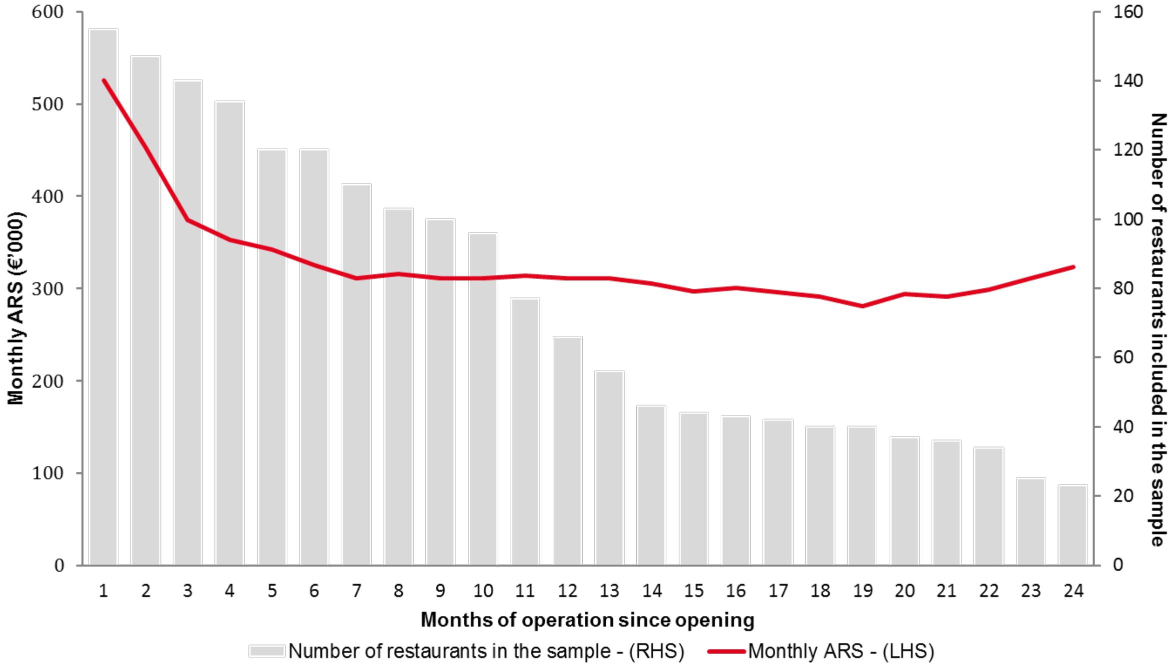
The "*novelty effect*", which we use to describe the strong sales performance experienced by newly-opened and converted Burger King restaurants, records ARS in their first few months of operations that are significantly higher than the monthly ARS of the entire Burger King network for the full year. We believe the novelty effect results from the strong brand equity that Burger King enjoys in the French market as a newly-arrived challenger in a market long dominated by McDonald's. Also contributing to this effect is Burger King's strong value proposition characterized by good quality ingredients and great taste at accessible prices, which resonates with customers. As a result, Burger King restaurants register minimal ramp up time as the first month's ARS typically exceeds that of the entire Burger King France perimeter.

Factors that can affect the intensity and duration of the novelty effect include, among other things:

- the number of Burger King restaurants in the catchment area (generally the novelty effect is more pronounced for the first restaurant);
- the distance to competitor's restaurants;
- the demographics of the catchment area; and

- the characteristics of the restaurant (*i.e.,* city center, suburban area, shopping mall or drive-through location).

The graphic depicts the novelty effect by setting forth the ARS by month for our Burger King restaurants, illustrating the intensity and duration of the novelty effect with reference to the whole network.



Source: company data

The higher ARS generated by Burger King restaurants as compared to Quick restaurants recorded during the periods under review is largely attributable to higher footfall. As a result, by increasing the number of Burger King restaurants in the network, initially through organic expansion in the year ended December 31, 2015 (*pro forma*), and subsequently through the conversion of Quick restaurants, our revenue generated directly by Company Restaurants and indirectly from Franchise Restaurant through royalties and lease payments, increased.

As we progress in our conversion efforts, the weight of pre-existing Burger King restaurants will increase in our calculation of ARS, and due to the waning of the novelty effect as to those restaurants, the ARS for our Burger King restaurants as a whole may decrease, as it did for the twelve months ended September 30, 2017 compared with the year ended December 31, 2016. On the other hand, as we have optimized our network of Quick restaurants, their ARS has improved.

In addition, the periods under review reflect the pace of our conversion efforts in accordance with the “Quick & King 2020” plan. The pace of conversion has depended, and in the future will likely depend, on a combination of factors, including, among other things, the prioritization of certain clusters to achieve better network density in the Burger King restaurant network and decreased logistics costs, receipt of necessary permits and landlord consents, securing financing in the case of franchisees (as applicable) and discussions with franchisees. As a result, the restaurants converted during the periods under review represent a mix of locations, categories and sizes, thereby producing non-uniform effects on our results of operations depending on the circumstances.

Franchise arrangements and franchisee performance

We are the master franchisee of Burger King in France and the franchisor for Quick, and royalties, entry fees and lease payments from lease management arrangements have contributed significantly to our results of operations during the periods under review. Our franchisees are independent entrepreneurs who remunerate us by paying one-off entry fees upon the opening or conversion of their restaurants and through the payment of a certain percentage of their sales as brand royalties (part of which we in turn pay to BK Europe). Moreover, for Franchise with Lease Management Restaurants, we also receive lease payments as a percentage of sales. As a result of our franchise arrangements, our results of operations and our profitability are significantly affected in a positive way when Burger King's ARS is performing well and when Quick's LfL SWS performance is positive, as was the case when it returned to growth in the fourth quarter of 2016, as it has remained through the third quarter of 2017. We generally prefer to use franchises as we believe that our franchisees' overall expertise at running restaurants results in better performance.

During the periods under review, franchisor activity influenced our results in operations in the following ways:

For the Burger King network:

- for the years ended December 31, 2014 and 2015, our results of operations were affected by a smaller network of restaurants which nonetheless had to absorb fixed headquarter costs as we geared for growth and built an infrastructure to support and manage a nationwide network;

- the relative weight of Company Restaurants increased progressively; in 2014 and 2015, as we needed to anchor the network and credibly demonstrate to potential franchisees that the brand could gain traction in a variety of settings; while this helped our margins during such period as we retained the full sales (minus the royalties payable to BK Europe) and operating profit generated by a larger proportion of our network, it was more capital expenditure-intensive. In addition, this period's performance reflects certain management adjustments to the operating model based on the initial experience of the brand since its return to France; and

- with respect to Franchise Restaurants, Pure Franchise arrangements were more common in 2014 and 2015 as it permitted a more rapid development of the network since franchisees incur the majority of capital expenditures for opening new restaurants under that model, and even though we benefitted from the royalties corresponding to the high ARS resulting from the novelty effect recorded when the Burger King brand returned to France, we captured less of the sales generated from such restaurants.

For the Quick network:

- the underperformance of the Quick brand relative to the market due to lack of a clear strategy and unfocused messaging regarding its value proposition by Quick's former management resulted in decreased royalties, as reflected by the negative LfL recorded during 2014 and 2015, until certain turnaround efforts initiated after the Quick Acquisition yielded results that led to positive LfL performance from the fourth quarter of 2016 through the third quarter of 2017;

- due to the challenging economic situation in France and Belgium in the years ended December 31, 2015 and 2014, compounded by Quick's negative LfL SWS performance during those years, certain franchisees exited the network, either due to retirement or otherwise, and pursuant to certain of Quick's older franchise arrangements or for strategic reasons to maintain its presence, Quick purchased the locations (these are referred to as "transfers" from Franchise Restaurants to Company Restaurants); and

- following the Quick Acquisition, the larger scale of the combined group enabled us to emphasize Franchise with Lease Management as the principal strategy for new openings and conversions, which increased our lease obligations but also provided us with greater revenue streams from lease payments by such franchisees that exceeded our commitments in the underlying leases.

For the combined Burger King and Quick network:

- for the year ended December 31, 2016, the conversion of certain Quick restaurants to Burger King restaurants in 2016 boosted ARS which compensated for the negative LfL SWS performance recorded for the Quick brand during the first three quarters of 2016; and
- for the nine months ended September 30, 2017, positive LfL SWS performance was positive through the period, which, together with optimization of the Quick restaurant perimeter, resulted in an increase in Quick restaurants' ARS, while Burger King ARS decreased slightly as a result of the natural decline in the novelty effect for older Burger King restaurants.

For more information on our franchise arrangements and royalties collected, see "*Business—Our business—Restaurant operations—Illustrative economics*".

Cost base

Our cost base is comprised of a mixture of variable, semi-variable and fixed costs. Variable costs primarily include food and logistics costs. Operating and occupancy costs (including rental expenses), as well as G&A expenses are mainly fixed costs, while personnel cost has both a fixed and semi-variable component. Personnel cost related to staff in Company Restaurants are semi-variable whereas personnel cost in connection with headquarters and Company Restaurants' management is generally fixed. In the event of a decrease in SWS, we may not be able to reduce our cost base in a timely manner, in particular as it relates to our fixed costs, which could adversely impact our margins. However, in the event of an increase in SWS, we benefit from a strong operational leverage as SWS growth allows favorable scale effects.

The following sections discuss the main factors affecting the principal items of our cost base.

Food and logistics costs

Franchise Restaurants under the Burger King brand are responsible for their own food and logistics costs. However, for Franchise restaurants under the Quick brand and for Company Restaurants under both brands, we source a wide range of ingredients, including beef and chicken, potatoes and other fresh and frozen products, and a variety of sauces to form our menu and we also incur logistics costs to store inventory and transport raw materials and semi-finished products to such restaurant locations. Our food and logistics costs were €224.4 million, €224.0 million and €214.4 million during the years ended December 31, 2015 (*pro forma*) and 2016 and the twelve months ended September 30, 2017, respectively, representing 40.4%, 38.7% and 36.0% of our total sales and franchise revenues for the same periods, respectively.

During the periods under review, and particularly during the years ended December 31, 2014 and 2015, the logistics costs recorded for Burger King were higher because we imported most of our raw materials and semi-finished goods. As we are the master franchisee of BK Europe for France, we must use approved packaging and source from approved suppliers with plants that have passed inspection by BKC or its affiliates. For the year ended December 31, 2014 and 2015, our operations were too small to incentivize a supplier to construct a dedicated plant that could produce food or packaging products according to Burger King specifications, which resulted in higher logistics costs as a percentage of revenue as we had to import many raw materials from approved suppliers in neighboring European countries, such as Germany, the United Kingdom and Spain. Therefore, despite access to preferential pricing for meat at approved BK Europe suppliers, higher logistics costs reduced our margins as our ability to harness economies of scale was limited. Given the size of our network as of September 30, 2017, we have now begun initiatives to address both food and logistics costs through negotiation of cost savings premised on scale. For the Quick network, which was larger than Burger King's in France during the periods under review, food costs were controlled as economies of scale could be gainfully exploited and Quick had control over whether to shift its business to different, lower-priced suppliers. Following the Quick Acquisition, with the growth of the Burger King network largely secured through conversion of Quick restaurants, suppliers have reacted favorably and are seeking to invest in long-term partnerships with us which we believe will assist us in reducing food costs for future periods.

In addition, many of the ingredients we use in preparing our food are commodities and are subject to price volatility, notably beef. We purchase all of our beef in the European Union. European beef prices are driven by the interplay of supply and demand dynamics. During the periods under review, prices for European beef were lower in 2014 as culling of dairy cows depressed beef prices in anticipation of the abolition of milk quotas in the EU in early 2015. Beef prices on the international market during the period under review reached the highest level in the second quarter of 2015 at close to €400 per 100 kg due to increase in demand in emerging markets. Prices declined thereafter in 2015 as production outpaced demand due in part to the effects of Russia's ban on European beef imports and slowing demand from emerging markets. To a degree, our food costs during the periods under review reflect these raw material dynamics.

We seek to optimize spending on ingredients, reduce our exposure to price fluctuations and contain logistics costs through a variety of measures, including regular review of our supply contracts, maintain contacts with multiple suppliers, focusing our cost control measures on prevention of food waste and actively planning our network growth in clusters to reduce logistics costs. Examples of cost control initiatives or events during the periods under review include: (i) renegotiation of certain contracts by Quick such as its beverage supply agreement in 2013, which reduced food costs with full-year effect for the year ended December 31, 2014; and (ii) creation of a BKC-approved supplier network in France which allowed Burger King France restaurants to obtain better pricing and reduce logistics costs.

We expect food and logistics costs to decrease as the network grows and becomes more dense, and suppliers dedicated plants come online. Enhanced buying power owing to the growth of our network has helped, and potentially in the future can help, us to attain high standards of product quality and more competitive pricing. These factors can have positive effects on our customer proposition and the profit margins of our Company Restaurants, though we expect that they will not affect our franchise revenue since our royalties and lease payments are calculated as a percentage of their sales. An ancillary benefit of our cost reduction initiatives is that franchisees may have greater financial means to invest more quickly in a second or third Burger King restaurant. The effectiveness of our supply and logistics chain can also impact our costs of sales and administration expenses.

See "*Business—Procurement and Logistics—Raw Materials Supply*" for more information.

Leasehold and occupancy costs

We currently rent all of our Company Restaurants and our Franchise with Lease Management Restaurants through commercial or ground leases. We are the tenant of record for both types of restaurants, though pursuant to our Franchise with Lease Management arrangements, the franchisee pays us a percentage of sales for rent, generally with a fixed minimum. Franchise with Lease Management arrangements, discussed in more detail under "*—Franchise arrangements*" require us to be liable for the rent payment. However, not only do they provide us with control over the real estate, but the percentage of sales paid by the franchisee compensates us for our ownership and management of the business assets rights (*fonds de commerce*) and covers the underlying leasehold costs. Due to the strong ARS generated by the Burger King brand, as the ratio of Burger King restaurants to Quick restaurants increases during the conversion process, our leasehold costs should improve as a percentage of revenue. During the periods under review, in each conversion of a Quick Franchise Restaurant with Lease Management, the rent remained the same for the existing leasehold while the ARS improved significantly, thereby yielding higher lease payments from the franchisees, which contributed to our gross margin. Our leasehold and occupancy costs for restaurants were €55.2 million, €57.0 million and €55.2 million during the years ended December 31, 2015 (*pro forma*) and 2016 and the twelve months ended September 30, 2017, respectively, representing 9.9%, 9.8% and 9.3% of our revenue for the same periods, respectively.

Commercial leases generally have a term of nine years, typically with early termination options for the tenant every three years and an automatic renewal right for the tenant at the end of the term. Ground leases (usually related to freestanding restaurants with their own parking spaces and grounds) typically have a longer term of 30 years. Our leases generally contain an annual increase pursuant to an indexation clause that is based on, among other things, inflation. Increases in our leasehold and occupancy costs occur when we open new Company Restaurants and Franchise with Lease Management Restaurants. Opening new restaurants also has the effect of increasing restaurant overhead more broadly with additional rent, fixtures, insurance and other costs. Certain restaurant locations, particularly in transportation locations and at large shopping malls, may have a variable rent set at a percentage of sales, typically with a certain minimum rent. See "*Business—Real Estate*".

To manage leasehold and occupancy costs, we focus on site selection, the right-sizing of the restaurant, and the negotiation of leases that are realistic in terms of the sales that such location can generate. In this process, we are informed by the data from our other restaurants and we are guided by conservative guidelines for rent as a percentage of sales. In connection with the conversion of Quick restaurants to Burger King restaurants, we are committed to securing the lease agreement with the landlord prior to the conversion when the conversion is planned to take place at the end of the lease period. We are also leveraging Groupe Bertrand's long history and know-how in site selection in order to reduce costs. See "*Business—Our Network—Site Selection*".

As the Burger King network expanded during the period under review, leasehold and occupancy costs were better absorbed as a percentage of revenue. We expect that occupancy costs will rise in the aggregate but decline as a percentage of revenue as the conversion of Quick restaurants gathers pace and more Pure Franchise restaurants are transformed into Franchise with Lease Management locations as part of the conversion negotiations. We believe this will result from the fact that lease payments under Franchise with Lease Management arrangements will more than compensate for the higher leasehold and occupancy cost base.

Labor costs

In addition to the cost of our headquarters staff and management, we hire employees (whom we refer to as "team members") directly for our Company Restaurants, while franchisees are responsible for their own labor costs. Labor costs primarily comprise the salaries of team members employed in individual restaurants plus managers and restaurant directors. The QSHR category is labor-intensive, which is compounded by the fact that pursuant to French law and the applicable collective bargaining agreements for the fast food sector, our ability to make use of part-time work and require overtime is limited to certain prescribed thresholds. Though labor costs are largely fixed, restaurants directors and managers receive a variable component of their compensation based on ARS. During the periods under review, as the Burger King network was expanding, we regularly made new hires for new Company Restaurants and for our G&A structure to gear for growth, and our results of operations reflect the integration of such employees into our cost structure. Additionally, a portion of pre-opening costs generally includes employee wages as staff must complete training prior to the opening of the relevant Company Restaurant. The QSR segment generally has a high turnover among team members, which can increase training costs and reduce productivity, but gives us some flexibility to adapt the staffing level to the level of sales through attrition when sales decrease. Our Company Restaurants' labor costs were €100.8 million, €109.6 million and €112.4 million during the years ended December 31, 2015 (*pro forma*) and 2016 and the twelve months ended September 30, 2017, respectively, representing 18.1%, 18.9% and 18.9% of our total sales and franchise revenues for the same periods, respectively.

We seek to manage labor costs based on right sizing the staff for each Company Restaurant according to restaurant size and the expected footfall informed by similarly situated restaurants. We also focus a portion of our new restaurant development efforts on originating drive-through locations which tend to be more efficient from a labor-cost point of view because of the higher traffic that easily absorbs the additional staff cost. Moreover, we have been investing in point-of-sale and cooking equipment systems that seek to efficiently manage order, preparation and dispatch flow in the front of the house and kitchen. For new restaurant openings, applicable collective bargaining agreements for the fast food sector allow us to use short-term contracts and part-time work, which helps us to accommodate the higher footfall trends during the novelty effect period and also ensure the correct staffing level for the particular restaurant. We also manage team members on short-term contracts by attrition, given the high turnover in the QSR segment. Lately, we have focused on internal promotion of restaurant managers from the ranks of team members.

Product attractiveness and brand equity

Sales and margins in the QSHR category can be impacted by the relative success of new products launched. The success of new burgers is attributable to a variety of factors, including the attractiveness and taste of the product, perceived product quality and competition from other comparable products launched by our competitors. Launch of a successful new product or an in-demand limited time offer can result in a sales uplift by encouraging additional footfall at our restaurants. Conversely, a lack of new product offerings, an unsuccessful product or an incomplete roll-out of a new product can decrease sales if customers are not satisfied. Examples of new products launched during the period under review are the Suprême Range sandwiches introduced by Quick in 2016 and the Egg Burger introduced by Burger King in 2017.

Brand equity is another factor that can affect results of operations for operators in the QSR segment. Positive associations regarding product quality, service, and value for money, among other factors, can help consumers make a decision regarding which QSHR restaurant to patronize. The Burger King brand was re-introduced in France in 2012 following a 15-year absence. According to a consumer survey conducted by OC&C, in 2016, the Burger King brand was the preferred brand among fast food operators in France. It also scored highest in product quality, quality for value and confidence and tied for first in attractiveness of restaurants. We believe that the following characteristics differentiate Burger King in the market place and help enhance our market position which contributed to our results of operations during the periods under review: (i) flame-grilled patties; (ii) customization under the “Have it Your Way” slogan; (iii) fresh ingredients; and (iv) generous portion sizes. During the periods under review, as the network of Burger King restaurants expanded, brand awareness increased and accelerated through word-of-mouth and the Group’s advertising campaigns on various media. The return to France of Burger King, a brand with worldwide currency, a youthful messaging and a strong challenger positioning to McDonald’s in many other jurisdictions, helped to create a novelty effect that enhanced ARS for Burger King locations and was a significant contributor to our revenue during the years ended December 31, 2015 (*pro forma*) and 2016 and the nine months ended September 30, 2017.

The Quick brand, though long-established in France, has experienced a loss of market share based on the various strategies tested by its former management prior to the Quick Acquisition—this may have reduced its brand appeal. However, it remains a strong brand based on the choices for families and children. With management’s intervention following the Quick Acquisition, the Quick brand recorded its first positive LfL SWS performance for mainland France in the fourth quarter of 2016 of 1.6% in recent years, which outperformed the QSHR category, and has remained positive through the third quarter of 2017.

Marketing and digital presence

In order to spread awareness of the Burger King brand and maintain and defend market share for the Quick brand, we undertake regular marketing campaigns and maintain an extensive digital presence. Franchisees under the Burger King brand and the Quick brand contribute 3.5% and 4.5% of their sales respectively to a marketing budget to which we also contribute the same percentage from our Company Restaurants sales. We then work with advertising agencies to plan and execute campaigns that resonate with our target audiences. Due to our separate franchise arrangements, each of Burger King’s and Quick’s marketing budgets are separately maintained and managed. During the periods under review, Burger King’s network was smaller, and hence our ability to deploy larger sums for marketing was reduced. Instead, we opted for a strong digital presence, producing “viral” video clips targeted to young people that were widely shared on social media, amplifying our ability to connect with potential customers. Quick maintained national television advertising campaigns during the periods under review due to its larger restaurant network. In addition to national advertising, we leverage our restaurant locations as another medium of communication with our customers primarily through local advertising and promotion campaigns. In the case of both brands, amounts collected from franchisees for such brand’s marketing and advertising budget generally must be spent during the course of the same year. We closely monitor the marketing spending and frequency of our competitors’ advertising and promotion campaigns and endeavor to maintain a relatively constant investment in order to maintain an appropriate communication presence.

Key Performance Indicators

In assessing the performance of our business, we consider a variety of performance and financial measures. The key measures for determining how our business is performing are the number and type of restaurants in our network, Average Restaurant Sales (“**ARS**”), Adjusted Run-rate EBITDA and Like-for-like (“**LfL**”) System-wide sales (“**SWS**”) performance. Such indicators are either purely operational in nature, include financial information not derived from the Group’s accounting system (*i.e.*, SWS includes sales recorded by franchisees and not revenue received by the Group) and/or are not recognized measurements of financial performance under IFRS and/or French GAAP. See "*Presentation of Financial and Other Information—Non-GAAP and Non-IFRS Financial Information*".

Number of Restaurants

The number of restaurants consists of the total restaurants open at the relevant date, including both Company Restaurants and Franchise Restaurants. The number of restaurants is a good indicator of market penetration, the density of our network and our ability to successfully originate leasehold locations and new franchise arrangements for Burger King restaurants and retain Quick's nationwide presence for purposes of converting most of such restaurants to Burger King in accordance with our "Quick & King 2020" plan.

The following table presents the number of restaurants in our network by type, brand and geography as of the dates indicated.

	December 31,						September 30,	
	2014		2015		2016		2017	
	BK	Quick	BK	Quick	BK	Quick (1)	BK	Quick (2)
Total restaurants	(number of restaurants)							
France (mainland only)	16	382	42	393	108	347	172	284
Of which Company Restaurants	*4*	*103*	*16*	*111*	*32*	*101*	42	87
Of which Pure Franchise Restaurants(3)	*12*	*22*	*26*	*25*	*50*	*23*	59	15
Of which Franchise with Lease Management Restaurants(3)	—	*257*	—	*257*	*26*	*223*	71	182
International(4)	—	1	—	8	—	7	—	9
Subtotal		**399**		**443**		**462**		**465**
Belgium(5)	—	91	—	92	—	—	—	—
Luxembourg(5)	—	9	—	9	—	—	—	—
Reunion and New Caledonia(6)	—	12	—	13	—	—	—	—
Total restaurants		**511**		**557**		**462**		**465**

(1) Includes eight restaurants temporarily closed as of December 31, 2016 for conversion into Burger King, of which five were Company restaurants, one was a Pure Franchise Restaurant and two were Franchise with Lease Management Restaurants.

(2) Includes 16 restaurants temporarily closed as of September 30, 2017 for conversion into Burger King, of which three were Company restaurants and 13 were Franchise with Lease Management Restaurants.

(3) Quick has historically had a more heterogeneous mix of franchise arrangements which included variations of pure franchise and franchise with lease management arrangements. For simplification of the presentation, all arrangements with some degree of lease management have been recorded as "Franchise with Lease Management Restaurants" and the remainder has been recorded as "Pure Franchise Restaurants".

(4) Includes Franchise Restaurants in the French departments of Guadeloupe and Martinique, as well as Morocco and Tunisia.

(5) Belgium and Luxembourg had 92 and nine Quick restaurants as of September 1, 2016, respectively, when those operations were sold to QSR Belgium. See "*—Factors Affecting the Comparability of Financial Information Presented—Acquisitions and divestments—Belux Divestment*".

(6) Reunion and New Caledonia had eleven and four Quick restaurants as of December 12, 2016, respectively, when those operations were sold to an affiliate of BKC. See "*—Factors Affecting the Comparability of Financial Information Presented—Acquisitions and divestments—Southern Territories Divestment*".

During the periods under review, the main trends in our restaurant network have been: (i) an expansion of the Burger King network, initially with a larger weight of Company Restaurants and Pure Franchise arrangements, then progressively with Franchise with Lease Management arrangement and an acceleration of Burger King openings following the Quick Acquisition resulting from conversions; (ii) a contraction of the Quick network resulting from the combined effects of the Belux Divestment, the Southern Territories Divestment, conversions into Burger King restaurants and closures of certain loss-making restaurants; and (iii) an increased focus on mainland France, our principal market. Due to the variations in the economic terms of our franchise arrangements between Pure Franchise and Franchise with Lease Management, the growth of Franchise with Lease Management can disproportionately increase the franchise revenue generation as we collect a percentage of sales because the lease and business assets rights (*fonds de commerce*) management fees we collect generally exceeds the fixed lease we pay to the landlord. In addition, our results of operations have been affected by outsized contribution of the progressively larger Burger King network due to its higher

ARS. See "*—Key Factors Affecting Our Results of Operations—Evolution of our network*," "*—Key Factors Affecting Our Results of Operations—Franchise arrangements*," "*—Factors Affecting the Comparability of the Financial Information Presented—Acquisitions and divestments*" and "*—Average Restaurant Sales*" for more information.

Average Restaurant Sales

Average Restaurant Sales ("**ARS**") refers to the annualized monthly average sales (excluding VAT) recorded per restaurant for the given sample size calculated by: (i) adding all monthly sales generated for the restaurant sample, but excluding the month in which the opening of any restaurant occurred (as applicable); (ii) dividing by the number of restaurant months to attain the ARS per month; and (iii) multiplying the ARS per month by 12 to annualize it. ARS is largely driven by footfall, which is in turn generated by a variety of factors, including but not limited to, location of the restaurants, product attractiveness, brand equity, consumer preferences, societal trends, general economic conditions, consumer sentiment, weather, opening hours, marketing, digital presence and promotional activity and limited time offers. See "*—Key Factors Affecting Our Results of Operations*".

We use ARS to assess and compare the performance of restaurants by type and brand across periods. ARS is also used as a benchmark to compute the variable compensation component for restaurant directors, restaurant managers and team leaders if the relevant Company Restaurant out-performs. We track ARS for both Quick and Burger King restaurants, though we use it predominantly as a key performance indicator for the Burger King network and to reduce the impact of the novelty effect in our internal reporting. Management believes that ARS is the most useful indicator to assess the sales generation of the Burger King network.

The table below sets forth the ARS evolution for the brands and periods indicated.

	Year ended December 31,			Twelve months ended September 30, 2017
	2014	2015	2016	
Average restaurant sales (ARS)	(€ in thousands)			
Burger King	4,078	4,396	3,979	3,596
Quick (mainland France only)	2,075	1,931	1,873	1,950

The ARS evolution for Burger King for the periods under review reflects, on one hand, the expansion of the network with uneven distribution of the openings throughout the year (for example, in each of 2014 and 2015, they were mostly concentrated in the last two months of the year) and, on the other hand, the strong novelty effect recorded. The ARS of the Burger King restaurants was superior to that of Quick restaurants largely because of footfall and continued strong resonance of the Burger King brand among its target demographics. ARS is also affected by the mix in the restaurant network and the change in restaurant network perimeter. For Quick, the ARS recorded during the periods under review is mainly due to LfL SWS performance and some impact of restaurant mix. As we progress in our conversion efforts, the weight of pre-existing Burger King restaurants will increase in our calculation of ARS, and due to the waning of the novelty effect as to those restaurants, the ARS for our Burger King restaurants as a whole may decrease, as it did for the twelve months ended September 30, 2017 compared with the year ended December 31, 2016. On the other hand, as we have optimized our network of Quick restaurants, their ARS has improved.

See also "*—Key Factors Affecting Our Results of Operations—Evolution of our network*," "*—Key Factors Affecting Our Results of Operations—Franchise arrangements*" and "*—Adjusted Run-rate EBITDA*" for more information.

Adjusted Run-rate EBITDA

We use Adjusted Run-rate EBITDA as a key performance indicator to measure operating performance. Adjusted Run-rate EBITDA is calculated as the EBITDA that the Group would have generated during the twelve months ended September 30, 2017 excluding pre-opening costs incurred prior to the commencement of operations of new Company Restaurants and Franchise with Lease Management Restaurants (minus the EBITDA generated by the Southern Territories Divestment perimeter) if all of the Burger King restaurants that were newly opened, converted or temporarily closed for conversion as of September 30, 2017 had been operational during the entire twelve-month period.

We believe that Adjusted Run-rate EBITDA is a useful indicator of our ability to service our indebtedness and more accurately reflects the ARS and profit-generation capacity of our restaurant network for the relevant period given our early development phrase and the sizeable uplift in ARS between Burger King and Quick discussed under "—*Average Restaurant Sales*". Adjusted Run-rate EBITDA is therefore used for internal purposes to evaluate operating performance of the business for the period utilizing the actual restaurant network composition at the period-end date, thereby giving effect to the weight of the Burger King brand's contribution to our results of operations as of such date.

We may use Adjusted Run-rate EBITDA to analyze our performance in future periods, depending on the pace of newly opened or converted restaurants, with appropriate changes in the methodology that our management may determine.

The table below sets forth our Adjusted Run-rate EBITDA for the twelve months ended September 30, 2017 and a reconciliation of Adjusted Run-rate EBITDA to EBITDA.

	For the twelve months ended September 30, 2017
	(€ in millions)
EBITDA	82.6
Restaurant EBITDA of the 104 restaurants newly opened, converted or under conversion as of September 30, 2017	(34.2)
Restaurant EBITDA of definitively closed and disposed restaurants	(0.5)
Pre-opening costs	2.4
Run-rate adjustment for new and converted restaurants	50.9
Adjusted Run-rate EBITDA	**101.2**

For a reconciliation of EBITDA to net loss for the period, see footnote 2 to "*Summary Historical Consolidated Financial Information and Other Data—Other Financial Data including pro forma and as adjusted data*".

We calculate Adjusted Run-rate EBITDA in the following manner:

- First, we remove the restaurant EBITDA of 104 new Burger King restaurants, consisting of (i) 79 former Quick restaurants converted into Burger King restaurants in the twelve months ended September 30, 2017; (ii) 25 Burger King restaurants newly opened in the twelve months ended September 30, 2017 and (iii) 16 Quick restaurants temporarily closed for conversion to Burger King restaurants as of September 30, 2017.

- Second, we remove the (i) restaurant EBITDA attributable to the Southern Territories Divestment perimeter disposed in 2016 in the amount of €(0.5) million as described under "—*Factors Affecting the Comparability of the Financial Information Presented—Acquisitions and divestments*" and (ii) the restaurant EBITDA of restaurants definitively closed or disposed during the twelve months ended September 30, 2017.

- Third, we add back the actual pre-opening costs incurred during the period. Pre-opening costs refer to costs incurred prior to the opening of a new restaurant, including rent incurred prior to opening, wages of employees in training and food costs incurred for training of new employees. Total pre-opening costs for the twelve months ended September 30, 2017 were €2.4 million.

- Fourth, we reflect the run-rate adjustment which is calculated as follows:

    - To estimate the sales that would have been generated in the twelve-month period by the 104 restaurants in the sample, we use the ARS of 96 of the 104 new restaurants operational on September 30, 2017 (as eight of them only began operations in September 2017 and their first month is excluded) for the period from the beginning of the first full month of operations as a Burger King restaurant through September 30, 2017, representing an ARS of €4.0 million. We then apply this ARS to the 104 restaurants in the sample.

- For the 24 Company Restaurants in the sample, we apply to the ARS a cost margin calculated on the basis of the actual restaurant costs of the entire Burger King brand Company Restaurant network for the twelve months ended September 30, 2017 as recorded, except with respect to occupancy costs, for which we apply the actual occupancy costs for each restaurant in the sample.

- For the 80 Franchise Restaurants in the sample, we apply to the ARS an EBITDA margin based on the underlying franchise arrangement of each business model, *i.e.*, 4.5% royalties for Pure Franchise Restaurants (representing the net amount collected after BK Europe's royalties) and 11.0% royalties and lease and business asset fees for Franchise with Lease Management Restaurants (representing the net amount collected after BK Europe's royalties plus the net amount collected in lease and business asset fees minus 6.0% of sales to represent rent payable to landlords).

In order to provide prospective investors with further information to assess our calculation of Adjusted Run-rate EBITDA, the table below presents a sensitivity analysis of Adjusted Run-rate EBITDA based on a €400,000 increase or decrease in the annualized ARS as applied to the 74 restaurants subject to the run-rate adjustment.

Adjusted Run-rate EBITDA on the basis of:	**For the twelve months ended September 30, 2017**
	(€ in millions)
Annualized ARS of €3.6 million	95.6
Annualized ARS of €4.0 million	101.2
Annualized ARS of €4.4 million	106.7

Adjusted Run-rate EBITDA is not intended to be a projection, estimate or guarantee of performance regarding Adjusted EBITDA generation for the year ending December 31, 2017 or any other future period which may be affected by definitive closures of Quick restaurants, the phasing out of the novelty effect and the pace of conversions (including the length of temporary closures required for conversion). Moreover, prospective investors should note that the increase in Adjusted EBITDA modeled by Adjusted Run-rate EBITDA for new restaurant openings and conversions may be offset, to a degree that will vary on the circumstances, by a number of factors, including but not limited to, the performance of the Quick network and the loss of logistics services-related EBITDA no longer generated by Quick Franchise Restaurants once they are converted to Burger King (as Burger King's model is based on the full outsourcing of logistics services). See "*Risk Factors—Risks related to our presentation of financial and other information—The preparation of Adjusted Run-rate EBITDA as presented in this Listing Memorandum includes certain estimates and assumptions which we consider reasonable, but we cannot assure you that we would have achieved such levels of profitability for the twelve months ended September 30, 2017 had all of our Burger King restaurants in operation or under conversion as of September 30, 2017 been in operation during such period and Adjusted Run-rate EBITDA is not a projection of future performance*".

Investors should note that EBITDA is not uniformly or legally defined and is not a recognized indicator under IFRS or French GAAP. Other companies in the QSHR category may calculate EBITDA differently, make different adjustments or employ other run-rate estimations, and consequently our presentation of these figures may not be comparable to other companies' figures and must be read in conjunction with the discussion of gross margin, operating profit and operating cash flows included elsewhere herein and in our consolidated financial statements. The adjusted run-rate information presented herein is for informational purposes only. This information does not necessarily represent the results we would have achieved had all such newly-opened or converted restaurants been in operation for the twelve months ended September 30, 2017. This information is inherently subject to risks and uncertainties and it may not give an accurate or complete picture of our financial condition or results of operations, may not be comparable to our consolidated financial statements or the other financial information included in this Listing Memorandum and undue reliance should not be placed upon it when evaluating an investment decision. See "*Presentation of Financial and Other Information—Non-GAAP and Non-IFRS Measures*". See also "*Forward-Looking Statements*" and "*Risk factors—Risks related to our business—Our results of operations and growth forecasts depend primarily on our ability to successfully convert existing Quick restaurants to the Burger King brand*".

LfL SWS performance

Given the maturity of the Quick network, we also track LfL SWS performance for the Quick network as an additional key performance indicator to assess our turnaround efforts for the brand since the Quick Acquisition. LfL SWS refers to the change in either Company Restaurant sales or Franchise Restaurant sales in a period from the same period in the prior year, but only for restaurants that have been open for 24 months or longer (so as to ensure full comparability of restaurant results) as of the end of the most recent period and with no more than 30 days of closure over such period.

For the years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017, Quick's LfL SWS performance for mainland France was −6.0%, −6.4%, −3.6% and +2.6%, respectively. Until June 2016, Quick underperformed the QSR market which nonetheless exhibited a negative trend on a like-for-like basis for the periods under review. Quick recorded negative LfL SWS performance during most of the periods under review due to multiple factors, including those outside management's control, such as the terrorist attacks in France in 2015 and the difficult economic conditions in France and Belgium, but also certain factors internal to Quick including the loss of focus by the former management, which experimented with a number of new menu items that complicated Quick's menu and reduced the coherence of the brand's message. Following the Quick Acquisition, management implemented a turnaround plan to focus on Quick's core menu offering. Our efforts harkened back to Quick's previous success in the 1980s and 1990s as a popular eating-out destination with the nostalgic slogan, "A legendary taste" (*Un goût de légende*), and associated publicity materials, positioning the restaurant as a destination for adults with children, who may have patronized Quick in their youth and are now attracted to the brand due to its children's play areas and children's meals with toy giveaways. The positive impact of these efforts was evidenced by Quick brand restaurants' LfL SWS performance of 1.6% in the three months ended December 31, 2016, positive for the first time during the periods under review; the QSHR category recorded negative like-for-like performance in the last quarter of 2016. Quick brand restaurants' LfL SWS performance continued to be positive through the third quarter of 2017.

Critical Accounting Policies

IFRS and French GAAP consolidated financial statements requires management to make estimates based on assumptions that may have an impact on the value of assets and liabilities at the date of the financial statements and income of the period.

Description of Key Income Statement Items

IFRS

Sales and franchise revenues

Sales and franchise revenues consist of Company Restaurant revenue, Franchise revenue and other revenue.

Company Restaurant revenue

Company Restaurant revenue consists of sales, net of rebates, discounts and VAT and other sales taxes, generated by Company Restaurants.

Franchise revenue

Franchise revenue consists of royalties and lease payments made to the Group based on a percentage of sales reported by Franchise Restaurants and lease and business assets rights (*fonds de commerce*) fees paid to us by franchisees pursuant to Franchise with Lease Management arrangements.

Other revenue

Other revenue consists of (i) sales of logistics services by Financière Quick's dedicated logistics subsidiaries that are exclusive suppliers of food and non-food products and equipment to all restaurants in the Quick network and equipment sales to Franchise Restaurants and (ii) national advertising fees paid by our franchisees.

Cost of sales

Cost of sales includes Company Restaurant food costs, Company Restaurant labor costs and Quick-dedicated logistics purchases for franchisees.

Company Restaurant food costs

Company Restaurant food costs consist of the cost of food sold in our Company Restaurants, including food losses.

Company Restaurant labor costs

Company Restaurant labor costs primarily consist of wages and salaries paid to Company Restaurants' directors, managers and team members. In addition, personnel costs also covers social security charges as well as health insurance and other employee benefits. All tax reductions related to salaries are netted from labor costs.

Operating and occupancy costs (excluding depreciation and amortization)

Operating and occupancy costs (excluding depreciation and amortization) include primarily rental expenses, covering rents associated with our restaurant network (both Company Restaurants and Franchise with Lease Management Restaurants).

Depreciation and amortization (restaurants)

Depreciation and amortization (restaurants) consists of regular depreciation on equipment (in particular furniture, fixture and IT equipment in restaurants), as well as on buildings. Land is not amortized.

Selling costs

Selling costs consist mainly of (i) national advertising campaigns, financed both by Franchise Restaurants and Company Restaurants through a fee based on SWS (recognized as "other revenue"), (ii) sponsoring and local advertising expenses, and (iii) promotion-related costs, primarily food costs in respect of free products.

Royalties payable on the BK brand

Royalties payable on the BK brand consist of (i) payments made to BK Europe for our own account with respect to Company Restaurants pursuant to the Company Franchise Agreement, and as a percentage of sales collected from franchisees pursuant to the Master Franchise Agreement, and (ii)new restaurants entry fees.

Pre-opening costs

Pre-opening costs consist of costs incurred prior to the opening of a new restaurant, including rent incurred prior to opening, wages of employees in training and food costs incurred for training of new employees.

Other operating income and expenses

Other operating income and expenses mainly include operating provisions such as increases or reversals on bad debt reserve, notably related to franchisees, provisions for periodical upward adjustments on rents, inventory provisions and operating indemnities such as exit indemnities. Other operating income also includes proceeds from sale and leaseback transactions undertaken from time to time with respect to the underlying real estate of new restaurants.

General administrative costs (excluding depreciation and amortization)

General administrative costs (excluding depreciation and amortization) consist of headquarters-related costs, including headquarters' salaries, costs of our training program, travel expenses, external services, insurance and rent for our headquarters' premises, as well as depreciation in connection with headquarters equipment and IT licenses.

Other corporate income/(expenses)

Other corporate income/(expenses) consists primarily of brand-related fees, group contributions to national advertising (when fees from Company Restaurants and Franchise Restaurants do not cover entirely the related advertising costs incurred) and damage and work injury insurance costs.

Other non-recurring income and expenses

Other non-recurring income and expenses consists of all exceptional income and expenses, including exit indemnities (net of the portion recorded within other operating income and expenses) and other closure-related costs, risks and charges provisions allowances and assets impairment test provisions, allowances or reversals as well as conversion costs not capitalized. Impairment tests are realized on a site-by-site basis based on the current year performance and on the anticipated results. In addition, write-offs in connection with restaurants' closures are booked under this line item.

Net financial income/(expense)

Financial expense mainly consists of debt interest expenses and amortized financing costs. Financial income consists of income from investments and cash deposits.

Income tax

Income tax include both corporate income taxes and the *Cotisation sur la valeur ajoutée* (or CVAE) related costs.

French GAAP

Revenue

Revenue includes (i) royalties collected as the master franchisee of the Burger King brand in France, (ii) revenue generated by Company Restaurants and (iii) delegated project management services income that we receive by assisting franchisees in the outfit of their restaurants.

Other revenue

Other revenue corresponds to royalties collected on behalf of BK Europe from Franchise Restaurants.

Purchases of merchandise and purchases of raw materials and other supplies

Purchases of merchandise and purchases of raw materials and other supplies include food costs and other raw materials used in restaurant operations.

Taxes and levies

Taxes and levies include CVAE, taxes on salaries and taxes on sale of soda.

Other purchases and external charges

Other purchases and external charges include rent, professional fees, maintenance expenses and marketing and advertising charges.

Wages and salaries and social security costs

Wages and salaries and social security costs include salaries and related social charges for employees, with CICE recorded as a reduction in personnel costs.

Depreciation and amortization of assets

Depreciation and amortization of assets include depreciation and amortization charges recorded during the period and the impact of leasing arrangements.

Additions to provisions for liabilities and charges

Additions to provisions for liabilities and charges include provisions for litigation.

Other expenses

Other expenses include royalties paid to BK Europe by Company Restaurants.

Net financial income/(expense)

Net financial income/(expense) includes interest on cash in bank accounts placed by BH, bank charges and commissions and interest expense on loans.

Non-recurring income/(expense)

Non-recurring expense includes transaction costs related to the Quick Acquisition for the year ended December 31, 2015.

Results of Operations

Nine months ended September 30, 2017 compared to the nine months ended September 30, 2016

SWS

As the franchisor of Quick and the master franchisee for Burger King in France, our revenue generation is largely driven by SWS. The following table sets forth our SWS for the periods indicated.

	For the nine months ended September 30,			
	2016	2017	change	% change
	(€ in millions, except percentages)			
Of which Burger King..	153.6	365.8	212.2	138.2
Of which Quick...	559.1	444.8	(114.3)	(20.4)
SWS..	**712.6**	**810.6**	**98.0**	**13.8**

SWS increased by €98.0 million, or 13.8%, to €810.6 million for the nine months ended September 30, 2017 from €712.6 million for the nine months ended September 30, 2016.

This increase in network sales for the nine-month period ended September 30, 2017 as compared to the previous year for the same period was driven by: (i) the significant growth of our Burger King restaurants during the twelve-month period ended September 30, 2017, during which time we opened or converted 104 new restaurants, and (ii) the higher ARS of Burger King restaurants generally. This growth in SWS was partially offset by the negative impact of changes in the size of the Quick network, namely: (i) a reduction of 96 restaurants in mainland France due to their conversion into Burger King restaurants, their disposal or their definitive closure; (ii) a net positive change of three restaurants in our international perimeter; (iii) and a reduction of 14 restaurants in Reunion and New Caledonia as a result of the Reunion and Caledonia Divestment. SWS growth benefitted from a positive LfL SWS performance for Quick during the twelve-month period ended September 30, 2017, with growth of 1.6% for the fourth quarter of 2016, 0.1% for the first quarter of 2017 (including a leap year impact in the three-month period ended March 31, 2017 compared to the three-month period ended March 31, 2016, estimated to be approximately -1% for the quarter versus the corresponding quarter of 2016), 1.7% for the second quarter of 2017 and 7.4% for the third quarter of 2017.

Results of operations

The following table sets forth the consolidated results of operations of Burger King France for the nine months ended September 30, 2016 and 2017. See "*Presentation of Financial and Other Information*" and "*—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	For the nine months ended September 30,			
	2016	2017	change	% change
	(€ in millions, except percentages)			
Sales and franchise revenues	**426.8**	**443.6**	**16.8**	**3.9%**
Cost of sales	(248.5)	(241.7)	6.8	(2.7)%
Gross profit	**178.3**	**201.9**	**23.6**	**13.2%**
Operating and occupancy costs (excluding D&A)	(74.4)	(75.6)	(1.2)	1.6%
Depreciation and amortization (restaurants)	(23.8)	(22.7)	1.1	(4.5)%
Profit from operations	**80.1**	**103.6**	**23.5**	**29.4%**
Selling costs	(37.0)	(37.0)	—	—
BK brand royalties	(5.3)	(11.7)	(6.4)	120.3%
Pre-opening costs	(2.4)	(1.5)	0.9	(36.9)%
Other operating income and expenses	3.6	7.6	4.0	110.4%
Gross operating profit of restaurants	**38.9**	**61.0**	**22.1**	**56.5%**
General and administrative costs (excluding depreciation and amortization)	(33.3)	(33.5)	(0.2)	0.6%
Depreciation and amortization (corporate center)	(2.4)	(2.3)	0.1	(6.5)%
Other corporate income and expenses	11.8	11.2	(0.6)	(4.8)%
Operating profit before non-recurring items (EBIT)	**15.0**	**36.4**	**21.4**	**143.0%**
Other non-recurring income and expenses	(4.5)	(18.1)	(13.6)	n.s.
Operating profit/(loss) after non-recurring items	**10.5**	**18.3**	**7.8**	**74.2%**
Net financial income/(expense)	(28.3)	(36.6)	(8.3)	29.5%
Profit/(loss) before tax	**(17.8)**	**(18.3)**	**(0.5)**	**3.1%**
Income tax	(7.7)	(4.3)	3.4	(44.7)%
Income from assets held for sale and discontinued operations	4.9	—	(4.9)	n.s.
Net profit/(loss) for the period	**(20.6)**	**(22.6)**	**(2.0)**	**9.6%**

Sales and franchise revenues

The following table sets forth a breakdown of the sales and franchise revenues of Burger King France for the nine months ended September 30, 2016 and 2017.

	For the nine months ended September 30,			
	2016	2017	change	% change
	(€ in millions, except percentages)			
Company Restaurant revenue	242.9	252.2	9.3	3.8%
Franchise revenue	59.6	80.0	20.4	34.3%
Other income	124.3	111.4	(12.9)	(10.4)%
Total sales and franchise revenues	**426.8**	**443.6**	**16.8**	3.9%

Total sales and franchise revenues increased by €16.8 million, or 3.9%, to €443.6 million for the nine-month period ended September 30, 2017, from €426.8 million for the nine-month period ended September 30, 2016, due to higher Company Restaurant and franchise revenue, slightly offset by lower income derived from other sources.

Company Restaurant revenue. Company Restaurant revenue increased by €9.3 million, or 3.8%, to €252.2 million for the nine-month period ended September 30, 2017, from €242.9 million for the nine-month period ended September 30, 2016. The net increase in Company Restaurant revenue was mainly due to a net increase by 19 in the overall number of restaurants operated as Company Restaurants under the Burger King brand during the twelve months ended September 30, 2017 and better performance by Quick Company Restaurants and positive LfL sales through the third quarter of 2017 as compared to the corresponding period of 2016 as explained above. Growth in Company Restaurant revenue was partly offset by the disposal or definitive closure of seven Company

Restaurants operated under the Quick brand and the temporary closure of three restaurants for conversion to the Burger King brand at the end of the third quarter of 2017.

As of September 30, 2016, we operated 136 Company Restaurants, of which 23 and 113 were operated under the Burger King and Quick brands (including five temporarily closed for conversion into the Burger King brand), respectively. As of September 30, 2017, we operated 129 Company Restaurants of which 42 and 87 were operated under the Burger King and Quick brands (including three temporarily closed for conversion into the Burger King brand), respectively.

During the twelve months ended September 30, 2017, five new Company Restaurants opened, of which two were opened during the fourth quarter of 2016 and three were opened during the nine-month period ended September 30, 2017, respectively, but this increase was fully offset by the transfer of five Company Restaurants to Franchise Restaurants, of which one was transferred during the fourth quarter of 2016 and four were transferred during the nine-month period ended September 30, 2017. In addition, 19 Company Restaurants were converted from Quick restaurants to Burger King restaurants, of which eight reopened during the fourth quarter of 2016 and 11 reopened during the nine-month period ended September 30, 2017. These converted restaurants recorded a higher ARS than when they were operated under the Quick brand and contributed to the growth in Company Restaurant revenue.

Franchise revenue. Franchise revenue increased by €20.4 million, or 34.3%, to €80.0 million for the nine-month period ended September 30, 2017, from €59.6 million for the nine-month period ended September 30, 2016. This increase was largely attributable to a change in our network, with a larger contribution of Burger King Franchise Restaurants within the network as of September 30, 2017. Each such restaurant generated higher royalties due to (i) the higher ARS per restaurant and (ii) a higher royalty rate for Burger King restaurants than that of Quick restaurants.

As of September 30, 2016, we had 332 franchise restaurants in our network, of which 45 and 287 were operated under the Burger King and Quick brands (including 13 temporarily closed for conversion into Burger King), respectively. As of September 30, 2017, we had 336 franchise restaurants in our network, of which 130 and 206 were operated under the Burger King and Quick brands (including 13 temporarily closed for conversion into Burger King), respectively.

The increase in the overall number of Franchise Restaurants in our network operated under the Burger King Brand was primarily due to the conversion of 60 restaurants and 20 new restaurant openings over the twelve-month period ended September 30, 2017. In addition, five restaurants formerly operated as Company Restaurants became Franchise Restaurants.

The decrease in the overall number of Franchise Restaurants in our network operated under the Quick Brand was primarily due to the conversion of 60 restaurants and the disposal of 25 Franchise Restaurants operated under the Quick Brand (of which 15 were sold as part of the Reunion and New Caledonia Divestment), partly offset by four new openings of Quick restaurants including one in the Reunion and New Caledonia Territories and three in the international perimeter (one in the French overseas department of Guadeloupe, as well as two in Morocco).

Although certain Quick Franchise Restaurants were closed or disposed, in particular those related to the Reunion and New Caledonia Divestment (15 restaurants, of which one was opened in the last quarter of 2016) as explained above, the impact these restaurants had on revenue was limited, as each was operated under a Pure Franchise agreement, and as a consequence Franchise Revenue derived from such restaurants was attributable only to invoicing for Quick brand royalties.

In addition, a majority of the new 85 Burger King Franchise Restaurants opened, converted or transferred from Company Restaurants during the twelve-month period ended September 30, 2017 were operated under Franchise with Lease Management arrangements, which generated lease payments as a percentage of sales, contributing to franchise revenues for the period, although this was partly offset by the effect of the closures necessary to implement the conversion process.

Other income. Other income decreased by €12.9 million, or 10.4%, to €111.4 million for the nine-month period ended September 30, 2017, from €124.3 million for the nine-month period ended September 30, 2016. This decrease was primarily attributable to lower sales of Quick-dedicated logistics services to Quick franchisees, which constitutes the largest component of other income, as

Burger King's franchise model does not book any revenues for logistics, given that its logistics process is outsourced. As the Quick restaurant network decreases in size (as discussed elsewhere), other income will decrease accordingly.

Cost of sales

The following table sets forth a breakdown of the cost of sales of Burger King France for the nine months ended September 30, 2016 and 2017.

	For the nine months ended September 30,			
	2016	**2017**	**change**	**% change**
	(€ in millions, except percentages)			
Company Restaurant food costs	(65.1)	(69.9)	(4.7)	7.3%
Company Restaurant labor costs	(81.2)	(84.0)	(2.8)	3.4%
Quick dedicated logistics purchases for franchisees	(102.1)	(87.8)	14.3	(14.0)%
Cost of sales	**(248.5)**	**(241.7)**	**6.8**	**(2.7)%**

Cost of sales decreased by €6.8 million, or 2.7%, to €241.7 million for the nine-month period ended September 30, 2017, from €248.5 million for the nine-month period ended September 30, 2016. This decrease was mainly attributable to a decrease in Quick-dedicated logistics purchases in line with the decrease in the overall number of Quick Franchise Restaurants in our network, partly offset by an increase in Company Restaurants' food and labor costs in line with Company Restaurant revenue growth.

Company Restaurant food costs increased in absolute terms mostly due to the expansion of the Burger King Company Restaurant network as more restaurants were converted to Burger King, which required higher logistics costs to source BKC-approved products from outside France and transport them to multiple clusters within France. This increase was partly offset by lower food costs. Food costs accounted for 27.7% of Company Restaurant revenues for the nine-month period ended September 30, 2017, an increase of 0.9 percentage points compared to 26.8% for the nine-month period ended September 30, 2016. This increase was mainly the consequence of the higher proportion of Burger King restaurants within the network, and from promotions for both Burger King (such as the "Burger Mystère at €2.00") and Quick (such as "Longs at €3.00") brands which both involved selling products to a lower sales price than usual to improve sales volumes.

Labor costs increased in absolute terms mostly due to new hires to service the new Company Restaurants. However, labor costs accounted for 33.3% of Company Restaurant revenues for the nine-month period ended September 30, 2017, a decrease of 0.1 percentage points compared to 33.4% for the nine-month period ended September 30, 2016. This slight decrease in labor costs as a percentage of Company Restaurant revenue was mainly the consequence of an improvement in productivity during the third quarter of 2017, partly offset by the higher proportion of Burger King Restaurants within the network with higher labor costs during their first months of operations and by the promotions described above.

Operating and occupancy costs (excluding depreciation and amortization)

The following table shows our operating and occupancy costs (excluding depreciation and amortization) for the nine months ended September 30, 2016 and 2017.

	For the nine months ended September 30,			
	2016	**2017**	**change**	**% change**
	(€ in millions, except percentages)			
Utility costs	(5.4)	(5.5)	(0.1)	0.6%
Repair and maintenance costs	(11.1)	(12.9)	(1.8)	16.6%
Rental costs	(43.1)	(41.4)	1.7	(4.1)%
Other operating and occupancy costs	(14.8)	(15.8)	(1.0)	7.1%
Operating and occupancy costs (excl. depreciation and amortization)	**(74.4)**	**(75.6)**	**(1.2)**	**1.6%**

Operating and occupancy costs (excluding D&A) increased by €1.2 million, or 1.6%, to €75.6 million for the nine-month period ended September 30, 2017, from €74.4 million for the nine-month period ended September 30, 2016. This increase was mostly driven by an increase in repair and maintenance, utility and other operating and occupancy costs, partly offset by a decrease in rental costs.

The increases in repair and maintenance, utility and other operating and occupancy costs all reflect the increase in Company Restaurants operated under the Burger King brand which generally involves entering into a kitchen and dining room cleaning contract to manage specific equipment, an increase in energy consumption following the increase in ARS versus Quick's and an increase in security costs to manage higher footfall.

The decrease in rental costs was mainly the consequence of: (i) several restaurants formerly operated under the Quick brand which were temporarily closed to be converted into the Burger King brand, resulting in rental costs for such restaurants being booked in non-recurring expenses and (ii) the definitive disposals or closures of 17 restaurants under the Quick brand over the twelve months ended September 30, 2017 in mainland France, partly offset by (iii) the opening of 25 restaurants under the Burger King brand (of which six were Pure Franchises involving no rental costs to us).

Depreciation and amortization (restaurants)

Depreciation and amortization (restaurants) decreased by €1.1 million, or 4.5%, to €22.7 million for the nine-month period ended September 30, 2017, from €23.8 million for the nine-month period ended September 30, 2016.

This decrease was mainly due to (i) a €4.1 million decrease in line with the definitive closure and conversion of several restaurants under the Quick brand between September 2016 and September 2017, (ii) a €0.4 million decrease following the sale of certain real estate assets or related to the sales of fixed assets following the transfer to franchisees of several restaurants formerly operated as Company Restaurants and (iii) standard depreciation, partly offset by (iv) amortization and depreciation generated by new openings and conversions of €4.2 million.

Selling costs

Selling costs remained stable at €37.0 million for both the nine-month periods ended September 30, 2017 and 2016.

Franchisees under the Burger King brand and the Quick brand contribute 3.5% and 4.5% of their sales, respectively, to a marketing budget to which we also contribute the same percentage from our Company Restaurants sales.

As a consequence, selling costs remained stable over the period due to (i) an increase in Burger King's SWS of €212.2 million between the nine-month period ended September 30, 2016 and the nine-month period ended September 30, 2017, offset by (ii) a decrease in Quick's SWS of €114.3 million over the same period and by (iii) the fact that the percentage of Company Restaurant sales that Burger King restaurants are required to contribute is lower than the percentage that Quick restaurants are required to contribute.

Selling costs as a percentage of SWS decreased by 0.6 percentage points to 4.6% for the nine-month period ended September 30, 2017, from 5.2% for the nine-month period ended September 30, 2016.

BK brand royalties

BK brand royalties increased by €6.4 million, or 120.3%, to €11.7 million for the three-month period ended September 30, 2017, from €5.3 million for the nine-month period ended September 30, 2016. This increase was primarily attributable to the growth of the number of Burger King restaurants in our network.

Pre-opening costs

Pre-opening costs decreased by €0.9 million, or 36.9%, to €1.5 million for the nine-month period ended September 30, 2017, from €2.4 million for the nine-month period ended September 30, 2016. This decrease was primarily attributable to a decrease in new openings of restaurants operated as Company Restaurants to three openings for the nine-month period ended September 30, 2017 compared with five openings during the nine-month period ended September 30, 2016.

Other operating income/(expense)

Other operating income increased by €4.0 million to €7.6 million for the nine-month period ended September 30, 2017, from €3.6 million for the nine-month period ended September 30, 2016. This increase was mainly attributable to (i) entry fees paid to us by franchisees following the opening or conversion of a Burger King restaurant or paid to us by franchisees following the transfer of Company Restaurant to franchise restaurant and (ii) gains on disposal attributable to the sale of the land and the real estate of several restaurants. This increase was partly offset by an increase in a provision for bad debt for franchisees, mostly as a consequence of a high volume of bad debt provision reversals during the quarter ended September 30, 2016 following the collection of aged receivables.

General and administrative costs (excluding depreciation and amortization)

General and administrative costs (excluding D&A) increased by €0.2 million, or 0.6%, to €33.5 million for the nine-month period ended September 30, 2017, from €33.3 million for the nine-month period ended September 30, 2016.

This increase was mostly related to higher personnel costs following the growth of headquarter staff to support the development of the Group, partly offset by an increase in training fees invoiced to franchisees for the conversion and the opening of Burger King Restaurants.

As a percentage of revenue, general and administrative costs (excluding D&A) decreased by 0.2 percentage points to 7.6% for the nine-month period ended September 30, 2017, from 7.8% for the nine-month period ended September 30, 2016.

Depreciation and amortization (corporate center)

Depreciation and amortization (corporate center) slightly decreased by €0.1 million, or 6.5%, to €2.3 million for the nine-month period ended September 30, 2017, from €2.4 million for the nine-month period ended September 30, 2016.

Other corporate income and expenses

Other corporate income decreased by €0.6 million, or 4.8%, to €11.2 million for the nine-month period ended September 30, 2017, from €11.8 million for the nine-month period ended September 30, 2016. This decrease is mostly due to a decrease in certain fees paid to us by partners as a result of a decrease in SWS for the Quick brand.

Other non-recurring income and expenses

Other non-recurring income and expenses increased by €13.6 million to €18.1 million for the nine-month period ended September 30, 2017, from €4.5 million for the nine-month period ended September 30, 2016. This increase was mainly due to costs associated with conversions and closures of Quick restaurants, of which more than a third was incurred on a non-cash basis as it related to the write-off of such restaurants' assets in connection with their conversions or closures and was therefore incurred on a non-cash basis.

Net financial expense

Net financial expense increased by €8.3 million, to an expense of €36.6 million for the nine-month period ended September 30, 2017, from an expense of €28.3 million for the nine-month period ended September 30, 2016. This increase in net financial expense was mostly attributable to the recognition of the non-amortized portion of the issuance costs related to the former Financière Quick

Group high yield debt and expenses related to the repayment of the former high yield debt of Financière Quick during the second quarter of 2017.

Income tax

Income tax decreased by €3.4 million, to an expense of €4.3 million for the nine-month period ended September 30, 2017, from an expense of €7.7 million for the nine-month period ended September 30, 2016, due to a one-off tax expense in 2016 related to the Belux divestment, which occurred in September 2016.

Discontinued operations

We did not generate any revenue from discontinued operations during the nine months ended September 30, 2017. Revenue generated from discontinued operations for the nine months ended September 30, 2016 consisted of net income of €4.9 million attributable to the Belux Divestment.

Net profit/(loss) for the period

As a result of the foregoing factors, net loss for the nine-month period ended September 30, 2017 increased by €2.0 million, to a net loss of €22.6 million, from a net loss of €20.6 million for the nine-month period ended September 30, 2016.

BKF 2016 IFRS Financial Statements for the year ended December 31, 2016 compared to BKF 2015 Pro Forma Financial Information for the year ended December 31, 2015

SWS

As the franchisor of Quick and the master franchisee for Burger King in France, our revenue generation is largely driven by SWS. The following table sets forth our SWS for the periods indicated.

	For the year ended December 31,			
	2015 *(pro forma)*	2016	change	% change
	(€ in millions, except percentages)			
SWS	883.4	981.8	98.4	11.1%
Of which Burger King	105.8	241.8	136.0	128.5%
Of which Quick	777.6	740.1	(37.5)	(4.8)%

SWS increased by €98.4 million, or 11.1%, to €981.8 million for the year ended December 31, 2016 from €883.4 million for the year ended December 31, 2015. This increase in network sales was driven by the significant growth of Burger King during the year ended December 31, 2016, which opened or converted 66 new restaurants, and the higher ARS of Burger King restaurants generally, as slightly offset by the contraction of the Quick network by 47 restaurants and the lower ARS of Quick restaurants generally, though this effect was mitigated by a positive LfL SWS performance for Quick of 1.6% in the fourth quarter of 2016.

Results of operations

The following table sets forth the consolidated results of operations of Burger King France for the years ended December 31, 2016 based on historical data and 2015 prepared on a *pro forma* basis as though the Quick Acquisition and the Belux Divestment had occurred on January 1, 2015. See "*Presentation of Financial and Other Information*" and "*—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	For the year ended December 31,			
	2015 ***(pro forma)***	2016	change	% change
	Burger King France			
	(€ in millions, except percentages)			
Sales and franchise revenues	**555.9**	**578.3**	**22.4**	**4.0%**
Cost of sales	(325.2)	(333.6)	(8.3)	2.6%

	For the year ended December 31, 2015 (pro forma)	2016	change	% change
	Burger King France			
	(€ in millions, except percentages)			
Gross profit	**230.7**	**244.8**	**14.1**	**6.1%**
Operating and occupancy costs (excluding D&A)	(92.8)	(97.3)	(4.5)	4.8%
Depreciation and amortization (restaurants)	(31.2)	(30.8)	0.4	(1.3)%
Profit from operations	**106.7**	**116.7**	**10.0**	**9.4%**
Selling costs	(48.1)	(47.6)	0.5	(1.0)%
BK brand royalties	(3.5)	(8.3)	(4.7)	133.5%
Pre-opening costs	(5.0)	(3.3)	1.7	(33.9)%
Other operating income and expenses	(0.2)	7.5	7.8	n.s.
Gross operating profit of restaurants	**49.9**	**65.1**	**15.2**	**30.5%**
General and administrative costs (excluding depreciation and amortization)	(42.9)	(49.5)	(6.6)	15.3%
Depreciation and amortization (corporate center)	(3.5)	(3.2)	0.3	(8.6)%
Other corporate income and expenses	17.3	15.9	(1.4)	(8.1)%
Operating profit before non-recurring items (EBIT)	**20.8**	**28.4**	**7.6**	**36.5%**
Other non-recurring income and expenses	(166.3)	(15.2)	151.1	n.s
Operating profit/(loss) after non-recurring items	**(145.5)**	**13.2**	**158.7**	**n.s**
Net financial income/(expense)	(36.4)	(30.8)	5.6	(15.3)
Profit/(loss) before tax	**(181.9)**	**(17.7)**	**164.2**	**n.s**
Income tax	(5.4)	(8.3)	(2.9)	53.7%
Income from assets held for sale and discontinued operations	12.3	4.9	(7.4)	(60.2)
Net profit/(loss) for the period	**(175.1)**	**(21.1)**	**154.0**	**n.s**

Sales and franchise revenues

The following table sets forth a breakdown of the sales and franchise revenues of Burger King France for the year ended December 31, 2016 based on historical data and for the year ended December 31, 2015 prepared on a combined basis as though the Quick Acquisition and the Belux Divestment had occurred on January 1, 2015. The combined data for the year ended December 31, 2015 are compiled based on the accounting records of Burger King France and Financière Quick and are the sum of the consolidated revenue of Burger King France and the consolidated revenue of Financière Quick, less the revenue of Financière Quick generated by the operations sold as part of the Belux Divestment.

	For the year ended December 31, 2015 (combined)	2016	change	% change
	(€ in millions, except percentages)			
Company Restaurants revenue	304.5	331.9	27.4	9.0%
Franchise revenue	77.8	83.4	5.6	7.2%
Other income	173.7	163.1	(10.6)	(6.1)%
Total sales and franchise revenues	**555.9**	**578.3**	**22.4**	**4.0%**

Total sales and franchise revenues increased by €22.4 million, or 4.0%, to €578.3 million for the year ended December 31, 2016, from €555.9 million for the year ended December 31, 2015.

Company Restaurant revenue increased by €27.4 million, or 9.0%, from €304.5 million for the year ended December 31, 2015 to €331.9 million for the year ended December 31, 2016. This increase was largely driven by conversions of Company Restaurants from the Quick brand to the Burger King brand and partially by the net addition of six Company Restaurants, of which three were transferred from exiting franchisees and seven were new openings, partly offset by six definitive closures/disposals, and better performance by Quick restaurants generally. As of December 31, 2015, we operated 127 Company Restaurants, of which 16 and 111 were operated under the Burger King and Quick brands, respectively. As of December 31, 2016, we operated 133 Company Restaurants, of which 32 and 101 were operated under the Burger King and Quick brands, respectively. This net addition of 16 Company Restaurants under the Burger King brand contributed to Company Restaurant revenue due to the higher

ARS, as a Burger King restaurant recorded an ARS that was approximately 2.0x higher than that of Quick's. Though the number of Quick Company Restaurants decreased across the periods under review through conversions, the resulting revenue decrease was not proportional due to a better performance by Quick Company Restaurants and positive LfL in the last quarter of 2016.

Franchise revenue increased by €5.6 million, or 7.2%, to €83.4 million for the year ended December 31, 2016 from €77.8 million for the year ended December 31, 2015. This increase was largely attributable to a change in the network composition with a larger contribution of Burger King Franchise Restaurants within the network as of December 31, 2016. Each such restaurant generated higher royalties due to the larger ARS per restaurant and higher royalties when compared to Quick restaurants. As of December 31, 2015, we operated 329 restaurants, of which 26 and 303 were operated under the Burger King and Quick brands, respectively. As of December 31, 2016, we operated 329 restaurants, of which 76 and 253 were operated under the Burger King and Quick brands, respectively. Conversions were the primary driver, although certain Quick Franchise Restaurants closed or were divested, in particular those related to the Southern Territories Divestment (15 restaurants, of which two opened in 2016); however, the revenue effect was limited since the divestment took place in December. In addition, a majority of the new 50 Burger King Franchise Restaurants opened or converted during the year ended December 31, 2016 (26 in all) were operated under Franchise with Lease Management arrangements, which generated lease payments as a percentage of sales, contributing to franchise revenue for the period, although this was offset by lower lease payments from Quick Franchise Restaurants due to the negative LfL recorded during most of 2016. However, the increase in lease payments from Franchise with Lease Management Restaurants was offset by the effect of the closures during the conversion process (generally eight to ten weeks per restaurant).

Other income decreased by €10.6 million, or 6.1%, to €163.1 million for the year ended December 31, 2016 from €173.7 million for the year ended December 31, 2015. This decrease was largely attributable to decreased sales of Quick-dedicated logistics services to Quick franchisees, which constitute the largest component of other income, as Burger King's franchise model does not book any revenues for logistics, given that its logistics process is outsourced. As the Quick restaurant network decreases in size, other income will decrease accordingly.

Cost of sales

The following table sets forth a breakdown of the cost of sales of Burger King France for the year ended December 31, 2016 based on historical data and for the year ended December 31, 2015 prepared on a combined basis as though the Quick Acquisition and the Belux Divestment had occurred on January 1, 2015. The combined data for the year ended December 31, 2015 are compiled based on the accounting records of Burger King France and Financière Quick and are the sum of the consolidated cost of sales of Burger King France and the consolidated cost of sales of Financière Quick, less the cost of sales of Financière Quick related to the operations sold as part of the Belux Divestment.

	For the year ended December 31,			
	2015 (combined)	2016	change	% change
	(€ in millions, except percentages)			
Company Restaurant food costs	(81.8)	(88.6)	(6.8)	8.3%
Company Restaurant labor costs	(100.8)	(109.6)	(8.8)	8.7%
Quick dedicated logistics purchases for franchisees	(142.5)	(135.3)	7.2	(5.1)%
Cost of sales	**(325.2)**	**(333.6)**	**(8.4)**	**2.6%**

Cost of sales increased by €8.4 million, or 2.6%, to €333.6 million for the year ended December 31, 2016 from €325.2 million for the year ended December 31, 2015. This increase was primarily attributable to the increase in food and labor costs for Company Restaurants, which increased by €6.8 million, or 8.3%, and €8.8 million, or 8.7%, respectively. Company Restaurant food costs increased due to expansion of the Company Restaurant network as more restaurants were converted to Burger King, which in the year ended December 31, 2016 required higher logistics costs to source BKC-approved products from outside France and transport them to multiple clusters within France. As a percentage of Company Restaurants revenue, food costs were 26.7% for the year ended December 31, 2016, as compared to 26.9% for the year ended December 31, 2015, which reflects management's focus on cost control, though initiatives to decrease food costs (as discussed above under "—*Key Factors Affecting Our Results of Operations—Cost base—Food and logistics costs*") were still in the planning and negotiations stages and have not yet been reflected. Labor costs also increased due to new hires to service the new Company Restaurants. As a percentage of Company Restaurant revenue, labor costs were 33.0% for the year ended December 31, 2016 as compared to 33.1% for the year ended December 31, 2015, despite headcount increases, due to the higher proportion of Burger King restaurants within the network, each of which typically had higher footfall, thereby better absorbing labor costs. The increase in Company Restaurants costs of sales was partly offset by the decrease of €7.2 million, or 5.1%, in Quick-dedicated logistics services to franchisees to €135.3 million for the year ended December 31, 2016 from €142.5 million for the year ended December 31, 2015. This decrease follows the decrease in the overall number of Quick Franchise Restaurants (from 303 as of December 31, 2015 to 253 as of December 31, 2016) and as to be compared to the decrease of other revenues.

Operating and occupancy costs (excluding depreciation and amortization)

The following table shows our operating and occupancy costs (excluding depreciation and amortization) for the years ended December 31, 2016 and 2015.

	For the year ended December 31, 2015 *(pro forma)*	2016	change	% change
	(€ in millions, except percentages)			
Utility costs	(6.4)	(7.2)	(0.8)	12.5%
Repair and maintenance costs	(13.8)	(15.7)	(1.9)	13.8%
Rental costs	(55.2)	(57.0)	(1.8)	3.2%
Other operating and occupancy costs	(17.4)	(17.3)	0.1	n.s.
Operating and occupancy costs (excl. depreciation and amortization)	**(92.8)**	**(97.3)**	**(4.5)**	**4.8%**

Operating and occupancy costs (excluding depreciation and amortization) increased by €4.5 million, or 4.8%, to €97.3 million for the year ended December 31, 2016 from €92.8 million for the year ended December 31, 2015. This increase was mostly driven by (i) repair and maintenance costs, which grew in line with the growth of the Company Restaurant network (from January 1, 2015 to December 31, 2016, we recorded 6 net openings of Company Restaurants); and (ii) rental costs which grew with the restaurant network, increasing by the yearly rents indexation between 2015 and 2016 for the existing restaurants. As a percentage of sales and franchise revenues, operating and occupancy costs (excluding depreciation and amortization) remained relatively stable at 16.8% for the year ended December 31, 2016 and 16.7% for the year ended December 31, 2015.

Depreciation and amortization (restaurants)

Depreciation and amortization (restaurants) decreased by €0.4 million, or 1.3%, to €30.8 million for the year ended December 31, 2016 from €31.2 million for the year ended December 31, 2015. This decrease is mainly due to (i) €1.6 million decrease in line with the definitive closure and the conversion of several restaurants under the Quick brand in 2016, (ii) €0.4 million decrease following the sale of certain real estate and (iii) standard depreciation partly offset by amortization and depreciation generated by new openings for €(2.8) million.

Selling costs

Selling costs decreased by €0.5 million to expenses of €47.6 million for the year ended December 31, 2016 from expenses of €48.1 million for the year ended December 31, 2015. This decrease is primarily attributable to the decrease in Quick's SWS (as these costs represent approximately 4.5% of the SWS for the restaurants operated under this brand), partly offset by the effect in selling costs resulting from an increase in Burger King SWS; however, costs represent 3.5% of Burger King's SWS.

BK brand royalties

BK brand royalties increased by €4.7 million, or 133.5%, to €8.3 million for the year ended December 31, 2016 from €3.5 million for the year ended December 31, 2015. This increase is primarily attributable to growth of the Burger King restaurant network.

Pre-opening costs

Pre-opening costs decreased by €1.7 million, or 33.9%, to €3.3 million for the year ended December 31, 2016 from €5.0 million for the year ended December 31, 2015. This decrease is primarily attributable to a decrease in new Company Restaurant openings under the Burger King and Quick brands (seven Company Restaurant openings for the year ended December 31, 2016 as compared to 19 for the year ended December 31, 2015, a decrease of 10 openings).

Other operating income/(expense)

Other operating income/(expense) increased by €7.8 million to an income of €7.5 million for the year ended December 31, 2016 from an expense of €0.2 million for the year ended December 31, 2015. This increase is mainly attributable to capital gains on disposals of the land and the asset rights of several Quick restaurants and the remainder to exit indemnities received for the closure of several Quick restaurants.

General and administrative costs (excluding depreciation and amortization)

General and administrative costs (excluding depreciation and amortization) increased by €6.6 million, or 15.3%, to €49.5 million for the year ended December 31, 2016 from €42.9 million for the year ended December 31, 2015. This increase is mainly due to an increase in personnel costs following the growth of headquarters staff to support the development of the Group as well as an increase in fees (mostly IT-related). As a percentage of revenue, general and administrative costs (excluding depreciation and amortization)increased by 0.8 percentage points to 8.6% for the year ended December 31, 2016 from 7.7% for the year ended December 31, 2015.

Depreciation and amortization (corporate center)

Depreciation and amortization (corporate center) decreased by €0.3 million, or 8.6%, to €3.2 million for the year ended December 31, 2016 from €3.5 million for the year ended December 31, 2015. This decrease is mainly due to disposal of former dedicated Burger King France HQ assets following the merger of the headquarter for a net impact in D&A of €0.6 million as partly offset by the depreciation and amortization for €0.2 million generated by an investment made for a new website.

Other corporate income and expenses

Other corporate income decreased by €1.4 million, or 8.1%, to €15.9 million for the year ended December 31, 2016 from €17.3 million for the year ended December 31, 2015. This decrease is mainly due to a decrease in certain fees paid by partners as a result of decrease in SWS for the Quick brand.

Other non-recurring income and expenses

Other non-recurring income and expenses decreased by €151.1 million to an expense of €15.2 million for the year ended December 31, 2016 from expense of €166.3 million for the year ended December 31, 2015. The expense for the year ended December 31, 2015 is mainly attributable to the impact, estimated at €150.0 million taking into account the value of the brand in light of the conversion strategy, of the impairment of the Quick brand following the Quick Acquisition. Other non-recurring income and expenses also included costs associated with conversions and closures of Quick restaurants.

Net financial income/(expense)

Net financial expense decreased by €5.6 million to an expense of €30.8 million for the year ended December 31, 2016 from an expense of €36.4 million for the year ended December 31, 2015. This decrease in net financial expense was mainly due to the decrease in interest paid or accrued on the Quick Notes, as in January 2016 we redeemed Quick Notes in an aggregate amount of €90.0 million (of the original aggregate outstanding of €595.0 million).

Income tax

Income tax increased by €2.9 million, or 53.7%, to an expense of €8.3 million for the year ended December 31, 2016 from an expense of €5.4 million for the year ended December 31, 2015. This increase was mainly due to the capital gain on disposal recorded following the Belux Divestment.

Discontinued operations

Revenue generated from discontinued operations decreased by €7.4 million to net income of €4.9 million for the year ended December 31, 2016 from net income of €12.3 million for the year ended December 31, 2015. This was primarily attributable to the fact that we recorded a full year of impact of the Belux Divestment perimeter for the year ended December 31, 2015, whereas such perimeter was recorded in the Group's financial statements for eight months in the year ended December 31, 2016.

Net profit/(loss) for the period

As a result of the foregoing factors, net loss for the period decreased by €154.0 million to a net loss of €21.1 million for the year ended December 31, 2016 from net loss of €175.1 million for the year ended December 31, 2015.

Quick IFRS Financial Statements for the year ended December 31, 2015 compared to the year ended December 31, 2014

SWS

As the franchisor of Quick, our revenue generation is largely driven by SWS. The following table sets forth our SWS for the periods indicated (including the €132.3 million in SWS generated by the activities sold in the Belux Divestment).

	For the year ended December 31,			
	2014	2015	change	% change
	(€ in millions, except percentages)			
SWS	1,029.4	976.7	(52.7)	(5.1)%

SWS decreased by €52.7 million, or 5.1%, to €976.7 million for the year ended December 31, 2015 from €1,029.4 million for the year ended December 31, 2014. This decrease in network sales was driven by difficult trading conditions, contagion from the terrorist attacks in Paris and terrorism-related investigation in the greater Brussels area which depressed footfall as well as general loss of market share against competition which resulted in negative LfL SWS for France and Belgium of 6.4% and 5.8%, respectively.

Results of operations

The following table sets forth the consolidated results of operations of Financière Quick for the years ended December 31, 2014 and 2015 prepared in accordance with IFRS. See "*Presentation of Financial and Other Information*" and "*—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	For the year ended December 31,			
	2014	2015	change	% change
	Financière Quick			
	(€ in millions, except percentages)			
Sales and franchise revenues	**625.7**	**595.7**	**(30.0)**	**(4.8)%**
Food costs	(242.0)	(226.7)	15.3	(6.3)%
Restaurant Personnel costs	(103.8)	(106.4)	(2.6)	2.5%
Cost of sales	(345.8)	(333.1)	12.7	(3.7)%
Gross profit	**279.9**	**262.5**	**(17.4)**	**(6.2)%**
Operating and occupancy costs	(97.9)	(101.0)	(3.1)	3.2%

	For the year ended December 31,			
	2014	2015	change	% change
	Financière Quick			
	(€ in millions, except percentages)			
Depreciation and amortization	(37.5)	(38.4)	(0.9)	2.4%
Other operating income and expenses	6.8	0.1	(6.7)	n.s.
Marketing and advertising expenses	(64.3)	(56.3)	8.0	(12.4)%
Operating income from restaurants	**87.0**	**66.9**	**(20.1)**	**(23.1)%**
G&A expenses	(47.9)	(49.2)	(1.3)	2.7%
Other corporate income and expenses	19.6	18.5	(1.1)	(5.6)%
Operating profit before non-recurring items (EBIT)	**58.6**	**36.2**	**(22.4)**	**(38.4)%**
Other non-recurring income and expenses	(14.5)	(165.2)	(150.7)	n.s
Operating profit/(loss) after non-recurring items	**44.1**	**(129.0)**	**(173.1)**	**n.s**
Net financial income/(expense)	(39.4)	(37.5)	1.9	(4.8)%
Share in income of associates	0.1	0.1	—	—
Profit/(loss) before tax	**4.9**	**(166.4)**	**(171.3)**	**n.s**
Income tax	(3.9)	(4.5)	(0.6)	15.4%
Net profit/(loss) for the period	**1.0**	**(170.9)**	**(171.9)**	**n.s%**

Sales and franchise revenues

The following table sets forth a breakdown of Financière Quick's total sales and franchise revenues for the years ended December 31, 2015 and 2014.

	For the year ended December 31,			
	2014	2015	change	% change
	(€ in millions, except percentages)			
Company Restaurants revenue	312.2	312.0	(0.2)	n.s.
Franchise revenue	112.3	100.0	(12.3)	(11.0)%
Other income	201.2	183.6	(17.6)	(8.7)%
Sales and franchise revenues	**625.7**	**595.7**	**(30.0)**	**(4.8)%**

Company Restaurant revenue remained relatively stable at €312.0 million for the year ended December 31, 2015, against €312.2 million for the year ended December 31, 2014. The number of Company Restaurants changed by eight net openings on a net basis between December 31, 2014 and December 31, 2015. This slight decrease was primarily attributable to the following factors, (i) difficult trading environment in Financière Quick's principal markets of France and Belgium as demonstrated by the negative LfL SWS of 6.4% and 5.8% respectively, itself a product of numerous factors including difficult macroeconomic conditions in Financière Quick's core markets, loss of market share and intense competition and (ii) reduced footfall generally in certain high-traffic areas following the Charlie Hebdo terrorist attack and the Porte de Vincennes hostage taking in Paris in January 2015, the Bataclan terrorist attack in Paris in November 2015 and the lockdown of central Brussels in November 2015. Quick operated a total of 42 restaurants in Paris and Brussels as of December 31, 2015, some of which were completely closed for a six-day period in November 2015 in Brussels and others were partially closed or experienced reduced footfall. The foregoing decrease offset revenue generated from a larger network of restaurants in France (eight openings on a net basis, of which six were Quick restaurants and two were Burger Bars by Quick).

Franchise revenue decreased by €12.3 million, or 12.2%, to €100.0 million for the year ended December 31, 2015 from €112.3 million for the year ended December 31, 2014. This decrease was primarily attributable to the negative LfL SWS performance.

Other income decreased by €17.6 million, or 8.7%, to €183.6 million for the year ended December 31, 2015 from €201.2 million for the year ended December 31, 2014. This decrease is mainly attributable to the €15.0 million decrease in Logirest sales (Quick's dedicated logistics services provided to its franchisees) and to the €2.6 million decrease in receipt of funds from the national advertising budget received from franchisees, largely due to the decrease in SWS.

Sales and franchise revenues decreased by €30.0 million, or 4.8%, to €595.7 million for the year ended December 31, 2015, from €625.7 million for the year ended December 31, 2014.

Food costs

Food costs decreased by €15.3 million, or 6.3%, to €226.7 million for the year ended December 31, 2015 from €242.0 million for the year ended December 31, 2014. This decrease was primarily attributable to: (i) a controlled raw material inflation and (ii) a decrease in volumes, mainly explained by a 6.6% decrease in SWS, partly offset by the impact of new commercial offers (such as the launch of new pre-pack salads in June 2015, the introduction of cheesy balls with a higher food cost and the new offer of hot beverages). As a percentage of Sales and franchise revenue, food costs remained fairly stable at 38.1% for the year ended December 31, 2015 as compared to 38.7% for the year ended December 31, 2014.

Restaurant Personnel costs

Restaurant Personnel costs increased by €2.6 million, or 2.5%, to €106.4 million for the year ended December 31, 2015 from €103.8 million for the year ended December 31, 2014. As a percentage of Company Restaurant revenue, personnel costs increased by 0.9 percentage points to 34.1% for the year ended December 31, 2015 from 33.2% for the year ended December 31, 2014. This increase was mainly attributable to: (i) salary inflation (amounting to approximately 2%) and (ii) the impact of the decrease in like-for-like Company Restaurant revenue generating a higher weight of supervisors within the personnel costs line item and lower productivity.

Operating and occupancy costs

The following table shows our operating and occupancy costs for the years ended December 31, 2015 and 2014.

	For the year ended December 31,			
	2014	**2015**	**change**	**% change**
	(€ in millions, except percentages)			
Utility costs	(6.4)	(6.8)	(0.4)	6.3%
Repair and maintenance costs	(13.7)	(13.7)	—	—
Rental costs	(61.8)	(63.4)	(1.6)	2.6%
Other operating and occupancy costs	(16.1)	(17.1)	(1.0)	6.2%
Operating and occupancy costs (excl. depreciation and amortization)	**(97.9)**	**(101.0)**	**(3.1)**	**3.2%**

Operating and occupancy costs increased by €3.1 million, or 3.2%, to €101.0 million for the year ended December 31, 2015 from €97.9 million for the year ended December 31, 2014. This increase was mostly driven by rent costs which were subject to regular increases pursuant to Financière Quick's leaseholds and the net increase in overall number of restaurants. From January 1, 2014 to December 31, 2015, the Quick restaurant network recorded seven net openings of Company Restaurants and Franchise with Lease Management Restaurants. As a percentage of sales and franchise revenues, operating and occupancy costs increased by 1.4 percentage points to 17.0% for the year ended December 31, 2015 from 15.6% for the year ended December 31, 2014.

Depreciation and amortization

Depreciation and amortization increased by €0.9 million, or 2.4%, to €38.4 million for the year ended December 31, 2015 from €37.5 million for the year ended December 31, 2014. This increase is mainly due to the expansion of the Group's network and the increased number of Company Restaurants previously operated under franchise agreements and the full-year effect of those previously converted in 2014.

Other operating income and expense

Other operating income decreased by €6.7 million to an income of €0.1 million for the year ended December 31, 2015 from an income of €6.8 million for the year ended December 31, 2014. This decrease is primarily attributable to the combined effect of the following: (i) a €1.9 million increase in losses on franchisees' receivables to €2.6 million for the year ended December 31, 2015 (as a result of the termination of certain legal proceedings) versus €0.7 million of losses for the year ended December 31, 2014; (ii) the reversal of a €1.8 million provision linked to network rationalization and the closure of unprofitable restaurants; (iii) the non-recurring territory fees recorded in the amount of €1.1 million in 2014 following the signature of three master franchise agreements for Turkey, Morocco and Tunisia (no new such agreements were signed in 2015); (iv) the transfer in December 2014 to the "non-recurring items" category of €1.0 million bad debt provisions of our former Russian franchisee following the closure of the restaurant in Russia; (v) the €1.0 million exit indemnity received in 2014 from the lessor for the closure of the "Belle-Epine" restaurant; (vi) a €0.3 million indemnity received in 2014 in compensation for disturbance-related work for our "Marseille Vieux Port" restaurant; (vii) a provision on inventories of €0.4 million for the year ended December 31, 2015 versus the reversal of €0.3 million in inventories for the year ended December 31, 2014, partly offset by the sale of three business assets rights (*fonds de commerce*) in Belgium for €1.1 million in the year ended December 31, 2015.

Marketing and advertising expenses

Marketing and advertising expenses decreased by €8.0 million, or 12.4%, to €56.3 million for the year ended December 31, 2015 from €64.3 million for the year ended December 31, 2014. This decrease is primarily attributable to the decrease in SWS and the absence of any Group contribution to national advertising recorded in 2015 (compared to a direct contribution by the Group in the amount of €5.1 million recorded in 2014).

G&A expenses

G&A expenses increased by €1.3 million, or 2.7%, to €49.2 million for the year ended December 31, 2015 from €47.9 million for the year ended December 31, 2014. This increase is mainly due to: (i) an increase of €1.0 million in personnel costs resulting from salary inflation and an increase in headcount, partially offset by a decrease in bonuses; and (ii) an increase of €0.4 million in IT costs. As a percentage of revenue, G&A expenses increased by 0.6 percentage points to 8.3% for the year ended December 31, 2015 from 7.7% for the year ended December 31, 2014.

Other corporate income and expense

Other corporate income and expense items decreased by €1.1 million to €18.5 million for the year ended December 31, 2015 from €19.6 million for the year ended December 31, 2014. This decrease is mainly due to a decrease in the remuneration of the Quick brand by partners as a result of the decrease in SWS.

Other non-recurring income and expenses

Other non-recurring income and expenses increased by €150.7 million to an expense of €165.2 million for the year ended December 31, 2015 from an expense of €14.5 million for the year ended December 31, 2014. This expense is mainly attributable to the impact, estimated at €150.0 million, of the impairment of the Quick brand following the purchase of Financière Quick and its subsidiaries by Burger King France. Other non-recurring income and expenses also included: (i) €6.2 million impairment test depreciation, (ii) €2.0 million external fees related to the Quick Acquisition; (iii) €2.6 million severance packages related to departure of senior managers; (iv) €0.9 million post-closure costs related to the definitive closure of several restaurants; and (v) a €1.1 million write-off related to an abandoned restaurant IT project.

Financial income/(expense)

Financial expense decreased by €1.9 million to an expense of €37.5 million for the year ended December 31, 2015 from an expense of €39.4 million for the year ended December 31, 2014. This decrease in financial expense was mainly due to the full-year effect of the issuance of the Quick Notes in April 2014 which resulted in a lower average interest rate on Financière Quick's indebtedness.

Income tax

Income tax expenses increased by €0.6 million, or 15.4%, to an expense of €4.5 million for the year ended December 31, 2015 from an expense of €3.9 million for the year ended December 31, 2014. This increase is notably attributable to a €5.1 million increase in deferred taxes, partly offset by the decrease in the Financière Quick Group's current 2015 income tax (€4.5 million positive impact) resulting from €2.2 million of interest received on Belgian accounts in the fourth quarter of 2015 and €2.8 million gain related to the Financière Quick Group's tax consolidation group.

Net profit/(loss) for the period

As a result of the foregoing factors, net loss for the period increased by €171.9 million to a net loss of €170.9 million for the year ended December 31, 2015 from net profit of €1.0 million for the year ended December 31, 2014.

BKF French GAAP Financial Statements for the year ended December 31, 2015 compared to the year ended December 31, 2014

SWS

As the master franchisee for Burger King in France, our revenue generation is largely driven by SWS. The following table sets forth our SWS for the periods indicated.

	For the year ended December 31,			
	2014	2015	change	% change
	(€ in millions, except percentages)			
SWS	30.8	105.8	75.0	243.8%

SWS increased by €75.0 million, or 243.8%, to €105.8 million for the year ended December 31, 2015 from €30.8 million for the year ended December 31, 2014. This increase in network sales was driven by network expansion and strong ARS premised on the novelty effect of Burger King's return to France which encouraged high footfall.

Results of operations

The following table sets forth the consolidated results of operations of Burger King France for the years ended December 31, 2014 and 2015 prepared in accordance with French GAAP. See "*Presentation of Financial and Other Information*" and "*—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	For the year ended December 31,		
	2014	2015	Change
	Burger King France		
	(€ in millions, except percentages)		
Total revenue	6.0	48.9	42.9
Operating grants	—	0.2	0.2
Expense transfer	0.3	1.4	1.2
Other revenue	1.3	3.1	1.8
Purchases of merchandise	(1.5)	(12.1)	(10.6)
Change in inventories	0.1	0.1	—
Purchases of raw materials and other supplies	(0.2)	(1.1)	(0.9)
Change in raw materials inventories	—	0.1	0.1
Other purchases and external charges	(6.7)	(18.5)	(11.8)
Taxes and levies	(0.2)	(0.9)	(0.7)
Wages and salaries	(3.1)	(15.2)	(12.1)
Social security costs	(0.9)	(3.4)	(2.5)
Depreciation and amortization of assets	(0.2)	(1.9)	(1.7)
Additions to provisions for liabilities and charges	—	(0.1)	(0.1)
Other expense	(1.0)	(3.5)	(2.6)
Total financial income	0.7	0.7	—
Gains from sale of marketable securities	—	—	—
Interest and similar expense	(0.2)	(0.4)	(0.2)
Negative exchange difference	—	—	—
Total non-recurring income	—	0.1	0.1
Total non-recurring expenses	—	(0.4)	(0.4)
Deferred tax	1.9	1.2	(0.7)
Income for the consolidated whole	**(3.6)**	**(1.6)**	**2.0**

Total revenue

Total revenue increased by €42.9 million to €48.9 million for the year ended December 31, 2015, from €6.0 million for the year ended December 31, 2014. This is largely attributable to the expansion of the network, which grew from 16 restaurants as of December 31, 2014 to 42 restaurants as of December 31, 2015, an expansion of 26 new restaurants across the period, of which 12 operated as Company Restaurants for which we booked all the sales as total revenues, combined with the full-year effect of the ten restaurants opened in the second half of 2014.

Purchases of merchandise

Purchases of merchandise increased by €10.6 million to €12.1 million for the year ended December 31, 2015 from €1.5 million for the year ended December 31, 2014. This increase was primarily attributable to the expansion of the network operated as Company Restaurants, as our Franchise Restaurants are responsible for their own food and logistics costs.

Other purchases and external charges

Other purchases and external charges increased by €11.8 million to €18.5 million for the year ended December 31, 2015 from €6.7 million for the year ended December 31, 2014. This increase was mainly attributable to increases in rent based on the expansion of the Burger King network in the year ended December 31, 2015 and the full-year effect of Company Restaurants opened in the year ended December 31, 2014. This line item also includes marketing and advertising costs, including those borne by Burger King France to generate and support brand awareness.

Wages and salaries

Wages and salaries increased by €12.1 million to €15.2 million for the year ended December 31, 2015 from €3.1 million for the year ended December 31, 2014. This increase was mainly due to the expansion of the Group's network through the increased number of Company Restaurants as well as certain hires to support the G&A functions of the Group.

Social security costs

Social security costs increased by €2.5 million to €3.4 million for the year ended December 31, 2015 from €0.9 million for the year ended December 31, 2014. This increase is attributable to social charges that increased in line with headcount.

Depreciation and amortization of assets

Depreciation and amortization of assets increased by €1.7 million to €1.9 million for the year ended December 31, 2015 from €0.2 million for the year ended December 31, 2014. This increase is primarily attributable to the larger base of equipment that was depreciated.

Other expense

Other expense increased by €2.6 million to €3.5 million for the year ended December 31, 2015 from €1.0 million for the year ended December 31, 2014. This increase was mainly due to the expansion of the Group's network.

Total non-recurring expenses

Non-recurring expenses increased by €0.4 million to €0.4 million for the year ended December 31, 2015 from nil for the year ended December 31, 2014. This increase was mainly due to the transaction expenses and advisory fees incurred in connection with the Quick Acquisition.

Income for the consolidated whole

As a result of the foregoing factors, income for the consolidated whole for the period decreased by €2.0 million to a net loss of €1.6 million for the year ended December 31, 2015 from net loss of €3.6 million for the year ended December 31, 2014.

Liquidity and Capital Resources of the Issuer

Our cash requirements consist mainly of the following:

- operating activities, including our working capital expenditure requirements;
- servicing our indebtedness; and
- funding capital expenditures, particularly restaurant conversions and new restaurant openings, including the intendent equipment and fixtures purchases and pre-opening costs.

Liquidity and Capital Resources

Our primary sources of liquidity consist of the following:

- cash generated from our operating activities;
- the proceeds from the issuance of the Existing Notes in April 2017 and the proceeds from the issuance of the Additional Notes;
- financial leases for equipment and fixtures; and
- drawings under the Revolving Credit Facility.

As of September 30, 2017, on an as-adjusted basis for the Transactions, our net debt would have been €499.0 million and we would have had cash and cash equivalents of €139.6 million.

The Indenture and the Revolving Credit Facility Agreement contain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to: incur additional indebtedness; pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments; enter into agreements that restrict distributions from restricted subsidiaries; sell or otherwise dispose of assets, including capital stock of restricted subsidiaries; enter into transactions with affiliates; create or incur liens; and merge, consolidate or sell substantially all of our assets. These covenants are subject to important exceptions and qualifications.

For more information regarding our indebtedness and cash service requirements on our indebtedness, see "*Capitalization*," "*Description of Certain Financing Arrangements*" and "*Description of the Notes—Certain Covenants*".

Cash Flows

Nine months ended September 30, 2017 compared to the nine months September 30, 2016

The following table sets forth the statement of consolidated cash flows of Burger King France as of and for the nine months ended September 30, 2016 and 2017 prepared in accordance with IFRS. See "*Presentation of Financial and Other Information*" and "*—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	For the nine months ended September 30,	
	2016	**2017**
	(€ in millions)	
Cash generated by operating activities	40.6	33.2
Cash generated/(used) by investment activities	87.9	(65.0)
Cash generated/(used) by financing activities	(127.5)	0.9
Change in cash and cash equivalents	1.0	(30.9)

<u>Cash generated by operating activities</u>

Cash generated/(used) by operating activities was recorded as an inflow of €33.2 million for the nine-month period ended September 30, 2017 (as compared to an inflow of €40.6 million for the nine-month period ended September 30, 2016). This inflow was primarily attributable to an inflow related to

EBITDA, partly offset by outflows for non-recurring items, mainly related to pre-conversion costs incurred during the temporary closure of restaurants (principally comprising labor, training and rent) and net post-closure costs (including exit indemnities as applicable) incurred due to the definitive closures of Quick brand restaurants, and an outflow for income tax paid during the quarter (mainly CVAE).

Cash generated/(used) by investment activities

Cash generated/(used) by investment activities for the nine-month period ended September 30, 2017 was recorded as a cash outflow of €65.0 million as compared to a cash inflow of €87.9 million for the nine-month period ended September 30, 2016 (including impact of the Belux Divestment which occurred in September 2016).

The net cash outflow from investment activities for the nine-month period ended September 30, 2017 was primarily due to (i) investments for the completed conversions of 49 Quick restaurants to Burger King restaurants and an additional 16 Quick restaurants which were temporarily closed for conversion as of September 30, 2017; (ii) investments in new restaurant openings, consisting of 15 Burger King restaurants since the beginning of the year; and (iii) additional cash outflows related to maintenance capital expenditures and network management activities (namely, costs related to the conversion of Company Restaurants into Franchise Restaurants and vice versa).

The net cash flow from investment activities for the nine-month period ended September 30, 2016 was mainly related to the Belux divestment. In addition, net cash flow from investment activities for the nine-month period ended September 30, 2016 was also related to (i) investments in new restaurants openings consisting of 20 Burger King restaurants since the beginning of the year 2016; to (ii) investments for the conversions of 6 Quick restaurants to Burger King restaurants and an additional 18 Quick restaurants temporarily closed for conversion as of September 30, 2016; and (iii) maintenance and network management.

Cash generated/(used) by financing activities

Cash generated/(used) by financing activities was recorded as a cash inflow of €0.9 million for the nine-month period ended September 30, 2017, as compared to a cash outflow of €127.5 million for the nine-month period ended September 30, 2016.

This inflow for the nine-month period ended September 30, 2017 was mainly related to the issuance of €565.0 million in new high yield debt by Burger King France (comprising €250.0 million aggregate principal amount of Floating Rate Senior Secured Notes due 2023 and €315.0 million aggregate principal amount of 6.00% Senior Secured Notes due 2024), partly offset by outflows related to (i) the redemption in full of Financière Quick's former high yield debt; (ii) the payment of fees incurred in connection with the issuance of the Existing Notes; (iii) the repayment of other borrowings; and (iv) the payment of interest on both the Quick Notes and the Existing Notes.

The €127.5 million cash outflow recorded in the nine-month period ended September 30, 2016 was principally related to (i) the full reimbursement of Financière Quick's former revolving credit facility in an amount of €38.0 million, (ii) the payment of €6.5 million in accrued interest on the Quick Notes and (iii) the partial redemption of €90.0 million of the Quick Notes in January 2016.

BKF 2016 IFRS Financial Statements as of and for the year ended December 31, 2016 compared to the year ended December 31, 2015

The following table sets forth the as reported statement of consolidated cash flows of Burger King France as of and for the years ended December 31, 2015 and 2016 prepared in accordance with IFRS. See "*Presentation of Financial and Other Information*" and "*—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	For the year ended December 31,	
	2015	**2016**
	(€ in millions)	
Cash generated by operating activities	9.6	82.7
Cash generated/(used) by investment activities	(6.8)	42.4
Cash generated/(used) by financing activities	138.3	(141.5)

	For the year ended December 31,	
	2015	2016
	(€ in millions)	
Change in cash and cash equivalents	141.1	(16.4)

Cash generated by operating activities

Cash generated by operating activities was recorded as an inflow of €82.7 million for the year ended December 31, 2016, as compared to an inflow €9.6 million for the year ended December 31, 2015. For the year ended December 31, 2016, the €82.7 million inflow was mostly due to €62.4 million of EBITDA generated on the continued activities and to €14.3 million EBITDA generated by discontinued activities related to the perimeter of the Belux Divestment and was due to (i) the positive change in working capital in line with expansion of the network, partially offset by (ii) outflows for non-recurring items, mainly related to (a) pre-conversion costs booked during the temporary closure of restaurants formerly operated under the Quick brand to be converted into the Burger King brand (principally labor, training and rent) and (b) the net post-closure costs (including exit indemnities received, if applicable) incurred by definitive closures of Quick brand restaurants; and (iii) income tax paid (essentially CVAE).

Cash generated/(used) by investment activities

Cash generated/(used) by investment activities for the year ended December 31, 2016 was recorded as a cash inflow of €42.4 million as compared to a cash outflow of €6.8 million for the year ended December 31, 2015. The net cash inflow from investment activities for the year ended December 31, 2016 was primarily due to the proceeds from the Belux Divestment and Southern Territories Divestment which offset (i) investments in new restaurant openings, consisting of 30 Burger King restaurants and two Quick restaurants opened after relocation and investments for the conversions of 36 Quick restaurants to Burger King restaurants and an additional eight Quick restaurants temporarily closed for conversion as of December 31, 2016, and (ii) additional cash outflows related to maintenance capital expenditures and in network management activities (transfers between Company Restaurants and Franchise Restaurants). The net cash flow from investment activities for the year ended December 31, 2015 was primarily related to investments in maintenance and the development of the network.

Cash generated/(used) by financing activities

Cash generated/(used) by financing activities were recorded as a cash outflow of €141.5 million for the year ended December 31, 2016, as compared to a cash inflow of €138.3 million for the year ended December 31, 2015. This outflow for the year ended December 31, 2016 was primarily attributable to the redemption of €90.0 million aggregate principal amount of Financière Quick's former high yield notes (€80.0 million aggregate principal amount of its senior secured notes and €10.0 million aggregate principal amount of its unsecured notes) in January 2016 in connection with the Quick Acquisition. In addition, in the year ended December 31, 2016, the Financière Quick group's improved net working capital position afforded us the ability to repay borrowings under Financière Quick's former revolving credit facility, whereas in the year ended December 31, 2015, that revolving credit facility was utilized for working capital requirements. Moreover, in the year ended December 31, 2016, we paid €33.6 million in interest payments related to Financière Quick's former high yield notes and we borrowed for €10.6 million in other indebtedness. The cash inflow of €138.3 million recorded for the year ended December 31, 2015 was primarily attributable to the Issuer's capital increase of €123.3 million undertaken to finance the Quick Acquisition and fund the partial redemption of Financière Quick's former high yield notes.

Financière Quick Group as of and for the year ended December 31, 2015 compared to the year ended December 31, 2014

The following table sets forth the statement of consolidated cash flows of the Financière Quick Group as of and for the years ended December 31, 2014 and 2015 prepared in accordance with IFRS.

See "*Presentation of Financial and Other Information*" and "*—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	For the year ended December 31,	
	2014	2015
	(€ in millions)	
Cash generated by operating activities	74.1	72.4
Cash generated (used) by investment activities	(56.3)	(44.3)
Cash generated (used) by financing activities	(54.5)	51.7
Change in cash and cash equivalents	(36.7)	79.8

Cash generated by operating activities

Cash generated by operating activities was recorded at €72.4 million for the year ended December 31, 2015, as compared to €74.1 million for the year ended December 31, 2014, as a result of:

- a gain in working capital amounting to €2.7 million for the year ended December 31, 2015 as compared to a loss of €9.7 million for the year ended December 31, 2014;
- a decrease in income tax paid of €2.7 million for the year ended December 31, 2015 as compared to €5.5 million for the year ended December 31, 2014 following the decrease in the Group's results and the €2.2 million Belgium notional interests received in fourth quarter of 2015;
- a €21.6 million decrease in EBITDA to €78.4 million for the year ended December 31, 2015, from €100.0 million for the year ended December 31, 2014;
- higher cash expenses from non-recurring items (€9.8 million for the year ended December 31, 2015 as compared to €4.2 million for the year ended December 31, 2014).

Cash generated (used) by investment activities

Cash generated (used) by investment activities mainly consist in restaurant openings and transfers, existing restaurants refurbishment, maintenance and compliance. Net capital expenditures decreased by €12.0 million to €(44.3) million for the year ended December 31, 2015 from €(56.3) million for the year ended December 31, 2014.

Of the total restaurant transfers and other capital expenditures incurred for the year ended December 31, 2015, an amount of €16.6 million was used primarily in connection with: (i) the acquisition of the real estate of four Belgium restaurants for €6.6 million; (ii) the upgrade of our coffee machines for €2.4 million in relation with the launch of a new hot beverages offer; (iii) the transfer of three French restaurants from Franchise Restaurants to Company Restaurants for €1.9 million; and (iv) IT investments in the amount of €0.7 million. See "*—Capital Expenditures—Financière Quick Group*".

Cash generated (used) by financing activities

Cash generated (used) by financing activities was recorded as a gain of €51.7 million for the year ended December 31, 2015, as compared to a loss of €54.5 million for the year ended December 31, 2014. This increase was primarily attributable to: (i) the €91.0 million capital increase; and (ii) new loans (€5.0 million BPI France new loan, €3.6 million KBC new loan, €2.4 million new finance lease and the pre-financing of the CICE for €3.0 million); as partially offset by (iii) the payment of interests for approximately €40 million and (iv) the repayment of loans (including €3.0 million of the Agaquick credit line, €3.0 million of the existing revolving credit facility and €7.2 million linked to the CICE deconsolidation).

Burger King France as of and for the year ended December 31, 2015 compared to the year ended December 31, 2014

The following table sets forth the statement of consolidated cash flows of Burger King France as of and for the years ended December 31, 2014 and 2015 prepared in accordance with French GAAP.

See "*Presentation of Financial and Other Information*" and "*—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	For the year ended December 31,	
	2014	2015
	(€ in millions)	
Net cash flows from operating activities as reported	1.0	(8.2)
Restatement of short-term investments	—	16.6
Restated net cash flows from operating activities	1.0	8.4
Net cash flows for investment activities	(10.5)	(6.3)
Net cash flows for financing activities	46.3	138.3
Change in cash and cash equivalents as reported	36.8	123.7
Change in cash and cash equivalents restated	36.8	140.4

Net cash flows from operating activities

Restated net cash flows from operating activities was recorded at a cash outflow of €8.2 million for the year ended December 31, 2015, as compared to a cash inflow of €1.0 million for the year ended December 31, 2014, as a result of a restatement of short-term investments in the amount of €16.6 million which was not recorded as cash on balance sheet as of December 31, 2015 as well as higher positive working capital variation in line with the development of the network requirements to purchase raw materials and other inputs.

Net cash flows for investment activities

Net cash flows used for investment activities was recorded at a cash outflow of €6.3 million from a cash outflow of €10.5 million for the year ended December 31, 2014. This was largely attributable to the capital expenditures necessary to fund restaurant openings and purchase kitchen and other related equipment for new restaurants.

Net cash flows for financing activities

Net cash flows used for financing activities was recorded as a cash inflow of €138.3 million for the year ended December 31, 2015, as compared to a cash inflow of €46.3 million for the year ended December 31, 2014. The cash inflow for the year ended December 31, 2015 was primarily attributable to a capital increase in the amount of €123.3 million in December 2015 to help fund the Quick Acquisition, whereas the cash inflow in the prior year was related to senior borrowings to fund capital expenditures.

Working capital

Our primary source of trade receivables are royalties and lease and business assets payments due from franchisees and, with respect to the Quick franchisees, receivables related to food costs. The days payable outstanding for royalties and lease and business assets payments was, for the year ended December 31, 2016, an average of approximately 40 days and for receivables related to food costs from Quick franchisees, approximately 20 days. Most of these receivables are automatically debited from the accounts of the franchisee. On the other hand, our primary source of trade payables consisted of investment-related payables (for restaurant conversions) as well as food costs. Within food costs, as we purchase the raw materials and food products for all Quick restaurants and resell such raw materials and food products to Quick restaurants as part of Quick's logistics services (undertaken by our subsidiary Logirest), we generate a working capital inflow because franchisees pay us earlier than we remit payment to our suppliers. With respect to Burger King restaurants food costs, we purchase raw materials and food products only for Company Restaurants, while franchisees make their own purchases directly from our outsourced providers. The other elements of our operating working capital inflows consist of labor costs and, for the Burger King brand, payments due to BK Europe which are generally paid following the close of the applicable month. Cash outflows related to operating working capital include royalty payments due from franchisees and lease payments, the majority of which are pre-payable on a quarterly basis.

As the pace of conversion of Quick restaurants to Burger King restaurants accelerates, we expect we will lose the working capital inflow generated by Logirest's logistics services, but it will be partially offset by a positive impact from the reduction in working capital immobilized in inventories related to these services. This dynamic was already observed for the year ended December 31, 2016 as compared to the year ended December 31, 2015.

Capital Expenditures

Over the periods under review, the Group's capital expenditure was divided into the following categories:

- **Capital expenditures for new restaurant openings:** includes expenses incurred related to new restaurant openings, such as transaction costs related to securing leaseholds, purchase and installation of new fixtures, purchase and installation of internal furnishings and exterior signage, and groundwork related to drive-throughs and parking (as applicable) for Company Restaurants and Franchise with Lease Management Restaurants (where costs are shared with the franchisee), net of disposals (as applicable);

- **Capital expenditures for restaurant conversions:** includes expenses incurred related to the conversion of existing Quick restaurants to Burger King restaurants, such as transaction costs related to renegotiating leaseholds, purchase and installation of new fixtures, purchase and installation of internal furnishings and exterior signage, and groundwork related to drive-throughs and parking (as applicable) for Company Restaurants and Franchise with Lease Management Restaurants (where costs are shared with the franchisee), net of disposals (as applicable);

- **Maintenance capital expenditures:** includes investments to maintain, refurbish and/or replace obsolescent assets and equipment, including for furniture for restaurant interiors, point-of-sale terminals and signage, net of disposals (as applicable); and

- **Other capital expenditures:** includes mainly (i) expenses incurred related to network management (namely, the conversion of Company Restaurants into Franchise Restaurants and vice versa), including the purchase of intangible assets, such as business assets rights ("*fonds de commerce*"), tangible assets owned by the former franchisee and financial assets, such as shares of former franchisee companies, net of disposals; and (ii) IT and digital investments, as well as certain marketing and new menu offering capital expenditures, net of disposals.

We estimate that our capital expenditures for the year ended December 31, 2017 will be approximately €90 million, most of which will consist of capital expenditures for restaurant conversions and new restaurant openings. Maintenance capital expenditures will increase in line with the size of the network.

Nine months ended September 30, 2017 compared to the nine months ended September 30, 2016

The following table sets forth our capital expenditures for the periods indicated, excluding capital expenditures devoted to the Belux Divestment perimeter.

	For the nine months ended September 30,	
	2016	2017
	(€ in millions)	
Capital expenditures for new restaurant openings	13.2	15.4
Capital expenditures for restaurant conversions	4.4	43.3
Maintenance capital expenditures	3.9	1.9
Other capital expenditures	6.1	9.0
Total net capital expenditures	**27.6**	**69.5**

Capital expenditures for new restaurant openings increased by €2.2 million, or 17.1%, to €15.4 million for the nine-month period ended September 30, 2017, from €13.2 million for the nine-month period ended September 30, 2016.

Capital expenditures for restaurant conversions increased by €38.9 million to €43.3 million for the nine-month period ended September 30, 2017, from €4.4 million for the nine-month period ended September 30, 2016. This expenditure was primarily related to (i) the completed conversion of 49 Quick restaurants to Burger King restaurants (of which 11 were Company Restaurants, 32 were Franchises with Lease Management and six were Pure Franchises); and (ii) the conversion of an additional 16 Quick restaurants which were temporarily closed for conversion as of September 30, 2017.

Maintenance capital expenditures decreased by €2.0 million, or 50.8%, to €1.9 million for the nine-month period ended September 30, 2017, from €3.9 million for the nine-month period ended September 30, 2016. This decrease is principally related to the fact that part of the conversion process involves a full refurbishment of former Quick restaurants and the resulting good state of repair of the relatively new Burger King restaurant network.

Other capital expenditures increased by €2.9 million to €9.0 million for the nine-month period ended September 30, 2017, from €6.1 million for the nine-month period ended September 30, 2016, due to (i) network management costs, (ii) the creation of a dedicated training center and (iii) several IT projects, partly offset by (iv) real estate transactions consisting of the sale of the land and the buildings of several restaurants.

BKF 2016 IFRS Financial Statements as of and for the year ended December 31, 2016 compared to the year ended December 31, 2015

The following table sets forth our capital expenditures for the periods indicated, excluding capital expenditures devoted to the Belux Divestment perimeter.

	For the year ended December 31,	
	2015	2016
	(€ in millions)	
Capital expenditures for new restaurant openings	30.2	24.0
Capital expenditures for restaurant conversions	—	36.0
Maintenance capital expenditures	16.5	4.4
Other capital expenditures	11.1	6.8
Total net capital expenditures	**57.8**	**71.1**

Capital expenditures for new restaurant openings decreased by €6.2 million, or 20.5%, to €24.0 million for the year ended December 31, 2016 from €30.2 million for the year ended December 31, 2015. This decrease was primarily due to a focus on conversions in the year ended December 31, 2016.

Capital expenditures for restaurant conversions was €36.0 million for the year ended December 31, 2016. This increase was primarily due to the conversion of 36 Quick restaurants to Burger King restaurants, of which ten were Company Restaurants and 26 were Franchise with Lease Management Restaurants. For the year ended December 31, 2015, no conversions took place as the Quick Acquisition closed in December 2015.

Maintenance capital expenditures decreased by €12.1 million, to €4.4 million for the year ended December 31, 2016 from €16.5 million for the year ended December 31, 2015. This decrease was primarily due to the fact that part of the conversion process includes a full refurbishment of former Quick restaurants and the good state of repair of the relatively new Burger King restaurant network.

Other capital expenditures decreased by €4.3 million, or 38.7%, to €6.8 million for the year ended December 31, 2016 from €11.1 million for the year ended December 31, 2015. This increase was primarily due to capital expenditures in the year ended December 31, 2015 related to the launch of Quick's hot beverage offer as well as IT and digital projects in 2015.

Financière Quick Group for the year ended December 31, 2015 compared to the year ended December 31, 2014

The table below shows the breakdown of the Financière Quick Group capital expenditures for the periods indicated.

	For the year ended December 31,	
	2014	2015
	(€ in millions)	
Restaurant openings	8.3	11.0
Existing restaurants refurbishment	18.2	11.6
Existing restaurants maintenance and compliance	13.1	9.3
Restaurant transfers[1] and other	20.3	16.6
Net capital expenditures	**60.0**	**48.5**
Number of openings[2]	**11**	**13**
Number of refurbishments	**51**	**23**
France	30	14
Belgium	21	9

(1) Mainly related to the conversion of Franchise Restaurants to Company Restaurants

(2) Excluding openings of Pure Franchise Restaurants

Capital expenditures for restaurant openings increased by €2.7 million, or 32.5%, to €11.0 million for the year ended December 31, 2015 from €8.3 million for the year ended December 31, 2014. This increase was primarily due to 13 net openings of Company Restaurants and Franchise with Lease Management Restaurants for the year ended December 31, 2015 (as compared to 11 for the year ended December 31, 2014).

Capital expenditures for existing restaurant refurbishment decreased by €6.6 million, or 36.0%, to €11.6 million for the year ended December 31, 2015 from €18.2 million for the year ended December 31, 2014. This decrease was primarily due to 23 refurbishments of Company Restaurants and Franchise with Lease Management Restaurants for the year ended December 31, 2015 as compared to 51 for the year ended December 31, 2014. Quick's refurbishment activity was less intensive for the year ended December 31, 2015 following the announcement of the Quick Acquisition in September 2015 which resulted in a freeze in global investment.

Capital expenditures for existing restaurant maintenance and compliance decreased by €3.8 million, or 29.0%, to €9.3 million for the year ended December 31, 2015 from €13.1 million for the year ended December 31, 2014. This decrease was primarily due to the freeze in global investment following the announcement of the Quick Acquisition in September 2015.

Capital expenditures for restaurant transfers decreased by €3.7 million, or 18.2%, to €16.6 million for the year ended December 31, 2015 from €20.3 million for the year ended December 31, 2014. This decrease was primarily due to the conversion of Franchise Restaurants to Company Restaurants at the retirement or exit of a franchisee.

Burger King France as of and for the year ended December 31, 2015 compared to the year ended December 31, 2014

The table below shows the breakdown of the Burger King France Perimeter capital expenditures for the periods indicated.

	For the year ended December 31,	
	2014	2015
	(€ in millions)	
Capital expenditures for new restaurant openings	10.0	20.6
Capital expenditures for maintenance	—	—
Other capital expenditures	0.5	(14.3)
Total capital expenditures	**10.5**	**6.3**

Capital expenditures for new restaurant openings increased by €10.6 million, or 106.0%, to €20.6 million for the year ended December 31, 2015 from €10.0 million for the year ended December 31, 2014. This increase was primarily due to 12 net openings of Company Restaurants for the year ended December 31, 2015 (as compared to four for the year ended December 31, 2014).

Other capital expenditures decreased by €14.8 million to a cash outflow of €14.3 million for the year ended December 31, 2015 from a cash inflow of €0.5 million for the year ended December 31, 2014. This decrease was primarily due €18.3 million of cash flows related to changes in the scope of consolidation following the Quick Acquisition.

Contractual Obligations and Commercial Commitments

The following table summarizes the commitments and principal payments that we will be obligated to make, including under our debt instruments, as of September 30, 2017, on an as-adjusted basis after giving effect to the Offering and the Acquisitions.

	Expected cash payments falling due in the year ending December 31,			
	Total	**2017**	**2018 - 2020**	**2021 and thereafter**
	(€ in millions)			
Senior Secured Notes (including the Additional Notes)	625.0	—	—	625.0
Other indebtedness	25.5	1.5	16.3	7.7
Capital leases	6.2	0.3	3.6	2.3
Total(1)	656.7	1.8	19.9	635.0

(1) Total excludes the impact of debt issuance costs that are capitalized in accordance with IFRS.

Off-Balance Sheet Arrangements of the Issuer

As of September 30, 2017, we had recorded an off-balance sheet liability in the amount of €9.4 million related to construction commitments entered into with respect to conversion of restaurants and new Company Restaurants.

Quantitative and Qualitative Disclosure about Market Risk

We are exposed to various market risks in the normal course of business.

Commodity price risk

We are subject to commodity price risk related to food costs and related packaging, mostly correlated to underlying commodities such as beef, chicken and paper (for packaging). We are also indirectly exposed to grains and fuel prices as they are inputs for certain raw materials we purchase and an input in our logistics costs.

Exchange rate risk

We have no significant exposures to foreign exchange rate risk as the majority of our revenue, expenses and indebtedness are denominated in euro.

Interest rate risk

We are subject to interest rate risks related to our indebtedness that are linked to EURIBOR plus certain margins. The interest payable on the Revolving Credit Facility and on the Existing Floating Rate Notes is linked to EURIBOR.

INDUSTRY

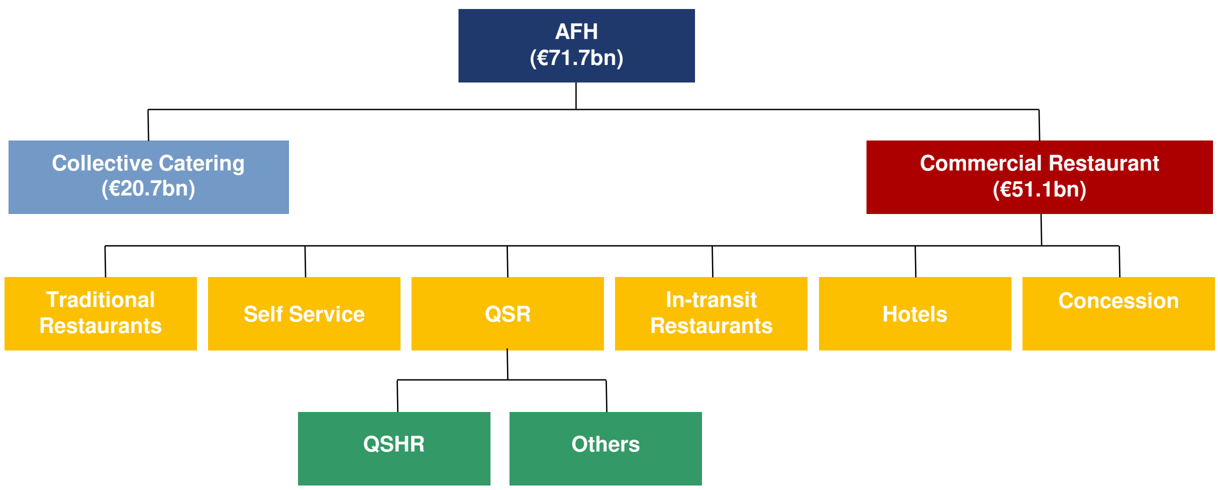
*Certain of the information set forth in this section has been derived from external sources. Unless otherwise indicated, the facts and information on which the Group bases its statements made, and its views expressed, in this Listing Memorandum are derived from a market report by GIRA Foodservice ("**GIRA**") and OC&C Strategy Consultants ("**OC&C**") that we have obtained. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but some of the information may have been derived from estimates or subjective judgments or may have been subject to limited audit or validation. While we believe this market data and other information to be accurate and correct, we have not independently verified it. Further, such estimates or judgments, particularly as they relate to expectations about our market and industry, involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors" and "Forward-Looking Statements" elsewhere in this Listing Memorandum. The projections and other forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Risk Factors" and "Forward-Looking Statements".*

The French restaurant market or the away-from-home food service market

The French restaurant market or the away-from-home food service market ("**AFH**") is one of the key contributors to the French economy, representing more than 3% of France's GDP in 2016. Sales in the AFH market in France grew from approximately €69.9 billion in 2013 to reach approximately €71.7 billion in 2016, representing a CAGR of approximately 0.9%.

The French AFH market consists of two main sectors, the collective catering and the commercial restaurants sector. The collective catering sector includes employer restaurants, school restaurants, health and social restaurants and other collective segments and had total sales of approximately €20.7 billion in 2016. The commercial restaurants sector includes traditional restaurants, self-service restaurants, QSR, in-transit restaurants, hotel and concession restaurants, and had total sales of approximately €51.1 billion in 2016. Between 2016 and 2018, revenue of the AFH market in France is expected to grow by approximately €4.5 billion, *i.e.*, representing a CAGR of approximately 3.0%, with the QSR segment accounting for more than one-third of such projected growth.

The graphic below presents a simplified version of the French AFH market and the respective revenue of each segment for 2016:

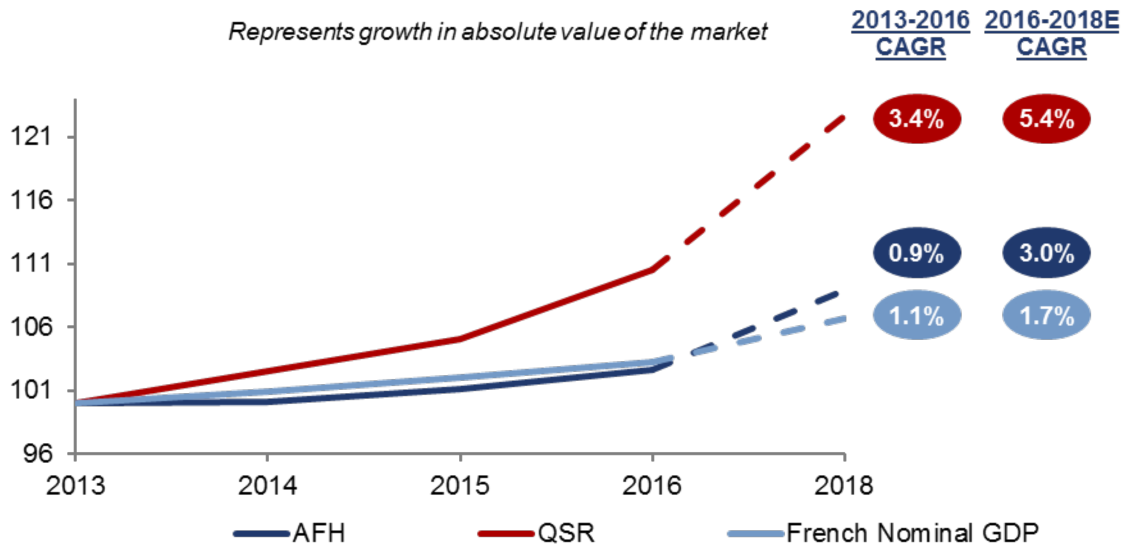


Source: GIRA

The QSR Segment

The QSR segment in France includes any type of restaurant where consumers are able to order food "on-the-go". The QSR segment (excluding cafés and bars) comprises any type of restaurant serving “on-the-go” food such as hamburgers, sandwiches, kebabs, fried chicken, sushi, pizza or health conscious quick service restaurants. Chain restaurants play an important role in the QSR segment, generating approximately 85% of the segment’s sales in 2016. Sales in the QSR segment (excluding cafés and bars) totaled approximately €10.7 billion in 2016 and grew at a CAGR of approximately 3.4% between 2013 and 2016; whereas the French AFH market overall grew at a CAGR of approximately 0.9% during the same period. It is expected that sales in the QSR segment will grow at a CAGR of approximately 5.4% between 2016 and 2018. Although the QSR segment has recorded steady growth on a like-for-like basis, the segment has contracted in recent years, largely attributable to McDonald’s increasing network density and penetration of smaller cities and towns, Burger King’s novelty effect and some contraction experienced by independent operators.

The following graphic presents the growth of the AFH market and the QSR segment as compared to overall French GDP growth (set to 2013 levels).



Source: GIRA, IMF

Growth in the QSR Segment

The QSR segment’s strong performance in France has been driven by changes in consumer habits over time. We believe that the following factors contribute to this positive trend:

Less time dedicated to meals

With increasingly busy lifestyles, longer working hours and a desire to maximize leisure time, consumers devote less time to the preparation and consumption of meals. Between 2004 and 2012, the average time dedicated to eating a meal decreased by over one minute per year. In 2004, the average person in France spent 37 minutes per meal; in 2012, this average decreased to 28 minutes per meal. This trend favors the QSR segment which offers consumers “on-the-go” food that they may purchase and consume quickly.

Consumer focus on affordability

As a result of the economic recession in recent years in France, consumers have become more cost conscious, driving the local population to increasingly seek the greatest value for their money.

Within the commercial restaurant sector, the QSR segment is the most affordable with an average ticket price in 2016 of €7.40 (excluding VAT), compared to an average ticket price for the commercial restaurant sector in the same period of €12.00 (excluding VAT).

Ability to increase average ticket price

The average ticket price for restaurants in the QSR segment increased at a faster rate than other categories in the French AFH market. In France, the average ticket for restaurants in the commercial restaurant sector grew at a CAGR of approximately 1.1% between 2012 and 2015. Between 2014 and 2016, the average ticket for restaurants in the QSR segment grew slightly more quickly, at a CAGR of approximately 1.3%.

We believe that the following factors have contributed to this accelerated growth rate:

- *Affordability:* as the product offering within the QSR segment is significantly more affordable than other categories within the commercial restaurant sector, any increase in price naturally starts from a lower base;

- *Product variety:* restaurants within the QSR segment increasingly complement their classic menu options with a variety of new products to expand their traditional meal options. This variety increases customers' basket size by encouraging them to order additional items (such as ice cream and additional portions of sides); and

- *Families and groups of young adults:* as more and more families choose to take certain meals out of the home, they are becoming an increasingly large part of the QSR segment's customer base compared to other segments within the commercial restaurant sector. Families are often attracted by the lower prices, product variety and child-friendly environments common to the QSR segment. This in turn translates into higher average tickets. In addition, the QSR segment is attractive to young adults as it is more affordable than other segments within the commercial restaurant sector and provides a convivial environment for groups of young adults to interact and socialize.

Increased away-from-home consumption as a result of the dominant and growing position of chain restaurants over independents

The increased density of chain restaurants has been one of the key factors behind the growth of the French AFH market as it has facilitated consumers' accessibility to away-from-home dining by increasing the number of restaurants, as chains are able to open new restaurants more easily than independent operators.

Chains have the ability to leverage economies of scale and benefit from a logistics advantage to provide consumers with a varied menu featuring competitively priced meals of consistent quality throughout the network. The ability of chains to offer significant pricing discounts, combined with the significant financial resources they devote to marketing campaigns, also contributes to their success. In addition, when traveling, a consumer may prefer a chain which provides a harmonized level and standard of service throughout its extensive national network. The contribution of chain restaurants to the commercial restaurant sector's sales in France increased steadily between 2013 and 2016, from approximately 34.2% to approximately 35.9%.

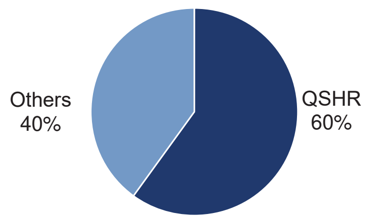
Health and wellness

In recent years, consumers have become increasingly health-conscious and mindful of the importance of a balanced and nutritious diet. This heightened awareness is partly due to ongoing health and wellness campaigns across Europe, emphasizing the benefits of "healthy" foods such as fresh fruits and vegetables. Consumers are also increasingly knowledgeable about specific diet-related health issues such as cardiovascular diseases and obesity, which has led to an increase in the demand for healthier food products such as fish, vegetables and poultry.

Players in the QSR segment have been able to quickly adapt to changing health and wellness trends, with major chain restaurants now highly focused on improving the nutritional quality of their offerings and communicating nutritional information on the packaging of their products. QSR players are also committed to developing and expanding their menus to incorporate healthier alternatives (for example, salad and fresh fruit), which appeals to a wider consumer base.

The Quick Service Hamburger Restaurant category

The largest category of the QSR segment (excluding cafés and bars) in France is the QSHR category, which in 2016, represented approximately 60% of the total number of meals served in the QSR segment (excluding cafés and bars). Chain restaurants play an important role in the QSHR category, generating approximately 98% of the category's sales in 2016. QSHR is also the largest category in terms of value with approximately €6.4 billion of sales in 2016, accounting for approximately 60% of the total sales in the QSR segment (excluding cafés and bars), which amounted to approximately €10.7 billion during the same period. Sales in the QSHR category grew at a CAGR of approximately 3.3% between 2013 and 2016 (in line with the CAGR for the QSR segment over the same period). The graphic below shows the split of the QSHR segment (excluding cafés and bars) in France in 2016 in terms of sales.

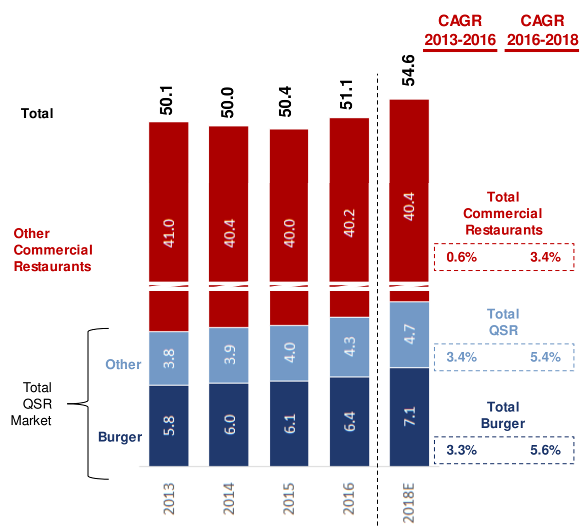


Source: GIRA

Between 2016 and 2018, it is expected that revenue of the QSHR category will grow at a CAGR of approximately 5.6%, compared to a CAGR of approximately 1.5% over the same period for the overall French AFH market.

We believe that the ability of QSHR chains to adapt their offering to consumer demands (such as speed of service, extended operating hours, children/family-friendly environment and food as an indulgence) is a key factor underlying the success of the QSHR category compared to other QSR categories or the commercial restaurant sector (see "*—Growth in the QSR Segment—Increased away-from-home consumption as a result of the dominant and growing position of chain restaurants over independents*").

The QSR segment overall, and the QSHR segment in particular, have been the fastest growing restaurants in the French commercial restaurant market over the 2013 to 2016 period and are expected to continue this trend through 2018, are demonstrated by the chart below.

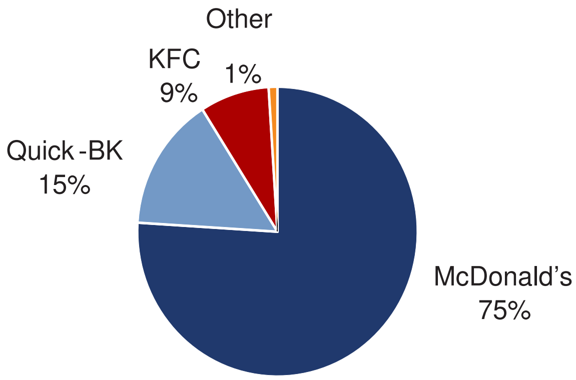


Source: GIRA

Competitive landscape

As discussed above, QSHR sales are the largest category of the approximately €10.7 billion QSR segment in France. The main players in the QSHR category are McDonald's and Burger King-Quick, which together accounted for approximately 90% of QSHR category sales in France in 2016. As of December 31, 2016, McDonald's had 1,419 restaurants in France, and Burger King-Quick had 455 (excluding international and FOT). The third player in France, KFC, operated a network of 210 restaurants in France as of December 31, 2016.

The following graphic presents the market share of chain restaurants in the QSHR category in terms of market share in 2016:



Source: GIRA

According to the GIRA report, from 2014 to 2016 the market share of Burger King in the QSHR segment increased by approximately 3.1%, as compared to KFC's market share, which increased by approximately 0.5%, and as compared to McDonald's market share, which decreased by approximately 2.6%

Our main competitor, McDonald's, focuses its business model on appealing to a large consumer base with an extensive product offering which it tailors to appeal to the French consumer. It operates a similar franchise business model to that of Burger King-Quick. Approximately 80% of its restaurants are operated by franchisees and the other 20% are directly operated by the company.

KFC's presence in France is less than half of Burger King-Quick's presence. We believe that KFC currently has an established, specific customer base, but that it is willing to expand its base to a broader clientele, in particular by appealing to families, who have proven to be an important factor for the entire QSR segment.

In addition to competing with other QSHR players, we also compete with the second largest category within the QSR segment, sandwich shops. Sandwich shops had total sales of approximately €2.0 billion in 2016. Generally considered to be a healthy meal choice, sandwiches are popularly known as French fast food and enjoy a more positive image than hamburgers. In 2016, sandwich shops in France maintained approximately a 18% market share (in terms of sales) of the QSR segment (excluding cafés and bars). Sandwich shops' sales grew at a CAGR of approximately 2.3% between 2013 and 2016 (compared to the approximately 3.3% CAGR for the QSHR category over the same period). Sandwich shops' sales are expected to grow more slowly than QSHR sales between 2016 and 2018, at a CAGR of approximately 3.5% (compared to the approximately 5.6% CAGR for QSHR sales).

However, competition between hamburgers and sandwiches is limited as QSHR restaurants and sandwich shops have different market positions. Generally, QSHR restaurants appeal to a wider consumer base. Restaurants in this category include drive-thru locations, city center restaurants and restaurants located in shopping centers. Sandwich shops however, are principally located in city centers. In addition, sandwich shops tend to target the working population; whereas QSHR restaurants aim to appeal to a younger clientele (mainly, between 15 and 34 years old) and children and families (for example, by including kids menus and playground areas). Lastly, sandwich shop's sales are mostly concentrated around lunch time.

QSHR restaurants, however, serve meals that are relatively equally distributed between lunch and dinner. Further, sandwich shops rarely offer their customers the ability to consume their meals on site. A critical feature of the QSHR restaurant is that consumers are free to choose whether to consume their meal on site or elsewhere. This offers consumers an additional choice that most sandwich shops are unable to provide their customers.

Notwithstanding the projected overall growth of the sandwich shop category, this category is highly fragmented. Approximately 77% of sandwich shops in France are owned by independents and the remainder by chains (for example, Brioche Dorée, Paul and Subway). Other than Subway, which operated approximately 500 locations in France on a 100% franchise model as of 2016, it is unlikely that any single sandwich shop chain in France currently has sufficient resources or influence to match that of the two major QSHR chains in terms of advertising and communications.

Although we do not consider Subway to be a direct competitor, it does compete for a similar customer base, mainly in city center areas, as all of their restaurants are located in these areas. There are also other categories within the QSR segment in France such as kebab, sushi, pizza and other types of snack restaurants that are experiencing overall growth. However, these types of restaurants remain marginal within the QSR segment in France, and represented, in the aggregate, approximately 21.5% of the market share in terms of sales in 2016.

BUSINESS

Overview

We are Burger King France, resolutely focused on the expansion of the world's second largest QSHR chain in the French market which is characterized by secular, long-term demand for eating out and a strong affinity for our brand. Guided by the Burger King philosophy of "Have it your way", we offer consumers a differentiated eating experience, combining high-quality food, such as our flame-grilled hamburgers, with attractive restaurant locations.

In 2013, our principal shareholder Groupe Bertrand reintroduced the Burger King brand to the French market after a 15 year absence, by signing of a master franchise agreement between Burger King France and BK Europe, the holder of the Burger King brand. Groupe Bertrand is a leader in the French restaurant industry, known for its ability to roll out and transform restaurant concepts. In our first two years of operations in 2014 and 2015, we implemented an ambitious expansion program, leading to the opening of 42 restaurants and generating significant brand awareness through a savvy marketing campaign that harnesses the amplification effects of social media.

In December 2015, we seized the opportunity to secure the growth trajectory of the Burger King brand throughout mainland France with the acquisition of Financière Quick Group, an incumbent QSHR operator with nearly 400 prime restaurant locations in France. Following the acquisition of Quick, we have demonstrated a successful track-record of converting Quick restaurants to the Burger King brand as well as new Burger King restaurant openings. Since we began to implement the "Quick & King 2020" plan, which focuses on the conversion of our legacy Quick restaurants to Burger King brand restaurants and aims to add a minimum of 100 new restaurants every year for the next three years, we have demonstrated a successful track-record of converting Quick restaurants to the Burger King brand, as well as opening new Burger King brand restaurants. See "*Forward-Looking Statements*". As of September 30, 2017, we operated 172 restaurants under the Burger King brand, as compared with 108 restaurants as of December 31, 2016.

Our mission is to continue to deliver high-quality service to our customers and support the growth of our franchisees through expansion according to our strict development criteria, while exploiting economies of scale, optimizing logistics costs and further growing our EBITDA. We believe that our business model, which features a mix of Pure Franchise Restaurants and Franchise with Lease Management Restaurants, as well as Company Restaurants, enables us to flexibly manage our growth while controlling the locations of the restaurants in our network. As of September 30, 2017, we were the direct lessee for or owner of approximately 82% of the restaurant locations in our network.

As of September 30, 2017, 72% of our restaurants are Franchise Restaurants and the remaining 28% are Company Restaurants, a balance that supports our gross margin and reduces our capital expenditure requirement for expansion, as demonstrated by an annual cash conversion ratio of 70% and 93% for the years ended December 31, 2015 (*pro forma*) and 2016, respectively.

In 2016, Burger King was the preferred QSR brand in France over Brioche Dorée, Subway, KFC and McDonald's, according to an OC&C consumer survey. The strong recognition of the Burger King and Quick brands in France, together with Burger King's significant restaurant network worldwide, serves as a solid base to attract customers and prospective franchisees.

For the twelve months ended September 30, 2017, average restaurant sales ("**ARS**") for Burger King restaurants were approximately €3.6 million, compared to ARS for Quick for the same period and McDonald's (in 2016, according to GIRA) restaurants of approximately €2.0 million and €3.4 million, respectively. Additionally, enhanced marketing communication and turnaround initiatives in our Quick brand restaurants resulted in positive LfL SWS performance of Quick brand restaurants in mainland France for the quarter ended September 30, 2017.

Combined with Quick, we are the second largest QSHR chain in France, with approximately 15% market share by revenue in 2016, generating €1,079.8 million in SWS, €595.1 million in revenue and €85.0 million of Adjusted EBITDA for the twelve months ended September 30, 2017, with 465 restaurants as of September 30, 2017 (172 of which were under the Burger King Brand).

Our History

Burger King France was established in October 2013 by our principal indirect shareholder Groupe Bertrand and BKC, through its affiliate BK (UK) Company Ltd, to hold the master franchise conferred by BK Europe and develop the Burger King brand in France. Established in 1997, Groupe Bertrand specializes in the restaurant industry in France and is active across several segments of the commercial restaurant sector. Groupe Bertrand operates several well-known restaurant chains throughout France including Angelina, Brasserie Lipp, Le Procope and Au Pied de Cochon as well as several established brasseries in major cities in France. Burger King previously operated in France between 1980 and 1997, when it decided to discontinue its operations in France for strategic reasons. Following a 15 year absence from the French market, Burger King returned to France first in Marseille Provence airport in 2012 and then in Paris at the Saint-Lazare train station in 2013. Once Burger King France signed the Master Franchise Agreement with BK Europe in November 2013, both restaurants became part of Burger King France. In Burger King France's first full year of activity, 16 Burger King restaurants were opened in France. In December 2015, we acquired Quick as a means of accelerating our penetration of the French market through a process of converting Quick locations into Burger King locations. Quick, founded in 1970 as one of the first European QSR chains and which had expanded into France in 1980, held an extensive network of 393 restaurants as of December 31, 2015. In order to focus on building the Burger King brand in France, we proceeded to sell the Quick activities in Belgium and Luxembourg in September 2016. As of September 30, 2017, 172 Burger King restaurants were open in France, reflecting a combination of new openings and 85 conversions from Quick restaurants.

Our Competitive Strengths

We believe that we benefit from the following key strengths:

Attractive market in France with steady growth characteristics

We believe that the QSR segment in France benefits from strong and sustainable growth characteristics with demonstrated resilience through business cycles. QSHR is the largest category within the broader QSR segment (excluding cafés and bars). It has historically experienced a steady growth rate in France, and we believe that it has significant untapped potential. According to GIRA, sales in the QSHR category grew from approximately €5.8 billion in 2013 to €6.4 billion in 2016, representing a CAGR of approximately 3.3%, in line with the CAGR for the QSR segment over the same period. Sales in the French QSR segment grew from approximately €9.6 billion in 2013 to €10.7 billion in 2016 and the QSHR category accounted for approximately 60% of the total sales in the QSR segment in 2016 (excluding cafés and bars) and represented approximately 60% of the total number of meals served in the QSR segment in France during that period. In addition, GIRA expects sales in the QSR segment and the QSHR category to grow at a CAGR of approximately 5.4% and 5.6%, respectively, between 2016 and 2018, compared to a growth at a CAGR of approximately 3.4% in the overall commercial restaurants sector in France, which is expected to increase its sales from approximately €51.1 billion in 2016 to €54.6 billion in 2018. This growth is underpinned on the one hand by structural changes in demographic trends, consumer habits and way of life (increasing trend towards fast dining out options and favoring value for money) and on the other hand by market trends leading to the growth of global branded chains versus independent local restaurants (including more effective advertising and promotional campaigns, more competitive and attractive pricing structures, stronger brand recognition and denser territorial coverage, compared to independent restaurants). For example, the average time dedicated to meal consumption in France in 2012 was 28 minutes, a figure that has decreased by over a minute per year since 2004. This development evidences broader societal trends such as, among other things, an increased number of people living alone in France, which means that people increasingly tend to eat outside their homes, stopping to eat while in transit or getting together with others to eat outside their homes as a social activity. Such structural trends in French society foster an increased demand for the QSR segment.

Well-established leading market position

We are the second largest QSHR chain in France, with approximately 15% market share by revenue in 2016 according to GIRA, and we recorded an 11% increase in SWS for the year ended December 31, 2016 as compared to the previous year. McDonald's is the dominant player in the French QSHR category, with approximately 75% market share, Burger King-Quick accounts for approximately

15% of the market share, KFC accounts for approximately 9% of the market share and other players account for a total of approximately 1% of the market share as of December 31, 2016, according to GIRA. Our market position is supported by our extensive restaurant network developed over the course of over 35 years, with over 460 restaurants located in prime locations in and near major metropolitan areas across France and internationally, out of which 277 were Quick restaurants (including nine in overseas French possessions and North Africa) and 172 were Burger King brand restaurants; additionally, sixteen restaurants were under conversion as of September 30, 2017.

We believe that our extensive operational know-how, strong brand platform and expertise with respect to restaurant logistics and real estate management position combined with Quick's network of prime locations to be converted to Burger King brand restaurants positions us very favorably vis-à-vis our competitors and any potential new entrants. We also believe that our successful business model serves as a barrier to entry because brand equity and prime locations throughout mainland France cannot be easily replicated by new entrants, due to the significant investment required and time to attain our economies of scale, operational and logistics know-how.

Strong and distinctive brands

We are Burger King's master franchisee in France and are well positioned to leverage the scale and marketing of one of the most recognized brands in the restaurant industry world-wide. Burger King is the world's second largest QSHR chain in terms of total number of restaurants with over 15,738 restaurants in more than 100 countries. The chain had more than $19.4 billion of SWS for the twelve months ended September 30, 2017. As a Burger King master franchisee we benefit from Burger King's international brand awareness, its distinctive product offer, unique cooking method, efficient and reliable supply chains and food quality reputation. We are also the franchisor for Quick, which is one of the most well-known brands in the fast food restaurant industry in France and was established over 35 years ago. We believe that Quick provides a compelling and distinctive value proposition to customers by offering tasteful and high-quality hamburgers in attractive restaurants with menu options and spaces for families and children, which are major differentiators for the Quick brand.

According to an OC&C consumer survey, Burger King was the preferred fast food brand in France in 2016 over Brioche Dorée, Subway, KFC and McDonald's. According to a market study conducted in January 2017, Burger King and Quick benefitted from 88% and 94% assisted brand awareness, respectively, and 67% and 69% spontaneous brand awareness, respectively, in France. The terms of our franchise agreements require our Burger King franchisees to contribute 3.5% of sales to our national advertising fund, which finances our marketing, advertising and promotion initiatives. In addition, our Burger King franchisees are contractually required to dedicate 1.5% of sales to local advertising, typically for their own account. As a Burger King master franchisee, we benefit from BKC's extensive marketing, advertising and product development capabilities to drive sales and generate increased footfall in our restaurants. Over the years, BKC has launched innovative and creative multimedia advertising campaigns that highlight the popular relevance of the Burger King brand globally. We believe these campaigns contribute to Burger King's brand awareness in France and have a positive impact on our level of SWS.

Robust franchise business model with protected locations

Our business model is based on our strong franchise and property network. As of September 30, 2017, we operated a hybrid model with 72% of our restaurants being Franchise Restaurants and 28% being Company Restaurants. Upon completion of the Acquisitions, the Targets' restaurants will be Company Restaurants but, consistent with our strategy, we may in the medium-term convert many of them into Franchise with Lease Management Restaurants.

Within our Franchise Restaurants, we use two types of franchise arrangements: Franchise with Lease Management and Pure Franchise, which represent approximately 25% and 75%, respectively, of the total number of our Franchise Restaurants as of September 30, 2017. Franchise with Lease Management arrangements, through investment sharing between us and our franchisees, and Pure Franchise arrangements, under which the franchisee assumes the totality of the required investment, are development accelerators for our business. In our Franchise with Lease Management arrangements, we lease the property directly from the landlord and the franchisee pays leases to us expressed as a percentage of sales, which enables us to retain control of the location and the business assets rights (*fonds de commerce*) in the event we opt to replace a franchisee or take back the location as a Company Restaurant. All our Franchise with Lease Management arrangements benefit from minimum rent commitments to be paid by franchisee-managers such that, regardless of the sales achieved by the relevant restaurant, the rent due to our lessors is covered and we are able to realize a return on our investment in the business assets rights (*fonds de commerce*). In our Pure Franchise arrangements, the franchisee is the tenant of record of the property where the restaurant is located and the owner of the business assets rights (*fonds de commerce*) and is responsible for the restaurant's necessary capital expenditures. This enables us to support a significant part of our restaurant network with very limited direct investment.

Company Restaurants are restaurants that we own and operate directly. These include our high volume flagship restaurants that are typically located in high visibility locations, such as the Champs-Elysées and La Défense in Paris. Company Restaurants generally have high turnover and generate high cash flows for the Group. Operating Company Restaurants allows us to demonstrate the benefits of operating Burger King restaurants and test operating and innovation initiatives, such as new product offerings and customer service technology improvements, which can be subsequently rolled out to our franchisees.

Operational expertise and unique product offer

Quick and BKC have been in the QSHR category for many years and have developed sophisticated information and operating systems that enable us to measure and monitor key metrics for operational performance, sales and profitability that may not be available to our competitors. Our focus on leveraging our operational expertise, infrastructure and systems allows us to optimize the performance of our restaurants, which results in high cash conversion rates and return on investment.

Furthermore, as a Burger King master franchisee, we benefit from significant cost efficiencies and increased negotiating power over key logistics providers and raw material suppliers resulting from economies of scale and the extensive network of Burger King restaurants in Europe, with a presence in more than 15 European countries including more than 2,000 restaurants in Germany, the United Kingdom, Spain and Italy. In addition, all of our franchisees are required to purchase the raw materials from our approved providers, which enables us to control and develop the raw material supply chain with no credit risk and fosters closer alignment of interests and a stronger relationship with our franchisees.

Our operational expertise and Burger King's restaurant platform throughout Europe is underpinned by the high-quality food and well-differentiated Burger King menu, which has been built on a distinct flame-grilled cooking platform to make better tasting hamburgers. Burger King has developed a reputation for consistently offering its customers broad menu options with freshly prepared products, a wide variety of generous hamburgers cooked with Burger King's unique flame grilling equipment, such as the flagship WHOPPER® sandwich and "Have it Your Way" sandwiches which allow numerous customization options. In addition, Burger King has one of the most extensive food offerings in the QSHR category including, among others, the introduction of Garden Fresh Salads, Wraps, Real Fruit Smoothies and Frappes. Product innovation is based on a multi-tier balanced approach to value and premium offerings, pairing value promotions, such as the 2-for-1 mix and match product offerings, with premium limited time offerings, in order to appeal to a broader consumer base and to increase restaurant sales.

Capital-light business model with high cash conversion

Our mainly franchise-based business model generates significant free cash flow. Our annual cash conversion ratio was 70%, 93% and 97% for the years ended December 31, 2015 and 2016 and the twelve months ended September 30, 2017 respectively. We believe that this "capital-light" operating model generates enhanced margins and significant recurring free cash flow primarily driven by royalties and lease payments collected from franchisees based on sales levels. The corporate infrastructure and capital expenditures necessary to support a franchise business model are substantially less than a company-operated system. As a result, we expect that our combined operations will provide an attractive franchised platform that will continue to generate significant cash flow and put us in a position to deleverage quickly. We use cash to invest in opening new restaurants and converting existing Quick restaurants to Burger King brand restaurants to support our future growth and continue to increase our revenue and profitability.

We estimate that the average capital expenditure for the conversion of a Quick restaurant to a Burger King brand restaurant ranges from approximately €1.3 million to approximately €1.5 million per restaurant. In the case of conversions, we share these costs on a 50/50 basis with our Franchise with Lease Management partners; whereas when opening a new restaurant, we invest 40% of these costs while the franchisee is responsible for the remaining 60%. In the case of both conversions and new restaurant openings, our Pure Franchise partners are responsible for all related costs. We have demonstrated our ability to grow our revenue and operating margin since the Quick Acquisition was consummated. Between the year ended December 31, 2016 and the twelve months ended September 30, 2017, our total sales and franchise revenues increased to €595.1 million from €578.3 million, representing a growth rate of 2.9% driven mainly by the implementation of the "Quick & King 2020" plan. Additionally, enhanced marketing communication and turnaround initiatives in our Quick brand restaurants resulted in positive LfL SWS performance of our Quick brand restaurants over the twelve months ended September 30, 2017.

Seasoned management team with a proven track-record supported by a shareholder experienced in our industry

We benefit from the experience and industry know-how of our senior management team. We are led by our Managing Director, Jérôme Tafani, who joined the Group in February 2016 and previously served as Executive Director for Chipotle Mexican Grill Europe and worked for more than 20 years at McDonald's, where he held several financial and operations positions before being appointed Managing Director for France and Corporate Senior Vice President for Europe. Our Chief Financial Officer, Xavier Cottineau, joined the Group in September 2016 after serving as Chief Financial Officer at Financière Louis, as Finance Vice President at EuroDisney and senior financial auditor at PricewaterhouseCoopers. Our new management team has a long and successful history of developing, integrating and operating in the QSR segment and has managed to successfully improve Quick restaurants' performance and increase comparable restaurants sales since joining the Group. We also benefit from the support and expertise of our majority shareholder, Groupe Bertrand, which is a leading French operator of restaurant chains. Groupe Bertrand was founded by Olivier Bertrand more than 20 years ago. Groupe Bertrand has created and managed a fast growing restaurant franchise group in France, with over 900 restaurants (both franchises and owned restaurants) under management and approximately €1.8 billion in SWS for the twelve months ended September 30, 2017, as contrasted with approximately €100 million in SWS for the year ended December 31, 2006. Groupe Bertrand has demonstrated that it considers network development over the long term, applies a cautious approach to risk management and enjoys a strong entrepreneurial culture, which serve as further support to our senior management. In addition, when Groupe Bertrand acquired Financière Quick in December 2015, it injected €91.0 million of new equity which was used to repay a portion of Financière Quick's senior secured notes due 2019 and unsecured notes due 2019, significantly reducing the net leverage of the Group.

Our Strategy

Our objective is to grow our business and increase profitability by implementing our "Quick & King 2020" plan and by implementing the following medium-term strategies:

Continue to take advantage of attractive market fundamentals

We intend to continue leveraging our extensive and prime-location restaurant network and existing broad range of products, which covers value promotion menus and premium limited time offerings to drive profitable restaurant sales and traffic. We also seek to expand our product offering by relying on our expertise in creating innovative, premium convenience food products that match consumers' demand for indulgent and convenient food. We expect to continue to benefit from the resilience of QSHR category where we operate and plan to position our menu offering with good value-for-money products in order to mitigate the impact of potential changes in general and local economic conditions. In addition, we believe that we will continue to benefit from the support that BKC provides through its menu items, product enhancements and reimaging initiatives, which combined with our continuous innovation and operational expertise, will help drive overall consumption levels in the currently moderately-penetrated French QSR segment.

Focus on cost control and economies of scale

We intend to continue to improve our gross margin and profitable expansion through the optimization of our supply chain, new product development and marketing. Franchise Restaurants are responsible for their own food and logistics costs. However, for Company Restaurants, we source a wide range of ingredients, including beef and chicken, potatoes and other fresh and frozen products and a variety of sauces to form our menu and we also incur logistics costs to store inventory and transport raw materials and semi-finished products to such restaurant locations. Our food and logistics costs are significant, and we believe that we could drive our gross margin through enhanced control of our logistics costs by exploiting economies of scale, further developing local suppliers' networks and implementing cost control measures to reduce food waste. For example, we require all of our Burger King franchisees to source their raw materials from suppliers that BKC has previously approved and with whom we intend to continue to leverage our extensive restaurant network and economies of scale to obtain the most favorable commercial terms. Following the Quick Acquisition, with the growth of the Burger King network largely secured through conversion of Quick restaurants, suppliers have reacted favorably and are seeking to invest in long-term partnerships with us, which we believe could assist us in reducing food costs for future periods. We believe that savings generated from these discounts or rebates in our food costs will drive our bottom-line growth. In addition, we plan to continue to enlarge the broad range of products in our restaurants and ensure that they are sourced from controlled and sustainable sources, as well as being processed according to the most stringent standards. We believe that consumers are increasingly seeking menu offerings that cover the whole range of meal occasions and products from sandwiches, wraps, chicken nuggets and salads to desserts, smoothies and drinks, which taste good and are healthy, convenient, sustainable and affordable. We expect to continue to benefit from BKC's innovative research and development in order to increase our responsiveness to evolving consumer trends. Apart from focusing on the optimization of our supply chain and product development, we intend to further develop our communication and advertising campaigns to promote our brands, product offerings and commercial offers in order to reinforce awareness of the Burger King brand, build on our image and increase footfall, which we believe will also contribute to improve our gross margin and profitable expansion.

Conversion of our Quick restaurants to Burger King restaurants to enhance restaurant profitability

We intend to increase the footprint of the Burger King brand in France through the implementation of the "Quick & King 2020" plan. We believe that the "Quick & King 2020" plan will enhance our business model by leveraging Quick's network of premium locations and Burger King's superior operational efficiency, which will enhance our restaurant profitability. For the year ended December 31, 2016, the annualized ARS for our Burger King brand restaurants was approximately €4.0 million as compared to the ARS for our Quick restaurants of approximately €1.9 million. In light of the over 250 Quick restaurants in prime locations in and near major metropolitan areas across France, the "Quick & King 2020" plan represents a unique opportunity to increase the ARS of our Quick restaurants. During the twelve months ended September 30, 2017, the conversion of Quick restaurants to Burger King restaurants has resulted in an improved customer experience, increased traffic and a significant average sales uplift of approximately 100%. The 79 former Quick restaurants converted into Burger King restaurants during the twelve months ended September 30, 2017 and the 25 Burger King restaurants that were newly-opened during the twelve months ended September 30, 2017 generated an ARS of €4.0 million. As part of our "Quick & King 2020" plan, we expect to convert additional Quick restaurants to Burger King brand restaurants in the next three years. We have developed a process for carrying out the "Quick & King 2020" plan and implemented a dedicated restaurant conversion team of highly skilled professionals to promote a smooth transition and avoid adversely affecting our franchisees' operations. For instance, the majority of restaurant conversions that we have effected to date have been completed within the timeline initially anticipated, which ranged from eight to ten weeks. For more information regarding our "Quick & King 2020" plan see "*Business—Our Network—Conversion of Quick restaurants to Burger King restaurants*".

Expand our restaurant network and increase our market share

We believe there is a significant untapped demand for the Burger King offering across France and the potential to continue our successful expansion strategy. Our network of Burger King brand restaurants expanded from 16 as of December 31, 2014 to 172 as of September 30, 2017. During the next three years we expect a large portion of our new restaurants to result from conversions as opposed to newly-opened restaurants. However, once the implementation of the "Quick & King 2020" plan reaches its maturity, the number of new opening will increase compared to the number of converted restaurants. We plan to further expand our Burger King brand restaurant network in collaboration with current and new franchisees to continue to increase our market share in the French QSHR category. We expect that a higher density of restaurants will further contribute to brand awareness, support customer loyalty and increase traffic in our existing restaurants, while our new restaurants will benefit from our strong brand, reputation and know-how. We have a rigorous approach to expansion and expect to promote new restaurant growth through the opening of Franchise with Lease Management Restaurants, which allows us to retain a high degree of control over our network of restaurants, with limited capital expenditure. Opening Company Restaurants requires significantly higher capital expenditures and adds leases and personnel costs to our cost structure, whereas in franchise arrangements, the cost impact on the Group of adding a new Franchise Restaurant is significantly reduced. In addition, whenever we can, we shift Pure Franchise arrangements to Franchise with Lease Management arrangements as we develop the Burger King brand in France to enable us to retain control of the location and the business assets rights (*fonds de commerce*) in the event we opt to replace a franchisee or take back the location as a Company Restaurant. Upon completion of the Acquisitions, the Targets' restaurants will be Company Restaurants but, consistent with our strategy, we may in the medium-term convert many of them into Franchise with Lease Management Restaurants. Our restaurant development efforts are led by our highly experienced senior management team, which has extensive experience identifying and qualifying suitable restaurant locations. We have developed a targeted site acquisition and qualification process that incorporates our management's experience as well as extensive data collection, analysis and interpretation.

Drive EBITDA generation and scale franchise model to support deleveraging

EBITDA generation and our capital-light franchise model are the two pillars to our deleveraging strategy. We seek to maintain a prudent approach to restaurant development, by carefully selecting sites and adhering to a strict rent-to-sales ratio in order to maintain our high cash flow generation. We will continue to deploy our "capital-light" franchise with lease management model that permits us to actively manage our network, target specific whitespace and encourage the formation of denser clusters of restaurants. In our Franchises with Lease Management, we remain the holders of the lease and therefore control our real estate presence. Franchisee-managers provide operational know-how and additional revenue streams through lease payments that are made as a percentage of sales. This provides us with significant upside potential that we have historically realized as our fixed rent obligations are de-risked pursuant to minimum rent requirements in our Franchise with Lease Management contracts. We intend to pursue the scalability of our franchise model, combined with Quick's readily-available footprint of restaurants to convert and Burger King's high average restaurant sales performance.

Our Business

We are the master franchisee for the Burger King brand in France. We are also the owner of the Quick brand and are its franchisor in France and certain international markets. For both brands, we operate QSR restaurants either directly through our subsidiaries or through franchisees. As part of our "Quick & King 2020" strategic plan, we intend to expand the footprint of the Burger King brand in France through organic expansion and the conversion of Quick restaurants. Burger King France operates as a fully-integrated company pursuing an expansionary strategy for the Burger King brand, seeking to grow its network nationwide along with a defensive strategy for Quick, which seeks to retain market share and collaborate closely with franchisees to focus on Quick's core food product offering.

In this "*—Our Business*" section, we have focused the discussion on the Burger King brand, which is expected to represent a greater portion of our business activity going forward. We refer to the Quick brand where relevant throughout as this still represents a significant portion of our activity as of the date of this Listing Memorandum. See "*—Our Network—Restaurant Portfolio—Conversion of Quick restaurants to Burger King restaurants*," "*Risk factors—Risks related to our business—Our results of operations and growth forecasts depend primarily on our ability to successfully convert existing Quick restaurants to the Burger King brand*" and "*Forward-Looking Statements".* Our administrative and operations structure is common to both the Burger King and Quick brands.

The Burger King Master Franchise Agreement

In November 2013, we entered into a master franchise and development agreement with BK Europe for a period of 20 years (the "**Master Franchise Agreement**"). Pursuant to the terms of the Master Franchise Agreement, we have the exclusive right to develop the Burger King brand in France and may grant third parties the right to operate Burger King restaurants in exchange for the payment of royalties and license fees. We are also entitled to use related trademarks, logos and trade names and receive access to BKC's know-how and the processes that it has developed. The Master Franchise Agreement imposes certain obligations that we must respect in order to maintain the exclusive rights to develop the Burger King brand in France. Certain default provisions under the agreement include, among others: (i) failure to pay BKC amounts we owe under the Master Franchise Agreement; (ii) transferring or assigning our rights under the Master Franchise Agreement; (iii) if we or any of our affiliates acquire an interest in a competitor; or (iv) if we enter into insolvency proceedings. If the Master Franchise Agreement is terminated for any reason, we do not lose the right to continue the operation of the Burger King restaurants that we have already established. However, we will lose our exclusivity right and be unable to further expand our presence and market share in France.

The Master Franchise Agreement also contains certain covenants related to the expansion of Burger King in France that we must respect in order to maintain the exclusive development rights for the Burger King brand in France. Under the terms of the Master Franchise Agreement, after 2020 we will no longer be able to operate Quick restaurants anywhere in the world. We intend to convert, sell or cease activities at our remaining Quick restaurants in France and in territories outside France prior to this date and focus entirely on the Burger King brand. Franchisees are an important part of our business. Pursuant to the Master Franchise Agreement, we may enter into franchise agreements with third parties to operate and manage their own Burger King restaurants in France. We believe that franchisees provide us with the ability to expand our presence in France while controlling our capital expenditures. As the master franchisee for France, we are responsible for the management and strategic development of the network's brand development, promotion, execution of a marketing and advertising strategy and certain other services, for which we are remunerated by franchisees through fees and royalties. We derive revenue from Franchise Restaurants in the form of (i) royalties and franchise fees; (ii) advertising contributions; and (iii) rental revenue from the properties that we lease to our Lease Management franchisees, in each case based on a percentage of sales reported by franchisees (see "—*Restaurant operations—Franchise Restaurants—Types of franchise arrangements*"). We also derive revenue from Company Restaurants in the form of direct sales.

Our rights to the Quick brand

In December 2015 we acquired Financière Quick, the owner of the Quick brand, from Qualium Investissement, its former controlling shareholder. Our Quick operations are conducted through a combination of directly-owned and franchise operations which are similar in most respects to our Burger King franchise arrangements. Additionally, in connection with the sale of Quick's operations in Belgium and Luxembourg to QSR Belgium (a master franchisee of Burger King in those territories), we granted QSR Belgium an exclusive long-term license to operate restaurants under the Quick brand in those territories. We have also licensed the rights to operate and develop Quick restaurants in other countries, such as Morocco and Tunisia in exchange for royalties and fees.

Since we acquired the Quick brand in December 2015, we have implemented improvements of management practices and are focused on defending Quick's existing market share, by connecting with Quick's core, loyal clientele and delivering its core value proposition. We have a separate Quick promotional team that actively markets and supports the Quick brand. Quick has recorded positive LfL SWS growth since the fourth quarter of 2016, and this has buttressed Quick franchisee's cash flows. We believe this will encourage our existing Quick franchisees to continue to work with us as we roll out the Burger King brand in France. However, certain existing Quick restaurants may not be suitable for the Burger King brand due to their location, size or other factors and may need to be transferred out of our network.

Restaurant operations

We have two distinct operation models for our restaurants: Franchise Restaurants and Company Restaurants, which represented 72% and 28%, respectively, of our total restaurants as of September 30, 2017.

Franchise Restaurants

For the Quick brand, excluding the Belux Divestment perimeter, Franchise Restaurants generated €411.0 million in SWS for the twelve months ended September 30, 2017, and 38% of our total SWS, compared to €493.8 million in SWS for the year ended December 31, 2016 when Quick Franchise Restaurants represented 50% of our total SWS. For the Burger King brand, Franchise Restaurants generated €327.7 million in SWS for the twelve months ended September 30, 2017 and 30% of our total SWS, compared to €156.2 million in SWS for the year ended December 31, 2016 when Burger King Franchise Restaurants represented 16% of our total SWS. The majority of restaurants bearing the Burger King and Quick brands are Franchise Restaurants as of September 30, 2017.

General franchise policy

We have entered into an agreement with BKC, the owners of the Burger King brand, to act as master franchisee for the Burger King brand in France. We are therefore responsible for approving new franchisees in France. To that end, we are actively developing the brand and seeking strategic partners who have already gained significant business experience to expand our network. Our "capital light" franchise operating model allows us to focus our resources on developing the brand while working with our franchisees to promote Burger King restaurants as attractive and convenient dining destinations.

Protecting the integrity of the reputation of the Burger King brand is an important business goal. Before entering into a new agreement with a potential franchisee, we conduct certain due diligence procedures regarding the potential franchisee. As a general rule, we do not grant any of our franchisees the right to an exclusive territory. Our franchise agreements for Franchise with Lease Management are generally valid for a period of nine years from the date of execution (or restaurant opening, as the case may be) after which there is a twelve-month test period at the end of which the agreement is automatically renewed if certain cumulative conditions relating to the franchisee, its financial situation as well as compliance with the standards are met. The agreement can be renewed only once. If the conditions are not met during the above mentioned twelve-month period, the agreement terminates at the end of the first nine-year period. Our franchise agreements for Pure Franchises are generally entered into for a period of ten years and may continue up to a duration of twenty years.

We encourage our franchisees to exhibit an entrepreneurial spirit and to take charge of their business investment, while at the same time supporting them in their operations and growth. As an integral part of our business, we have established a franchisee consultative committee which provides our franchisees with a forum where we may consult them on certain matters, such as advertising campaigns. While this committee has no decision-making or budget-setting power, it provides our franchisees with a further opportunity to maintain an open dialogue with the management of Burger King France.

Franchisees are essential to our business model for expanding our network. We expect that after a franchisee has successfully demonstrated the ability to manage one restaurant, the franchisee should be able to successfully manage another, typically in the same area. When deciding to open a new restaurant in a particular area, we prefer to use existing franchisees that are already operating restaurants in that market. However, we do not anticipate that any franchisee would generally manage more than three to five restaurants, depending on the catchment area and business case. This allows us to benefit from and leverage the entrepreneurialism and restaurant experience of our current franchisees while avoiding becoming dependent on any particular franchisee.

We may terminate our agreements with our franchisees for certain reasons, including failure to pay royalties and other fees and failure to operate the restaurant in accordance with our standards. As the ultimate holder of the Burger King brand, BKC may also direct us to terminate any of our franchise agreements under certain circumstances to protect the integrity of the Burger King brand. Our franchise agreements also contain certain provisions that prohibit the franchisee from operating another restaurant business that would compete directly with our business, or in a location where the restaurant would compete with an existing Company Restaurant or Franchise Restaurant. In addition, our agreements impose certain non-compete restrictions on our employees. For example, during the period of an employee's employment contract and for six months after this contract has been terminated, an employee may not go and work in another Burger King restaurant.

Types of franchise arrangements

We use two types of franchise arrangements: lease management arrangements (*location gérance*) ("**Franchise with Lease Management**") and traditional franchise agreements ("**Pure Franchise**"), each of which is briefly described below. While the obligations under our Franchise with Lease Management and Pure Franchise agreements are substantially similar, the main difference between the two arrangements concerns the business assets rights (*fonds de commerce*). In a Pure Franchise arrangement, the franchisee owns the business assets rights (*fonds de commerce*) and as such is fully responsible for the operation of the business and its relevant expenses. However, in a Franchise with Lease Management arrangement, we maintain ownership of the business assets rights (*fonds de commerce*) and authorize the franchisee to operate the business assets rights (*fonds de commerce*) in exchange for certain obligations.

We prefer, whenever possible, to use Franchise with Lease Management arrangements for our Burger King franchise model, which allows us to retain a higher degree of control over the network of restaurants, with limited capital expenditure, while at the same time benefiting from the local management expertise and capital outlay of the franchisee. Whenever we can, we shift franchise agreements to a Franchise with Lease Management arrangement as we develop the Burger King brand in France. By contrast, Quick's franchise model has historically been a mix of Franchise with Lease Management and Pure Franchise arrangements due to its longer history in France. Although we have historically used both arrangements, we intend to favor Franchise with Lease Management arrangements in the future. In connection with the intended conversion of existing Quick restaurants to Burger King restaurants, we may migrate certain legacy Quick franchisee arrangements from Pure Franchise to Franchise with Lease Management, depending on the location and investment requirements of the particular conversion.

Historically we have used both Pure Franchise arrangements and Franchise with Lease Management arrangements, having a total of 83 Pure Franchise Restaurants and 253 Franchise with Lease Management Restaurants as of September 30, 2017, including both the Quick and Burger King brands; although we intend to shift this trend towards Franchises with Lease Management as our network expands.

Franchise with Lease Management

In a Franchise with Lease Management arrangement, the franchisee maintains contractual ties to us with both a franchise agreement and a tenancy agreement. Under this arrangement, we remain the owner of the business assets rights (*fonds de commerce*) and leasehold rights. In general, we are the tenant of record with respect to the restaurant real estate which we typically lease from third party landlords and we, in turn, lease the restaurant real estate to the franchisee. Franchise with Lease Management arrangements provide us with an enhanced ability to direct network density by proposing new locations to new or existing franchisees and selecting promising existing Quick locations for refurbishment and conversion. This allows us to manage the rollout of the Burger King brand more closely. Under a Franchise with Lease Management agreement, the franchisee-lessee pays us for the use of the real estate through a percentage of restaurant sales, typically subject to a minimum yearly rent that coincides with our fixed costs under the relevant lease. In addition to these rent payments, the franchisee is also responsible for brand royalty payments and advertising contributions. These fees compensate us for the value of our business assets rights (*fonds de commerce*), which the franchisee operates, as well as for franchisee access to our know-how. We have chosen to use Franchise with Lease Management agreements for all of our Burger King franchisees going forward (to the extent feasible) to have the same contractual relationship with all of our franchisees going forward and protect our business model by maintaining direct control over our restaurant locations.

Pure Franchise

In a Pure Franchise arrangement, the franchisee is the tenant of record of the real estate where he or she operates the Franchise Restaurant. While we have ultimate decision power when choosing a new location for a restaurant, franchisees may propose a certain location that we may consider when deciding whether or not to open in a specific location. In addition, the franchisee is the owner of the business assets rights (*fonds de commerce*) and is solely responsible for the restaurant's necessary capital expenditures. We enter into Pure Franchise arrangements in certain circumstances, for example in the event of a site concession that would prevent us from leasing the real estate ourselves, and have maintained our historical Pure Franchise arrangements with certain franchisees. In a Pure Franchise arrangement, franchisor revenue is primarily generated from royalty and license fees as the lease revenue stream is not present in this arrangement. Many existing Quick franchisees have been operated as Franchises, although we may jointly decide with the franchisee to migrate to a Franchise with Lease Management arrangement in the future in connection with a conversion of such restaurant, depending on the circumstances.

Royalties and fees paid by franchisees

When a franchisee opens or converts a restaurant to a new Burger King Franchise Restaurant, we charge a new franchise fee, a portion of which we maintain as compensation for our role as master franchisee. We pay BKC a portion of the new franchise fee to cover certain entrance fees owed in connection with the opening of each new Burger King Franchise Restaurant.

We charge Burger King franchisees brand royalties generally equal to 9% of their sales. Under the terms of the Master Franchise Agreement, we pay one half of this amount (*i.e.*, 4.5% of sales) to BK Europe, the affiliate of BKC, leaving us with a net amount of 4.5% of sales in brand royalties. Brand royalties paid to us by Quick franchisees are typically equal to 5% of sales.

Our standard arrangement provides that Franchises with Lease Management pay rent equal to a percentage of their sales typically ranging from 12% to 14% depending on the level of sales. The rent paid by our Quick franchisees operating under Franchise with Lease Management arrangements is lower than that of our Burger King franchisees, as their sales volumes are historically lower than our Burger King restaurants, but as we continue to convert these restaurants, we expect to harmonize our franchisees' rent payments. As we are the tenant of record on the leases for Franchise Restaurants operated under Franchise with Lease Management arrangements, we directly pay the landlords for the use of these properties. As of the date of this Listing Memorandum, our commercial rents are equal to an average of 6% of sales, though rent is typically a fixed sum except for certain shopping mall locations.

In addition to brand royalties, we also expect our franchisees to actively participate in the development of the Burger King brand in France and to contribute to our marketing and advertising campaign. Burger King franchisees contribute an amount equal to 3.5% of sales to the national advertising fund that we manage, which according to the Master Franchise Agreement and our own franchise agreements is used exclusively for communication and advertising expenses. By comparison, Quick franchisees typically pay 4.5% of sales to a national advertising fund for marketing and advertising fees. In addition to these advertising contributions, pursuant to the relevant franchise agreement, both our Burger King and Quick franchisees must dedicate 1.5% of sales to local advertising, typically for their own account, for a total advertising cost per franchisee equal to 5% to approximately 6% of sales. See "—*Group Operations—Marketing, Advertising and Promotions*".

Company Restaurants

In addition to Franchise Restaurants, we operate our own restaurants ("**Company Restaurants**") to anchor our network both in respect of key flagship locations and supply chain management, as well as demonstrate the benefits of operating Burger King restaurants and diffuse know-how and innovations to current and potential franchisees. Company Restaurants also enable us to contribute to the generation of economies of scale with respect to supply chain negotiations and volume purchasing of food, equipment and other supplies. Additionally, Company Restaurants can be operated temporarily or for the medium-term until future franchisees are chosen or a current franchisee is ready to take possession of an additional Franchise Restaurant. We also directly operate certain Quick restaurants, many of which we intend to convert to Burger King restaurants in connection with the "Quick & King 2020" plan.

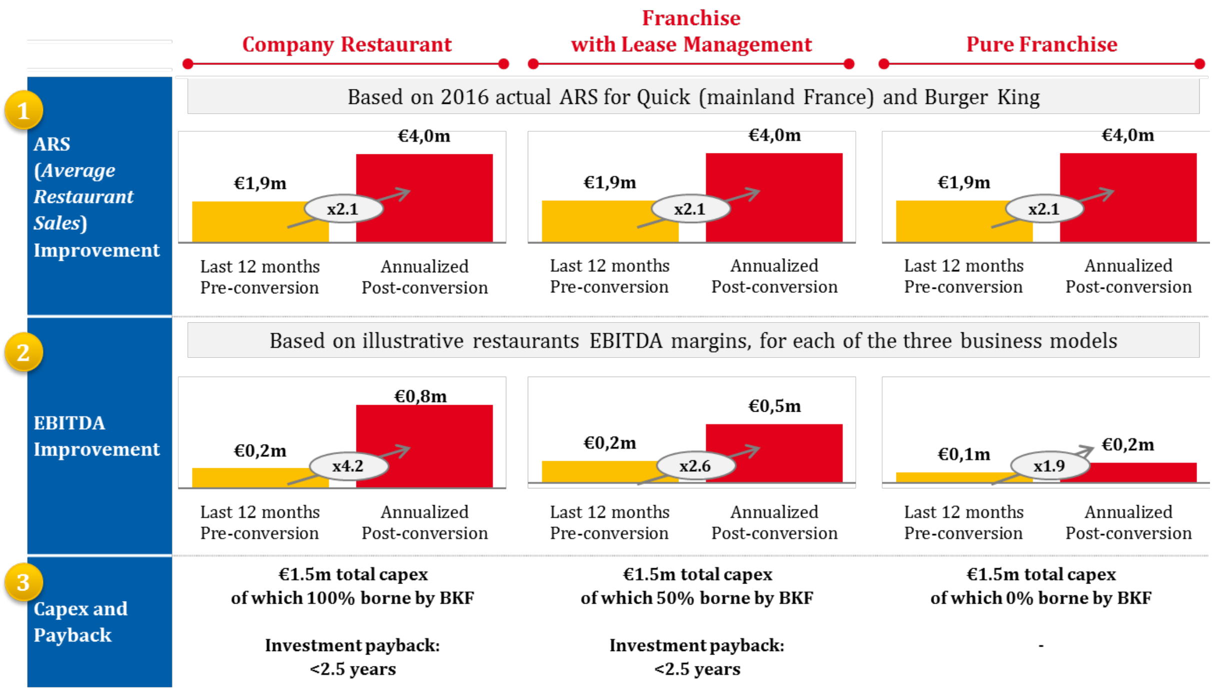
As of September 30, 2017, we operated 129 Company Restaurants (comprising 28% of all restaurants), which generated €341.1 million of SWS for the twelve months ended September 30, 2017. Company Restaurants further represented 57% of Group revenue for the same period.

Our Burger King Company Restaurants are operated pursuant to a company franchise agreement that we entered into with BK Europe in 2013 (the "**Company Franchise Agreement**"). The Company Franchise Agreement replicates substantially all of the terms of our Master Franchise Agreement, with the exception of the remuneration that we pay BK Europe and a royalty fee representing 3.5% of restaurant sales per annum, which may change during the term of the Company Franchise Agreement. The Company Franchise Agreement provides that these payments will incrementally increase throughout its duration. The Company Franchise Agreement contains substantially similar terms and conditions, including covenants to operate in compliance with defined operating protocols, and termination events to our Master Franchise Agreement. However, our rights under the Company Franchise Agreement are independent of our rights under the Master Franchise Agreement, and the termination of the latter does not automatically terminate our rights to operate our Company Restaurants in accordance with the Company Franchise Agreement.

Illustrative economics

The percentage of EBITDA that we generate from each of Company Restaurants, Pure Franchise Restaurants and Franchise with Lease Management Restaurants, varies due to our arrangements. EBITDA generated from each type of arrangement as a percentage of ARS depends on the following: (i) for Company Restaurants, the EBITDA margin depends on the cost structure (including food and logistics costs, leasehold and occupancy costs and labor costs) and 4.5% of sales as a royalty to BK Europe; (ii) for Franchise with Lease Management Restaurants, we generate EBITDA corresponding to approximately 12.5% of sales (representing net royalties and lease and business asset fees net of rent payable to landlords corresponding to approximately 6% of sales); and (iii) for Pure Franchise Restaurants, we generate EBITDA corresponding to a net royalty of 4.5% of sales.

The following graphic depicts an illustrative economics of the EBITDA conversion generated by restaurant operating model. The information below summarizes certain illustrative economics of the EBITDA conversion generated by restaurant operating model and has been prepared by, and is the responsibility of our management, and has not been audited, reviewed or verified by our independent auditors. No procedures have been completed by our independent auditors with respect thereto. This information is therefore subject to change and you should not place undue reliance thereon.



Joint Venture Restaurants

Certain of our Company Restaurants and Franchise Restaurants, are operated through our joint venture with the Auchan Group, Agaquick. Certain of the existing Agaquick restaurants have already been converted to Burger King branded restaurants, and we expect to convert the remaining restaurants operated by Agaquick to the Burger King brand.

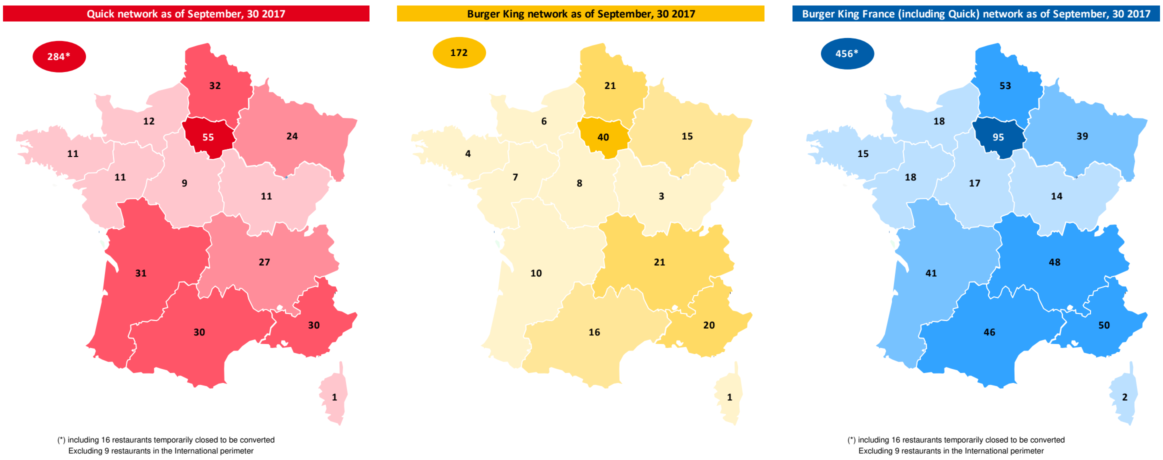
Our Network

Restaurant portfolio

As of September 30, 2017, we operated 172 Burger King restaurants and 277 Quick restaurants (not including the sixteen restaurants under conversion as of September 30, 2017). As of September 30, 2017, 72% of our restaurants were Franchise Restaurants and 28% were Company Restaurants. We work with a total of 120 franchisees across the Burger King and Quick brands. As the average franchisee operates three restaurants and our largest franchisee (excluding BDBK which operates 21 restaurants (see "*Principal Shareholders and Related Party Transactions*")) operates eight restaurants. We also operate our restaurants across different formats and catchment areas including downtown areas, shopping centers and drive-through facilities. Each type has its own business model and produces different results overall. For example, on average restaurants with drive-through facilities generate 30% of their sales from their drive-through facilities and are often more profitable than other restaurant types as the rents are typically lower and require lower operating expenses. The table below shows a breakdown of our network of restaurants in France (excluding nine international locations) by operating model and restaurant type as of September 30, 2017:

Breakdown of number of restaurants, as of September 30, 2017	**Number of restaurants**
By operating model	
Company Restaurants	129
Of which Burger King	42
Of which Quick	87
Franchise Restaurants	336
Of which Burger King	130
Of which Quick	206
Total	465
By restaurant type	
Downtown areas	62
Of which Burger King	22
Of which Quick	40
Shopping Centers	44
Of which Burger King	22
Of which Quick	22
Drive-through facilities	330
Of which Burger King	115
Of which Quick	215
Other	29
Of which Burger King	13
Of which Quick	16

The following graphic presents the geographic distribution of our Franchise Restaurants and Company Restaurants in France as of September 30, 2017:



Site Selection

The activities described hereunder are undertaken by BH, an affiliate of our principal shareholder, pursuant to a services agreement, with input from our management team and certain employees. See "*Principal Shareholders and Related Party Transactions—Related Party Transactions*".

We consider the location of a restaurant to be critical to its long-term success and as such we devote significant effort to the investigation and evaluation of potential locations for both Company Restaurants and Franchise Restaurants. The Quick Acquisition provided us with a significant number of premium restaurant locations that we anticipate converting to the Burger King brand. We have developed a targeted site acquisition and qualification process that incorporates our management's experience as well as extensive data collection, analysis and interpretation. Our restaurant development team has extensive experience identifying and evaluating suitable restaurant locations. On average, the period from site selection to the start of construction is approximately 15 months.

Our site selection process for both Company Restaurants and Franchise Restaurants includes extensive data collection, strategic mapping and competitive analysis. We seek new restaurant locations based on specific criteria, such as intrinsic demographic characteristics and expected demographic trends relating to a potential location, the presence of one or several of our major competitors or indirect competitors, the catchment area, the known success of other retail brands already present in the area, the residential density thresholds and traffic patterns, along with the potential visibility of, and accessibility to, the restaurant. Each of these identification criteria is supported by our developed know-how.

Following this initial "experience-based" assessment, our development and management teams assess the development costs of each site based on various factors, including the site's complexity, size and location. The management team develops an estimate of the potential revenue for each identified site based on known local market trends and conditions and relies on estimated data such as the success rates of our major direct or indirect competitors in the vicinity. This enables our development and management teams, who meet on a weekly basis, to assess the potential return on investment and cash conversion rates of a restaurant at each new site identified. Thereafter management makes a physical visit to a potential site before a final decision is made to adapt a specific site. Our Managing Director and Deputy Managing Director are also actively involved in the selection site process.

Further work may be carried out on a potential site including the appointment of marketing and footfall consultants to assess customer flow and market factors. Our development and management teams continue to compile and review information on a potential site up to the date a lease is signed. If any negative information on the proposed site or area is discovered during this time, the management team may choose not to proceed with developing a particular site.

Development

The activities described hereunder are undertaken by BH, an affiliate of our principal shareholder, pursuant to a services agreement, with input from our management team and certain employees. See "*Principal Shareholders and Related Party Transactions—Related Party Transactions*".

On average, 18 months is required from the identification of a site for a new Company Restaurant or Franchise Restaurant until the new Company Restaurant or Franchise Restaurant is ready to open for business. The majority of this time is dedicated to carrying out due diligence regarding the potential site as described above and the negotiation and signing of a lease. This time period includes the average time required to obtain the necessary permits and carry out pre-opening training at the new location.

A significant portion of this process is related to obtaining the necessary construction permits. In our experience, obtaining a construction permit from local authorities may take up to five months. While we are able to expedite this process under certain circumstances, the preliminary approval process imposes a significant delay and must be completed before we are able to begin other aspects of opening a new restaurant. A building permit is required whether we are planning to open a new restaurant or convert an existing Quick restaurant. However, the actual timeframe for the development of a new Company Restaurant or Franchise Restaurant will vary based on site specific considerations such as whether the location is newly constructed or converted from an existing space. Management directly oversees each step of the development process that prepares a new Company Restaurant or Franchise Restaurant for operation.

In 2016, we successfully developed seven new Company Restaurants and 23 new Franchise Restaurants under the Burger King brand. In addition, during 2016, we successfully converted 36 Quick restaurants to Burger King brand restaurants in the space of four months.

During the nine months ended September 30, 2017, we successfully developed three new Company Restaurants and 12 new Franchise Restaurants under the Burger King brand. In addition, during the same period, we successfully converted 49 Quick restaurants to Burger King brand restaurants.

Conversion of Quick restaurants to Burger King restaurants

As part of our strategy, we plan to accelerate our development through the selective and controlled conversion of Quick Company Restaurants and Quick Franchise Restaurants to Burger King brand restaurants. We aim to encourage existing Quick franchisees who demonstrate the qualities and capabilities necessary to be successful Burger King franchisees to join the Burger King brand in France and be a part of this new concept.

We plan to implement our conversion plan by 2020. As we continue to advance with the planned conversions, we improve our knowledge and efficiency, which results in a smoother process for converting both our Company Restaurants and Franchise Restaurants. Currently the average time for converting a restaurant is between nine and eleven weeks from when we close the restaurant for construction to when we are able to open for business.

See "*Risk Factors—Risks related to our business—Our results of operations and growth forecasts depend primarily on our ability to successfully convert existing Quick restaurants to the Burger King brand*".

In order to promote a smooth transition and avoid adversely affecting our franchisees' operations, we have developed a process for carrying out the conversion of existing Quick restaurants. This starts with an initial conversation with an existing franchisee to discuss the conversion process.

We estimate that the average capital expenditure for the conversion of a Quick restaurant to a Burger King brand restaurant ranges from approximately €1.3 million to approximately €1.5 million per restaurant, which we may share with our franchisees depending on the type of franchise arrangement. In a Pure Franchise arrangement, our franchisees are solely responsible for all costs associated with converting a restaurant. However, we share these costs equally with our Franchise with Lease Management partners. These costs exclude staff wages up until opening day, recruitment costs, training costs, accommodation and transportation for staff and various marketing initiatives in order to promote the opening which our franchisees incur in addition to their investment.

While we do not provide financial support in the form of guarantees or credit support to franchisees of newly-converted Burger King restaurants, we have entered into agreements with banks as well as state bodies, such as the French public investment bank, Bpifrance, to facilitate access to financing for our franchisees who are not able to cover all of the necessary costs to convert their restaurants with their own funds. Management has engaged with potential lenders, educating them about the case for lending to Burger King franchisees in France. The consistently strong performance following the conversion of a Quick restaurant to the Burger King brand helps to assure potential lenders and allows our franchisees easier access to the necessary funds.

Opening New Burger King Restaurants

In addition to our expansion through converting existing restaurants, our strategy also includes pursuing expansion through organic growth by opening new restaurants to operate under the Burger King brand, either as a Company Restaurant or a Franchise Restaurant. While the process is similar to converting an existing restaurant, opening a new Burger King restaurant has a slightly higher cost, ranging between approximately €1.5 million and approximately €1.7 million of capital expenditure, excluding real estate, although these costs may vary across geographical regions. Similar to converting an existing restaurant, we do not share any of this cost with our Pure Franchise partners who choose to open a new restaurant. However, when one of our Franchise with Lease Management partners opens a new restaurant, the franchisee is responsible for 60% of these costs while we invest the remaining 40%.

Restaurant monitoring and reporting

Our executive team, together with our regional directors, area managers and restaurant managers, monitor the financial and operating performance of our Company Restaurants and Franchise Restaurants at both sales and profit levels. The performance of our Franchise Restaurants is also closely monitored by our franchisees, who are primarily responsible for monitoring the performance of their respective Franchise Restaurant(s). We receive regular financial reporting by franchisees which assists us in monitoring performance and forecasting new development in similar locations. In addition, according to our franchise agreements, we have the right to review the financial information of our Franchise Restaurants upon request.

We have implemented reporting procedures and IT systems that enable us to monitor the sales, labor and food costs for each of our Company Restaurants and Franchise Restaurants on a daily basis. See "—*Information Systems*". We actively manage underperforming Company Restaurants and Franchise Restaurants by making operational changes (such as deploying new managers), and in the case of our Company Restaurants, increasing local advertising to improve visibility of the location and occasionally, incurring additional capital expenditures, such as refurbishment costs. Since our inception, we have not closed a single Burger King Company Restaurant or Franchise Restaurant.

Group Operations

Marketing, Advertising and Promotions

We believe that an effective marketing and advertising strategy is essential for the success of our brands in France as marketing and advertising programs are a key traffic driver and enable us to attract new customers to our restaurants and retain existing customers' loyalty. We maintain separate marketing departments for both the Burger King and Quick brands and are committed to continuing to invest in Quick's marketing to drive footfall and increase sales at our Quick restaurants. In order to reinforce awareness of the Burger King brand, build on our image and generate footfall, we invest annually in innovative and creative multimedia advertising campaigns at the national level, essentially promoting our new products. Our SWS and results of operations can be significantly affected by the frequency and effectiveness of our advertising and promotional programs.

The terms of our franchise agreements require our Burger King franchisees to contribute 3.5% of sales to our national advertising fund and our Quick franchisees to contribute 4.5% of sales to a national advertising fund, which finances our marketing, advertising and promotions initiatives and programs. In addition, franchisees must spend at least 1.5% of sales on advertising at the local level in their respective markets. See "*—Our Business—Restaurant operations—Franchise Restaurants—General franchise policy*".

We use three levels of advertising: (i) system-wide advertising, which is coordinated and centralized in our headquarters outside of Paris; (ii) digital and social media advertising; and (iii) local advertising, which franchisees handle with materials we create or approve. Franchisees may not use their own advertising materials without our prior consent. We must obtain BKC's prior approval for all of our marketing, advertising and promotional programs and initiatives; while we are free to determine our own advertising campaigns for Quick.

System-wide advertising programs

Our Burger King Company Restaurants and Franchise Restaurants must contribute 3.5% of sales to our coordinated and centralized system-wide advertising programs. We employ all manner of media to reach our target audience, including families and young adults. We direct and retain sole control over all advertising and promotions financed through contributions made by Company Restaurants and Franchise Restaurants. We use a national advertising agency to create our advertising and promotional materials.

Digital and Social Media Advertising

We currently use an extensive range of social media, television and digital marketing tools including search engines. We create videos for sharing on social media outlets such as YouTube and Facebook, which we believe are the most effective ways to reach our customers. In addition, we manage the development and maintenance of the mobile Burger King app. We market Burger King products, services, Company Restaurants and Franchise Restaurants through our websites, www.burgerking.fr and www.quick.fr. Our website features a site locator page showing the addresses and telephone numbers for each Company Restaurant and Franchise Restaurant. We also advertise through search engine advertising in Google, Yahoo and Bing.

Burger King enjoys a strong brand image and presence in social media platforms, such as Facebook, Twitter, Instagram, YouTube and Snapchat. In a recent market study, Burger King had 88% assisted awareness and 67% spontaneous awareness among consumers. We regularly post information regarding new openings, promotions and new products, interact with customers and answer queries from users.

Since, we focus our marketing efforts on digital multimedia advertising programs and outdoor advertising displays, which we believe is the most effective way to reach our customers.

Local Advertising

We advertise our Company Restaurants and Franchise Restaurants primarily through outdoor advertising displays, local direct mail, out of home signage, paid search and online and mobile. Our franchise agreements require franchisees to spend 1.5% of sales on local advertising initiatives.

Procurement and Logistics

Raw Materials Supply

All Burger King restaurants independently purchase supplies for their needs from approved suppliers through our approved logistic partner(s). These purchases include food products and the paper and packaging materials for the sale of our products as well as cleaning supplies and other products for the maintenance of equipment.

Pursuant to our franchise agreements, Burger King operations are required to source raw materials from BKC-approved suppliers, of which there are a limited number in France as our operations are relatively new. We are, however, able to tap into the network of BKC-approved suppliers in other European markets, in particular Germany, Spain, the United Kingdom, Italy and Austria, where approved suppliers in those countries have in the past, and are regularly able to provide us with approved raw materials, subject to their capacities. As we expand our network of Burger King Company Restaurants and Franchise Restaurants, we have begun developing a French network of approved suppliers, securing access to supplies while reducing transport costs. For example, in 2016, a BKC-approved supplier of French buns received approval, and we expect that the dedicated plant, currently under construction, will be able to supply 100% of our needs by 2018. The development of our network is beneficial to the overall success of the Burger King brand as our suppliers will be able to source other Burger King markets in the event of a shortage or other interruption in the supply chain. Our French packaging supplier, approved at the end of 2015, has already achieved this milestone and has provided supplies to Burger King locations in Germany, Italy and Spain. We anticipate that the locally sourced component of our raw materials will increase along with the growth of the Burger King network.

In order to improve and optimize our supply chain and achieve lower prices, we focus particularly on implementing an efficient sourcing and food management policy through optimization of the procurement process and product development at both the recipe level and overall product offer level.

We have implemented a purchasing strategy for raw materials which allows us to obtain price commitments from suppliers by giving them mid- to long-term visibility on volumes and growth in France. Moreover, we have entered into forward buying contracts with our suppliers, except for beef, which limit our exposure to any short-term fluctuations in food prices. A typical forward buying contract provides for fixed prices for at least six months. In addition, we entered into mid- to long-term contracts with our strategic suppliers for beef, French fries, buns, chicken and beverages. This strategy allows us to have pricing visibility and minimize the impact of fluctuations in food and supply prices on our operations for the duration of these contracts.

We also optimize food costs by reducing waste (for example, by restricting distribution of free sauces at restaurants) and by focusing on food losses. We have developed relationships with a number of high-quality suppliers to source the ingredients we need. We use a number of suppliers for each ingredient to obtain high volume discounts and maximize the service level the business receives (backed up by contingency solutions) and only use a small number of suppliers in order to control and guarantee quality.

Beef is a key ingredient in our product offerings. We have developed a dedicated strategy for beef supply management optimization in order to mitigate the effect of the global upward pricing trend on the beef market. The purchase of beef accounted for approximately 25% of our raw material costs for the year ended December 31, 2016. In addition, we have a limited number of beef suppliers (one supplier as of December 31, 2016, now secured with two approved suppliers from mid-2017) which are strictly required to purchase beef only from EU approved establishments and a limited number of countries of origin (France, Germany and Austria).

We intend to select our suppliers and track our raw material sourcing using very strict processes, which include supplier selection criteria based on quality control, financial situation, production capacity (ability to handle both large volumes and flexible production), emergency back-up capabilities, strength in research and development.

Logistics

For the Burger King brand, procurement and logistics activities are outsourced and handled by QSR Logistics, a joint venture of QSL and STEF dedicated to the QSR sector. QSR Logistics purchases our food supplies and other raw materials from various suppliers. We contractually set certain targets and goals with QSR Logistics, which monitors our inventories and packaging in addition to ensuring that goods and materials reach our restaurants from their point of origin at an optimal cost and service level. Franchisees order their raw materials and supplies directly from QSR Logistics as an approved vendor.

QSR Logistics serves as a fourth-party logistics provider for us, coordinating the logistics of our third-party providers and is also responsible for the warehousing and related storage from the suppliers. Under the terms of agreements with the suppliers, QSR Logistics becomes the owner of these products once they reach third-party warehouses with whom it has contracted to provide such warehousing services. Storage and distribution of food items and operational supplies to all restaurants (Company Restaurants and Franchise Restaurants) is subcontracted to a third-party logistics provider (STEF).

As we rely on QSR Logistics for coordinating logistics for all of our restaurants, we are able to negotiate favorable terms as a block and provide our Franchise Restaurants with the ability to achieve preferential price points, improving their overall results of operations. Our team in Saint-Denis monitors the logistics and distribution to our Company Restaurants.

Quick's supply and logistics chain and related processes differ from those of Burger King. Quick has historically provided supply and logistics services to franchisees in exchange for payments by franchisees. When a Quick restaurant is converted to the Burger King brand, such restaurant adopts the Burger King method described above and no further logistics services' fees are received from that restaurant.

Product Offering

Our Company Restaurants and Franchise Restaurants offer extensive menus specializing in hamburger and cheeseburger sandwiches primarily made with beef (including the signature WHOPPER® sandwich) or featuring chicken breast or fish sandwiches. We also offer a limited range of chicken nuggets and chicken wings. Our menu also includes French fries, onion rings, freshly prepared salads, soft drinks, milk shakes, ice cream and other desserts, coffee, tea and kids' meals.

Our price positioning seeks to be competitive with our main competitor, McDonald's, but adds more extensive "premiumization" options through high quality ingredients or additional toppings. Our product offering and price point is comparable to those of our main competitor. While we have a more expansive premium offering than our main competitor, we pride ourselves on offering a wide range of products comparable to our competitors' offering.

We also test new products on an ongoing basis and develop geographical variations and specific sandwiches for the French market. In addition, our restaurants sell a variety of promotional products for a limited time only. When we decide to add a new product to our menu, we must use BKC approved suppliers for the ingredients. If we decide to permanently add a new product to our menu, we are required to obtain BKC's authorization. For limited time offerings, however, we are not required to obtain such authorization.

Innovation and Product Development

Innovation is at the core of our strategy and directly affects the products and services we offer our customers in order to meet their expectations. Quality, choice and nutrition are increasingly important to our customers and we are continuously evaluating and evolving our menu to meet our customers' needs. Our "Have it Your Way" model allows customers the ability to customize our menu items to suit their specific tastes and preferences. Beyond the menu we offer our customers, we also innovate on production processes and methods in our kitchens, invest in new equipment and optimize work organization in order to deliver the best dining experience to our customers. For example, our broiler system provides our hamburgers with a unique flavor that promotes our products and differentiates us from our main competitor.

Support to our Franchisees

As franchisor, we aim to support, promote and encourage our franchisees both before the opening of their restaurants and throughout the course of their operations and provide them with numerous support services. As franchisor, the relationships formed with franchisees and the interaction between us, our franchisees and end-customers throughout the course of the value chain, are intended to increase franchisees' sales. We believe that our model helps our franchisees to realize positive net returns.

Service Delivery and Pricing

Franchisees are provided with extensive materials and training on how to organize, manage and monitor service delivery in their restaurants, including best practices that have been developed by BKC for worldwide use. For example, our manuals assist franchisees in organizing the taking and dispatch of orders, both for in-restaurant dining, take-away and drive-through and work force scheduling management during peak hours. Additionally, we recommend prices for all products, though franchisees are independent entrepreneurs and are free to adjust their pricing as local conditions or their own business reasons may dictate.

Training, Pre-Opening Assistance and Ongoing Support

Franchisees (along with their manager(s)) must attend and successfully complete a training program before we will issue an opening date for a Franchise Restaurant. Our training program covers various topics, including: Burger King culture, food preparation and storage, food safety, specific position training, uniforms, cleaning and sanitation, marketing and advertising, point-of-sale systems, accounting and hospitality, among others. We require our franchisees to live within one-hour of their respective restaurant(s) and require them to hire a restaurant manager who either resides in the area where the restaurant is located or is willing to move to this area.

When a franchisee opens his or her first Franchise Restaurant, we provide the franchisee with certain operational support during the initial operating days including training employees and providing guidance and tips for operating a restaurant in compliance with our standards. We also provide lists of approved inventory, suppliers and small-wares that are needed to stock and operate each restaurant and help franchisees locate qualified suppliers of raw materials and other supplies and ingredients that meet our specifications.

We maintain programs to monitor and evaluate the adherence of Franchise Restaurants to our quality, service and cleanliness standards. We also closely monitor financial data of each Franchise Restaurant, including revenue, sales and profits. In addition, we are responsible for communicating and conveying certain initiatives and process enhancements to our franchisees and conducting business reviews in order to assist franchisees to operate more efficiently, increase the Franchise Restaurant's performance, sales and profits and stimulate Franchise Restaurant's footfall and visibility. See "—*Our Network—Restaurant monitoring and reporting*".

In addition to our hands-on training and assistance, we provide an operations manual to each restaurant location that addresses business operations, food safety, crew, hospitality, quality products, guest services, packaging and presentation, restaurant cleaning, restaurant and equipment maintenance, point-of-sale systems, quality control, advertising and marketing and emergency management. See "—*Quality Assurance and Food Safety*".

Point-of-Sale System

We require our franchisees to use a point-of-sale system that allows us to track sales at each Franchise Restaurant location. Our Franchise Restaurant operations require no other computers. See "—*Information Systems*". Furthermore, a point-of-sale system provides our franchisees with additional back office tools that we believe assist in cost control, create operational efficiencies and drive sales.

Supply Chain Assistance

We and our franchisees rely on QSR to manage our supply chain and provide us with the necessary raw materials, commodities and other items needed to develop and operate our restaurants. We coordinate directly with QSR to manage the supply chain as it relates to our Company Restaurants and our franchisees work directly with QSR to manage their own supply chain. See "—*Procurement and Logistics*".

Research and Development

We benefit from and rely on the product development capabilities of Burger King to drive sales. While we may test certain limited time offers in our own market to gauge consumer interest and reaction, we are able to benefit from the strong product development that Burger King generates for the benefit of its global restaurant network. See "—*Innovation and Product Development*".

The Quick brand possesses its own R&D team. This team tests new kitchen materials and processes in addition to product innovations for our Quick restaurants.

Quality Assurance and Food Safety

We have implemented detailed quality assurance, food safety and sanitary procedures at all stages within our supply chain and in our restaurants to ensure the quality and consistency of the products sold at our Company Restaurants and Franchise Restaurants and to protect and enhance the Burger King brand image. We benefit from BKC's strong experience and knowledge of quality assurance and food safety standards and procedures.

In order to ensure that high quality standards are maintained and to adhere to BKC's standards and procedures on quality assurance and food safety, we have developed a strong hygiene culture and have established a reliable control track record. No food contamination incident has been attributed to our restaurants since Groupe Bertrand (through Burger King France) entered into the Master Franchise Agreement or acquired the Quick brand. Our quality control department is fully dedicated to monitoring and enforcing quality assurance and food safety standards and procedures and managing any quality or food safety issue across our entire supply chain from production, to transportation and storage to end-delivery.

We have implemented a detailed food safety manual that covers all aspects of cleaning, food handling and storage, pest control, stock control and waste disposal. We also have rigorous food safety procedures based on a hazard analysis and critical control points plan, which includes controls and monitoring for key processes such as receiving food deliveries, defrosting, cooking, cooling and storage. This includes guidelines on date labelling, allergen labelling, refrigerator plans and temperature checks. In addition, we use specific cleaning products to maintain hygiene and food safety and we communicate an allergen list through leaflets, posters in restaurants and on our website. Any breach of our quality assurance and food safety rules by a restaurant is sanctioned and is factored into the restaurant manager's compensation. For Franchise Restaurants, non-compliance with our quality assurance and food safety rules is grounds for termination under our franchise agreements. We review our safety governance policy on an ongoing basis at the restaurant, area and group level.

All restaurant employees receive training on critical aspects of food safety as part of their induction and also complete a food safety course. Company Restaurants and Franchise Restaurants team members receive ongoing training regarding sanitary procedures, and all senior personnel and managers are required to complete food safety qualifications administered by us. Senior operations management may also seek to attain further food safety qualifications.

We inspect both our Company Restaurants and our Franchise Restaurants on a quarterly basis. We perform audits on the procedures in place in Company Restaurants and Franchise Restaurants to ensure that food is being correctly handled. In addition, we have a contract with an independent lab to perform bacteriological tests in our restaurants. BKC also conducts inspections on a quarterly basis in order to verify that its requirements are being respected. We consider adherence to our food safety policy to be one of our top priorities and may terminate our relationships with franchisees who fail to respect these standards. Further, failure to comply with food safety requirements may be grounds for termination of the Master Franchise Agreement.

Real Estate

Under our historic Pure Franchise agreements, we did not systematically directly lease the real estate underlying Franchise Restaurants. In connection with the development of the Burger King brand in France, we have decided to enter into Franchise with Lease Management agreements with our franchisees going forward to streamline our operating structure by using one contractual arrangement with all of our franchisees that provides us with greater control over our network.

As of September 30, 2017, 71 of our Burger King Franchise Restaurants were operated under lease management arrangements. Under this scheme, we remain the owner of the business assets rights (*fonds de commerce*) and leasehold rights, while the franchisee is the owner of all equipment and signage that he or she purchases in connection with operating the restaurant. As we are the tenant of record with respect to the restaurant real estate, this arrangement allows us to limit the possibility of losing a location within our network to a competitor without our consent. We then enter into an agreement with the franchisee to sublease the restaurant real estate, who in turn pays us a percentage of sales in rent payments while we directly pay the landlord. These locations are leased under commercial lease agreements (*baux commerciaux*) that we enter into with the landlords. For a brief description of the principal terms of our commercial lease agreements.

We lease the real estate of our Company Restaurants from third parties. All Company Restaurants are subject to commercial leases or ground leases. The following provides a brief description of these arrangements.

Commercial leases have a minimum initial duration of nine years and rarely exceed twelve years. The lessee has the right to terminate a commercial lease at the end of each three-year period. The lessor may only terminate the lease at the conclusion of each three-year period in certain limited circumstances. At the end of the contractual term of the lease, the lessee is entitled to a renewal. If the lessor refuses such renewal, the lessor will be required to compensate the lessee, unless the lessor can show good cause. Upon expiration of the lease agreement, if the lessor and lessee take no action to renew or to terminate the lease, the original lease will be automatically renewed until either the lessor or the lessee serves a notice of termination. An automatically renewed lease may be terminated at any time by either the lessor or the lessee provided that six months' prior notice is given. In addition to our commercial leases, we maintain certain ground leases for some of our older properties which have a typical duration of 30 years.

The parties to a commercial lease are free to determine the initial rent, generally according to the current market value of the property at the signing of the contract. The rent may be fixed, variable or composed of a fixed portion and a variable portion. Generally, the lease contains an annual rent indexation clause. The agreed index must have some connection with the activity carried out by one of the parties or to the purpose of the lease. The majority of our leases are based on the Commercial Rent Index (ILC) (*indice des loyers commerciaux*) published by *l'Institut national de la statistique et des études économiques* (INSEE), the French public statistics institute.

Our Employees

As of September 30, 2017, we directly employed 6,173 individuals. As franchisees are independent business owners, they and their employees are not included in our employee count. We believe that we provide working conditions and compensation that compare favorably with those of our major competitors. We consider our relationship with our employees to be good.

In France, a collective bargaining framework agreement is in place for the QSR sector that sets, among other things, annual working times, employee holiday time and overtime pay and employee leaving conditions. In addition, there is a limited number of trade unions that are recognized as representatives and given the legal authority to appoint trade union delegates, and to negotiate additional company-specific collective bargaining agreements. Some of our employees are members of these trade unions.

We place significant emphasis on staff training, which we believe is key to maintaining high standards of quality across our business. We provide comprehensive in-house training to all employees, which we extend to Franchise Restaurant staff through a number of training initiatives to actively support and foster employee development and retention at Franchise Restaurants. Our training focuses on health and safety issues for restaurant-based employees, and we also provide food-hygiene training and food retail management to managers of both Company Restaurants and Franchise Restaurants.

In addition, we regularly encourage our franchisees and their employees to visit our Company Restaurants in order to demonstrate new equipment, menu items, workflow practices and ensure that all franchisees and their employees are trained to a consistent standard. We also encourage in-house promotion of employees through training and development where possible.

Insurance

We maintain insurance coverage under various liability and property insurance policies for, among other things, damages in the areas of operations, environmental liabilities and business interruption. Our fixed assets, such as technical equipment used in distribution, stocking, information technology and office equipment, are covered by a bundled industrial insurance policy (damages from fire, catastrophes, theft, flood and severe weather) that includes business interruption insurance when business interruption is caused by an insured property damage. We also maintain various insurance policies covering legal services, transportation, accidents and motor vehicles, as well as a directors' and officers' liability insurance. We believe that the level of insurance we maintain is appropriate for the risks of our business and is comparable to that maintained by other companies in our markets operating in the same business lines. See "*Risk Factors—Risks related to our business—Our current insurance may not provide adequate levels of coverage against claims that may be filed*".

Information Systems

We rely on a number of information systems to provide management, analytical and performance evaluation tools that assist management at all levels to undertake critical business processes. Our information systems are highly integrated, covering most of our fundamental business service areas, including point of sale terminals, purchases and logistics, finance, quality control, marketing and human resources, and providing us with sufficiently robust data processing ability to efficiently manage our Company Restaurants and Franchise Restaurants. In addition, these capabilities allow us to integrate new and converted Company Restaurants and Franchise Restaurants to our network in order to achieve greater economies of scale and operating efficiencies.

One of our most important and widely used tools is our point-of-sale systems at all of our Company Restaurants and Franchise Restaurants. As of September 30, 2017, we have completed the installation of our point-of-sale system at all of our Burger King Company Restaurants and Franchise Restaurants. We also endeavor to adapt the existing point-of-sale system at Company Restaurants and Franchise Restaurants we acquire and Quick restaurants that we convert to the Burger King brand shortly after acquisition or conversion to conform with the Burger King point-of-sale system.

We believe that our information system is robust, adequate to support our activities and insured to standards that are comparable to other operators in our industry.

Legal Proceedings

We are party to various legal proceedings involving routine claims that are incidental to our business. Although our legal and financial liabilities with respect to such proceedings cannot be estimated with certainty, we do not believe that the outcome of these legal proceedings, individually or in the aggregate, will be materially adverse to our business, financial position or results of operations. See "*Risk factors—Risks related to our business—We face risks of litigation and negative publicity from customers, franchisees, suppliers and employees*".

We have briefly summarized below the most significant of these proceedings.

Proceedings with a franchisee in the context of the Quick Acquisition

In December 2016, one of our international master franchisees (which operates a limited number of Quick restaurants in the Americas) initiated proceedings in the Paris commercial court (*Tribunal de commerce de Paris*) alleging that we, along with our subsidiary France Quick, breached the franchise agreement and trademark license agreement entered into between France Quick and this franchisee. The franchisee is seeking termination of the franchise agreement and the trademark license agreement, as well as significant damages in relation thereto. We and France Quick have objected to all claims, and the Paris commercial court (*Tribunal de commerce de Paris*) is expected to issue its decision on May 17, 2017. The Paris commercial court rendered a first instance decision denying all of the franchisee's requests. The franchisee appealed the decision. The Paris Court of Appeals confirmed the decision in the court of first instance in all respects and, accordingly, denied all of the franchisee's requests. As of September 30, 2017, we had not booked any provision with respect to this litigation.

Proceedings with a franchisee in the context of the termination of its franchise and trademark license agreements

In November 2015, we terminated the franchise agreement and trademark license agreement between us and one of our international master franchisees (which operated a limited number of Quick restaurants outside France), when it came to our attention that this franchisee had filed trademark applications for certain trademarks bearing the Quick name, thus violating the terms of the agreements between us and this franchisee. This former franchisee initiated an arbitration proceeding against France Quick before the International Chamber of Commerce in Paris (the "**ICC**"), alleging that France Quick had wrongfully terminated the franchise agreement and trademark license agreement and requesting significant damages. In parallel to the arbitration proceeding, this franchisee filed a motion before a French court requesting to block one of France Quick's bank accounts for an amount of approximately €9 million and such motion was granted by the court. Such amount is reflected on balance sheet as an other financial receivable rather than cash and cash equivalents. France Quick is appealing this decision. In parallel, the arbitration proceeding against France Quick is ongoing. As of September 30, 2017, we have maintained a provision of €2.5 million in connection with this proceeding.

REGULATION

We are subject to various laws and regulations administered by local, national and other government entities in each of the countries in which we operate, as well as at the European Union level. Our business is particularly affected by laws and regulations regarding food safety and hygiene and food labeling requirements. Additionally, we are subject to labor and employment laws as well as franchise regulations.

Food and Beverage Regulations

Food safety is an integral part of our business as a food services provider. Serving food that is safe and that has been prepared and distributed in accordance with the applicable regulations is an underlying prerequisite for our customers, and is the fundamental basis for the trust that they place in us. Our business is subject to extensive local, regional and national laws and other requirements relating to food safety, hygiene and nutrition standards in each of the countries in which we operate, as well as at the EU level for our operations in Europe. We have implemented several measures which we believe ensure compliance with applicable food and beverage regulations, including providing training to employees in food safety, contamination prevention, food preparation and storage, facilities maintenance and pest control.

Food Safety and Hygiene

European Union

Food safety and hygiene regulations and directives promulgated by the EU have an impact on our business, because we conduct substantially all of our activities in France, which is a member state of the EU. The main food safety regulator at the EU level is the European Food Safety Authority (the "**EFSA**"), which was established in 2002 by Regulation (EC) No. 178/2002, as amended and supplemented (the "**General Food Law Regulation**"). The EFSA assesses and communicates risks associated with the food chain in order to inform the policies and decisions of food safety risk managers.

The General Food Law Regulation lays down the general principles and requirements of food safety legislation to be implemented into national law by all member states of the EU. In particular, the General Food Law Regulation requires food business operators to ensure that businesses under their control satisfy relevant requirements and to verify that such requirements are met at all stages of production, processing and distribution. It also imposes a mandatory traceability requirement along the entire food chain that applies to all food and all types of operators in the processing, transportation, storage, distribution and retail stages, among others. Each food operator is required to register and keep for a reasonable period of time (the guidance of the Standing Committee states that five years is a reasonable time) detailed product information (including the name and address of the producer, the nature of the product and the transaction date) and make such records immediately available to competent authorities upon request.

We are also subject to specific European food hygiene legislation under Regulation (EC) No. 852/2004 of April 29, 2004 on the hygiene of foodstuffs, which applies to all food businesses, and to Regulation (EC) No. 853/2004 of April 29, 2004 laying down specific hygiene rules for the hygiene of foodstuffs of animal origin (together, the "**EU Hygiene Regulations**"). The EU Hygiene Regulations require that we obtain and maintain hazard analysis and critical control point ("**HACCP**") certification, including instructing employees in this regard and conducting appropriate record-keeping. HACCP is a systematic preventive approach used in the food industry to identify potential food safety hazards, so that key actions (known as critical control points) may be taken to reduce or eliminate risks, while considering all key aspects of product manufacturing, from the safety of the raw materials, to process validation (for example, cooking and washing), to shelf life and finally end-consumer usage. In addition, the EU Hygiene Regulations include more stringent requirements for food products of animal origin, such as meat, fish and dairy products, and food containing such products. European legislation regulates the temperature settings at which these products must be kept as well as the length of time for which they can be displayed.

France

In France, the principal food safety regulator is the Agency for Food, Environment and Occupational Health and Safety (*Agence nationale de sécurité sanitaire de l'alimentation, de l'environnement et du travail*, or the "**ANSES**"). The ANSES promulgates national-level regulations concerning, among other subjects: hygiene rules applicable to the retailing, storage and transport of products of animal origin and food containing such products; technical and hygiene conditions applicable to the transport of foodstuffs; and licensing of establishments that bring to market products of animal origin or food containing such products. In addition, French food safety regulation requires each establishment that brings to market products of animal origin or food containing such products to obtain an official authorization. Further, we are subject to several provisions of the French Rural Code (*Code rural*), as amended, dealing, among others, with food safety epidemiology concerns related to products of animal origin and animal feed, and animal health.

Food Labelling and Nutrition

Our products are subject to Regulation (EU) No. 1169/2011 of October 25, 2011 on the provision of information to consumers (the "**Food Labelling Regulation**"), which replaced and consolidated into one piece of legislation previous labelling rules deriving from Directive 2000/13/EC regarding labelling, presentation and advertising of foodstuffs, Directive 90/496/EEC on nutrition labelling of foodstuffs, and other legislative acts for specific categories of foods.

The Food Labelling Regulation which introduced key changes such as mandatory nutrition disclosure on processed foods and amendments to nutrition labelling format, entered into force on December 13, 2014 (save for the obligation to provide nutrition information applicable from December 13, 2016). Additional provisions regarding allergen labelling in hot beverages may also apply.

In recent years, national and local authorities have begun introducing regulations and requirements motivated by concerns regarding nutrition and environmental sustainability. These measures have included, among others, greater emphasis on food labelling and disclosure of nutritional content, requirements to utilize recyclable packaging materials, and additional taxes on food and beverage items with high sugar content. For example, specific French legislation (Decree no. 2002-1465 of December 17, 2002) regulates the labelling of beef in restaurant establishments.

Beverage Tax

In France, the draft budget law for 2012 dated December 28, 2011 introduced a tax (the "**Beverage Tax**") on all beverages containing added-sugar substances or one or more artificial sweeteners (articles 1613 *ter* and 1613 *quarter* of the French tax code). The law enacting the Beverage Tax came into force on January 1, 2012. The Beverage Tax, initially set at €7.16 per hundred liters, is reassessed annually based on the consumer price index (excluding tobacco) and must be paid by any person or entity located in France that produces, imports or purchases such beverages from any person or entity located in another country of the European Union, whether or not for consideration. As of the date of this Listing Memorandum, this tax amounted to €7.53 per hundred liters. The Beverage Tax was amended by the draft social security financing law for 2018, which was adopted on October 27, 2017, in order to link the amount of Beverage Tax to be paid to the quantity of added-sugar substances contained in such beverages. From June 1, 2018, all beverages containing less than one kilogram of added-sugar substances per hundred liters are subject to a lower tax, amounting to €3.50 per hundred liters. All beverages containing between two and four kilograms of added-sugar substances per hundred liters, five and seven kilograms of added-sugar substances per hundred liters and more than eight kilograms of added-sugar substances per hundred liters are subject to premiums amounting to €0.50, €1.50 and €2.00, respectively, per additional kilogram of added-sugar substances per hundred liters. In addition, from June 1, 2018, all beverages containing one or more artificial sweeteners are subject to a tax of €3.50 per hundred liters. Certain of our products are subject to the Beverage Tax.

Other Food Service-Related Regulations

Restaurant facilities are also subject to regulations promulgated by national, regional and local authorities covering a range of matters such as the utilization and maintenance of restaurant sites and equipment and waste storage and disposal. We are also required to enforce anti-smoking laws for dining establishments.

Franchise Regulation

In France, the franchisor is legally obligated to provide prospective franchisees, or current franchisees contemplating the opening of a new restaurants, with information regarding the franchise under a "pre-contractual information document" ("**PID**") pursuant to Article L. 330-3 of the French Commercial Code (*Code de commerce*) (formerly Article 1 of the Law no. 89-1008 of December 31, 1989 called "*Loi Doubin*") as supplemented by Article R. 330-1 of the French Commercial Code (*Code de commerce*) (formerly Article 1 of the implementing Decree no. 91-337 of April 4, 1991) (collectively, the "**Franchise Law**").

The franchisor must provide full and accurate information regarding the franchise to allow the prospective franchisee to make an informed decision with respect to the franchise. Under the Franchise Law, the PID must contain certain prescribed information, including the history of the company, the state and prospects of development of the relevant market, the importance of network operators, the duration of the franchise contract, conditions for renewal and termination, franchise assignability and any exclusivity requirements. Non-compliance with the Franchise Law is punishable through fines set under Article L. 131-13 5° of the French Criminal Code (*Code pénal*). Civil penalties may include the annulment of the franchise contract and/or the franchisor's liability.

Ordinance no. 2016-131 dated February 10, 2016 reforming contract general law and proof of obligations which came into force on October 1, 2016, introduced new provisions to French law certain of which are likely to have an impact on the franchise contracts and the precontractual information documents entered into with the franchisees. The implementation of these new provisions may result in amendments to certain provisions of the franchise contracts and/or the precontractual information document entered into or renewed with our franchisees.

Law no. 2016-1088 dated August 8, 2016 relating to labor, the modernization of labor relations and securing careers (the "**Labor Law**") introduced new dispositions related to collective bargaining in French law. In particular, Article 64 of the Labor Law requires the establishment of a personnel representative body in each franchisee network consisting of more than 300 employees, for when the franchisor makes decisions that will affect the volume or structure of its workforce, the duration of work or employment conditions and the work of franchisees' employees. This committee will consist of an employee representative, a representative of each franchisee and a representative of the franchisor.

MANAGEMENT

The following is a summary of certain information concerning our management, certain provisions of our bylaws (*statuts*) and French law regarding corporate governance. This summary is qualified in its entirety by reference to the bylaws of the Issuer and/or French law, as the case may be, and it does not purport to be complete.

The Issuer is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. It is managed by a Supervisory Committee (*Comité de surveillance*), a President (*Président*) who is assisted by a Managing Director (*Directeur général*) and a Deputy Executive Officer (*Directeur général délégué*).

The business address of each member of the Supervisory Committee, the President, the Managing Director and the Deputy Managing Director is 50, avenue du Président Wilson, Parc des Portes de Paris—Building 123, 93214 La Plaine Saint Denis CEDEX, France.

Supervisory Committee

Composition of the Supervisory Committee

The Supervisory Committee is composed of seven members appointed by the shareholders of the Issuer for a renewable three-year term. The members of the Supervisory Committee elect the Chairman of the Supervisory Committee.

The following table sets forth the names, ages and titles of the current members of the Supervisory Committee:

Name	Age	Position
Olivier Bertrand	49	Chairman of the Supervisory Committee
Michel Razou	61	Member of the Supervisory Committee
Olivier Grumbach	38	Member of the Supervisory Committee
José Eduardo Cil	48	Member of the Supervisory Committee
Joshua Arthur Kobza	31	Member of the Supervisory Committee
EMZ Partners SAS, represented by Thierry Raiff	N/A	Member of the Supervisory Committee
Thierry Raiff	56	Member of the Supervisory Committee

The following paragraphs set forth biographical information regarding the members of the Supervisory Committee.

Olivier Bertrand, **49**, is the Chairman of the Supervisory Committee of the Issuer. Olivier Bertrand is the founder of BH, a company that indirectly owns several famous restaurants in Paris, such as Brasserie Lipp, Le Procope and Au Pied de Cochon as well as the Angelina chain of tearooms and Au Bureau brasseries, a chain of over 100 restaurants. Mr. Bertrand is also the President of BH, OB Holding and Bertrand Restauration.

Michel Razou, **61**, is a member of the Supervisory Committee of the Issuer. Mr. Razou is Managing Director of BH and the co-founder of Century 21 commerce.

Olivier Grumbach, **38**, is a member of the Supervisory Committee of the Issuer. Olivier Grumbach joined Groupe Bertrand in 2008 and was appointed to the Supervisory Committee of Burger King France in 2013. Prior to joining Groupe Bertrand, Mr. Grumbach worked successively at BNP Paribas in London and MBO Partenaires, before joining Capzanine in 2004 and being appointed the Executive Director of Groupe Bertrand in 2008. Mr. Grumbach is a graduate of the *École supérieure de commerce de Paris* (ESCP-EAP).

José Eduardo Cil, **48**, is a member of the Supervisory Committee of the Issuer. José Eduardo Cil has served as President of the Burger King brand at Restaurant Brands International Inc. since December 2014. Mr. Cil served as Executive Vice President and President of Europe, the Middle East and Africa for Burger King Worldwide and its predecessor from November 2010 until December 2014. Prior to this role, Mr. Cil was Vice President and Regional General Manager for Wal-Mart Stores, Inc.

in Florida from February 2010 to November 2010. From September 2008 to January 2010, Mr. Cil served as Vice President of Company Operations of Burger King Corporation and from September 2005 to September 2008, he served as Division Vice President, Mediterranean and NW Europe Divisions, EMEA of a subsidiary of Burger King Corporation. Mr. Cil is a director of Carrols Restaurant Group, Inc., Burger King's largest franchisee in the United States. José Eduardo Cil holds a Juris Doctor (J.D.) from University of Pennsylvania Law School and a Bachelor of Arts (B.A.) from Tulane University.

Joshua Arthur Kobza, **31**, is a member of the Supervisory Committee of the Issuer. Mr. Kobza was appointed Chief Financial Officer of Restaurant Brand International, Inc. on December 2014. From April 11, 2013 until December 2014, Mr. Kobza served as Executive Vice President and Chief Financial Officer of Burger King Worldwide. Mr. Kobza joined Burger King Worldwide in June 2012 as Director of Investor Relations and was promoted to Senior Vice President of Global Finance in December 2012. From January 2011 until June 2012, Mr. Kobza worked at SIP Capital, a São Paulo based private investment firm. From July 2008 until December 2010, Mr. Kobza served as an analyst in the corporate private equity area of the Blackstone Group in New York City. Mr. Kobza holds a degree from Harvard University.

EMZ Partners SAS, represented by Thierry Raiff, is a member of the Supervisory Committee of the Issuer. EMZ Partners, which provides financing to mid-sized companies, is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. EMZ Partners was appointed to the Supervisory Committee of the Issuer on December 17, 2015.

Thierry Raiff, 56, is a member of the Supervisory Committee of the Issuer. Thierry Raiff is chairman of EMZ Partners. From 1986 to 1992, Mr. Raiff worked as an expert for the French Department of Agriculture (*Ministère de l'Agriculture*) on food processing companies. Mr. Raiff joined Natixis in 1993, before joining EMZ Partners in 1998 and was subsequently promoted to Managing Partner in 2003. He served as Managing Partner of EMZ Partners from 2003 to 2009, before being appointed Chairman in 2009. Mr. Raiff is a graduate of AgroParis Tech and IGREF (Rural engineering, water and forestry).

Role of the Supervisory Committee

In accordance with the provisions of the articles of association of the Issuer, the Supervisory Committee is responsible for controlling and supervising the management of the Issuer by the President, the Managing Director(s) and the Deputy Executive Officer(s). It performs the controls and verifications that it deems appropriate and has the right to request any document it deems necessary for carrying out its duties. In particular, the Supervisory Committee has the following specific duties:

- to elect the Chairman of the Supervisory Committee, whose term may not exceed his or her term as a member of the Supervisory Committee;
- to dismiss the Chairman of the Supervisory Committee;
- to appoint the President and, upon the President's proposal, the Managing Director or Deputy Executive Officer(s), if any;
- to dismiss the President, the Managing Director(s) and the Deputy Executive Officer(s);
- to determine the compensation of the President, the Managing Director(s) or Deputy Executive Officer(s), if any, (including benefits in kind and special pension arrangements); and
- to approve certain important decisions before the President, Managing Director(s) or Deputy Executive Officer(s), if any, may adopt them.

Meetings of the Supervisory Committee

The Supervisory Committee must meet whenever the Issuer's best interests so require, and no less than four times per year. Meetings of the Supervisory Committee are convened by the Chairman of the Supervisory Committee or one of the members of the Supervisory Committee. The Chairman presides over the meetings which are held at the Issuer's registered office or at any other location in France. Meetings may also be held by videoconference or through any other form of telecommunication.

In order for a meeting to be duly convened, there must be a quorum of at least three members of the Supervisory Committee present or represented, two members of the Supervisory Committee representing the Groupe Bertrand and one member of the Supervisory Committee representing BK (UK) Company Ltd. Certain important decisions must be approved by the Supervisory Committee before the President, Managing Director(s) or Deputy Executive Officer(s), if any, may adopt them. Ordinary resolutions are adopted by a simple majority of the members present or represented. Each member of the Supervisory Committee has one vote and may not represent more than one other member of the Supervisory Committee. In the event of a tie, the Chairman of the Supervisory Committee does not have the deciding vote.

For each meeting, an attendance record must be signed by the members of the Supervisory Committee who participate in the meeting. The deliberations of the Supervisory Committee are recorded in the Issuer's minutes, which are prepared in accordance with applicable law and signed by the chairman of the meeting and at least two members of the Supervisory Committee. The minutes are maintained at the registered office of the Issuer.

Executive Officers and Senior Management

The following table sets forth the names, ages and titles of the current executive officers and members of the senior management.

Name	Age	Position
Bertrand Corp. SAS, represented by BH, itself represented by Olivier Bertrand	N/A	President
Jérôme Tafani	59	Managing Director
Michel Razou	61	Deputy Executive Officer
Xavier Cottineau	46	Chief Financial Officer
Jocelyn Olive	36	Senior Vice President
Béatrice Roux	55	Marketing Director for Burger King
Muriel Reyss	45	Marketing Director for the Quick brand
Guy Billard	51	Chief Operating Officer
Jessica Schinkel	39	General Counsel

President

The President (*Président*) of the Issuer, who legally represents the Issuer in its dealings with third parties, is appointed by the Supervisory Committee with or without a set term limit or and with no restriction on the number of renewals for the term. The current President, Bertrand Corp. SAS (*société par actions simplifiée*), represented by BH, itself represented by Olivier Bertrand, the current Chairman of the Supervisory Committee, was appointed in December 2015.

The President is responsible for managing and carrying out the business of the Issuer in accordance with applicable laws, its bylaws and the resolutions of the Supervisory Committee.

The President may be revoked *ad nutum* by the Supervisory Committee.

The following paragraph sets forth certain information regarding our CEO.

Bertrand Corp. SAS, was appointed President of the Issuer on December 17, 2015. Bertrand Corp. SAS is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. Bertrand Corp. SAS is an affiliate of Groupe Bertrand, our principal shareholder.

Managing Director and Deputy Executive Officer

A Managing Director (*Directeur Général*) or Deputy Executive Officer (*Directeur Général Adjoint*) may be appointed by the Supervisory Committee, upon the President's proposal, to assist the President in carrying out some or all of his duties.

The Supervisory Committee supervises the Managing Director and Deputy Executive Officer, who have broad responsibility for the Issuer's day-to-day management.

The Managing Director and Deputy Executive Officer may be revoked *ad nutum* by the Supervisory Committee.

The following paragraphs set forth biographical information regarding our Managing Director and Deputy Executive Officer.

Jérôme Tafani, **59**, is the Managing Director of the Issuer, a role he assumed when he joined Burger King France in February 2016. Prior to joining Burger King France, Mr. Tafani was the executive director for Europe of Chipotle Mexican Grill Inc. Mr. Tafani has more than 20 years of experience in the fast food industry in France. Mr. Tafani joined McDonald's France in 1996 as Chief Financial Officer and then served as Deputy Executive Officer of McDonald's France, before being appointed Chief Financial Officer and Director of Franchise Development of McDonald's Europe in 2009. In addition to his role with Burger King France, Mr. Tafani is a member of the board of the French QSR Association. Mr. Tafani is a CPA and holds an MBA from the *École supérieure des sciences économiques et commerciales* (ESSEC Business School).

Michel Razou, **61**, is the Deputy Executive Officer of the Issuer. Mr. Razou is Managing Director of BH and the co-founder of Century 21 commerce.

Senior management

The following paragraphs set forth biographical information regarding the other members of our senior management.

Xavier Cottineau, **46**, is the Chief Financial Officer of the Issuer. Prior to joining Burger King France in 2016, Mr. Cottineau served as Chief Financial Officer of Potel & Chabot from 2011 to 2016. Mr. Cottineau began his career as a financial auditor at PricewaterhouseCoopers in 1995, before joining Disneyland Resort Paris as an internal auditor where he remained from 1998 to 2001 and returning as Vice President of Finance from 2003 to 2011. Mr. Cottineau also worked at Eutelsat as a financial analyst from 2011 to 2012. Mr. Cottineau holds a Master degree in Finance from IEP Paris.

Jocelyn Olive, 36, was appointed Senior Vice President of Burger King France and Quick when he joined the company in December 2013. Mr. Olive had several years of experience in the restaurant industry when he joined Groupe Bertrand as the General Manager of Bert's. Prior to joining Groupe Bertrand, Mr. Olive spent seven years working in private equity at L Capital and Fondation Capital. Mr. Olive holds an MBA from the *École supérieure des sciences économiques et commerciales* (ESSEC Business School).

Béatrice Roux, 55, is the Marketing Director for the Burger King brand. Ms. Roux has extensive and successful marketing, communication and business development experience working with best-in-class-FMCG and media companies. She has built strong brands for various targets, developed innovative products and services and is now transferring these skills to the QSR segment.

Muriel Reyss, 45, is the Marketing Director for the Quick brand. Ms. Reyss has more than 20 years of experience in marketing and communication. Ms. Reyss has extensive experience in media agency where she gained significant exposure to the areas of local marketing, specializing in the retail and QSR segments. Prior to joining Burger King France in 2016, Ms. Reyss worked as Business Director responsible for Business Unit at OMD France and MEC France. Ms. Reyss holds an MBS from NEOMA Business School.

Guy Billard, 51, is the Chief Operating Officer of Burger King France. Mr. Billard has spent his entire career working for the Burger King brand. He has held several operating posts in different regions throughout Europe, Africa and the Middle East which he began in 1996 as the Operating and Training Manger for the Gulf Region. Mr. Billard joined Burger King France in October 2013. Mr. Billard holds a degree in hotel management from UNIFHORT.

Jessica Schinkel, 39, is the General Counsel of the Issuer. Ms. Schinkel joined Burger King France in March 2017. Ms. Schinkel previously served as a French-qualified lawyer with the Paris Bar.

She started her career with Kahn & Associés in 2003 before joining Brandford-Griffith & Associés in 2006, and then Olswang France LLP in 2011 where she was promoted to “of counsel” in 2013 before becoming partner in 2015. Ms. Schinkel holds a Master in Business Law from the University of Evry Val d’Essonne, France, and an L.L.M. in Business Law from Northumbria University, Newcastle Upon Tyne, U.K.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

As of the date of this Listing Memorandum, the Issuer is indirectly held by BH, the parent company of the Groupe Bertrand entities controlled by Olivier Bertrand, which currently holds 91.31% of the share capital of the Issuer, and by BK (UK) Company Ltd (a subsidiary of Restaurant Brands International, Inc., the parent of BKC) which directly holds the remaining 8.69% of the share capital of the Issuer.

Preferred Shares

On the BDBK Acquisition Completion Date, NewCo GB used a portion of the proceeds of the NewCo PIK Notes to subscribe for 10 new preferred shares to be issued by the Issuer for an aggregate principal amount of approximately €40 million (the "**New Preferred Shares**") in connection with the NewCo-BKF Equity Injection. Each New Preferred Share entitle the holder to one vote in matters submitted to the shareholders of the Issuer. The New Preferred Shares give NewCo GB the right to receive, in priority to the other holders of capital stock of the Issuer, any distribution (whether in the form of a dividend or any other distribution) made by the Issuer up to an annual amount representing 8.75% of the principal amount of the New Preferred Shares (the "**Priority Distribution Amount**"). Any distribution made by the Issuer in excess of such Priority Distribution Amount will benefit all the holders of ordinary shares of the Issuer, including NewCo GB, pro rata for their respective ordinary share holdings.

Any unpaid Priority Distribution Amount for any financial year shall be carried forward to subsequent financial years. The portion of the unpaid Priority Distribution Amount will be added to the principal amount of the New Preferred Shares and will be used as a basis for calculating the Priority Distribution Amount due to the relevant holders for the subsequent financial year.

Any dividend, distribution or other payment made pursuant to the terms of the New Preferred Shares shall be subject to the terms of the Existing Indenture, in particular with respect to limitations on restricted payments.

The NewCo GB Warrants

In connection with the incurrence of the Warrant Bonds, NewCo GB, the majority shareholder of the Issuer, issued several series of warrants giving access to new shares of NewCo GB (the "**NewCo GB Warrants**"). The NewCo GB Warrants survived the full repayment of the Warrant Bonds in connection with the expected refinancing of the Warrant Bonds by NewCo GB with a portion of the proceeds from the offering of the PIK Notes having occurred on the BDBK Acquisition Completion Date (the "**Warrant Bond Refinancing**"). The NewCo GB Warrants are exercisable by the holders at any time, for an exercise price of approximately €65 million. The capital increase of NewCo GB resulting from the full exercise of the NewCo GB Warrants would represent, after such exercise, approximately 35% of the economic rights of NewCo GB.

In connection with the Warrant Bond Refinancing, the holder of the NewCo GB Warrants entered into an agreement, dated December 6, 2017, with NewCo GB, whereby the parties have agreed to amend the documentation relating to the NewCo GB Warrants (the "**NewCo GB Warrants Amendments**") to allow, in the event of the exercise of the NewCo GB Warrants, NewCo GB to deliver either new shares of NewCo GB or existing shares of the Issuer owned by NewCo GB. NewCo GB and the holders of the NewCo GB Warrants have agreed to implement the NewCo GB Warrants Amendments at the latest on the BDBK Acquisition Completion Date.

Pursuant to the NewCo GB Warrants Amendments, the option available to NewCo GB to deliver existing shares of the Issuer upon exercise of the NewCo GB Warrants will only be available in the event of an initial public offering of the Issuer (a "**BKF IPO**"). The exercise price of approximately €65 million payable to NewCo GB in connection with the exercise of the NewCo GB Warrants will be unaffected by the election of NewCo GB to deliver new shares of NewCo GB or existing shares of the Issuer. The NewCo GB Warrants Amendments will provide that, in the event of a BKF IPO, the number of existing shares of the Issuer to be delivered by NewCo GB to the holders of the NewCo GB Warrants will be adjusted to reflect the net debt of NewCo GB, and will be netted against the amount of the exercise price payable to NewCo GB by the holder of the NewCo GB Warrants.

Related Party Transactions

Cash Management Agreement

On June 21, 2016, a cash management agreement was entered into by and between the Issuer and BH, a *société par actions simplifiée* organized under the laws of France and registered under the number 421 982 240 R.C.S. Paris ("**BH**"), the holding company of Olivier Bertrand, our majority shareholder (such agreement as amended, the "**BH Cash Management Agreement**").

Under the BH Cash Management Agreement, the Issuer advances to BH a portion of its cash on balance sheet to facilitate the deposit of such cash with certain financial institutions on behalf of the Issuer and its subsidiaries in order to optimize cash management for the Issuer, reduce the Issuer's net financing costs and obtain improved remuneration for the Issuer's cash investments. BH can only invest this cash in liquid and risk-free financial instruments. Our consolidated free cash is subject to this arrangement. All funds we advance to BH, and all securities purchased with such funds, and proceeds of all of the foregoing, are deposited in segregated accounts in the name of BH, and these accounts were pledged to us in connection with the issuance of the Existing Notes to secure BH's obligations under the BH Cash Management Agreement. Our rights under the Cash Management Agreement have in turn been pledged to the Security Agent for the benefit of the Trustee and the holders of Existing Notes to secure our obligations under the Existing Notes and the Revolving Credit Facility. Such pledge similarly secures the Additional Notes.

Among other provisions, the Cash Management Agreement provides that:

- BH has an obligation to immediately return upon the Issuer's request any cash amounts previously deposited in the dedicated pledged account;
- BH has an obligation to apply the cash solely on behalf of, and for the benefit of, the Issuer;
- BH is prohibited from pledging the dedicated pledged account to any Person other than the Issuer, including on a subordinated or junior basis;
- BH is prohibited from transferring any cash deposited in the dedicated pledged account to any person other than the Issuer; and
- BH is prohibited from using the cash deposited in the dedicated pledged account in a manner that would be prohibited by the terms of the indenture governing the Notes, such terms applying *mutatis mutandis* to BH with respect to the dedicated pledged account.

On April 21, 2017, the BH Cash Management Agreement was amended, such that the Issuer and BH agreed to transfer all the funds owned by the Issuer and managed by BH pursuant to the cash management agreement to a dedicated bank account (the "**Dedicated Bank Account**"). BH granted a first-ranking pledge on the Dedicated Bank Account to the Issuer and agreed not to grant any other security on the Dedicated Bank Account. The net proceeds of the funds owned by the Issuer and managed by BH pursuant to the BH Cash Management Agreement, less a management fee amounting to 25% of the net proceeds, shall be returned by BH to the Issuer each year.

Real estate site selection and development services

BH provides real estate site selection and development services to assist us in originating and securing new locations for restaurants. See "*Business—Site Selection*".

Leases

An affiliate of Groupe Bertrand is the landlord under certain of our restaurant leases, pursuant to commercial leases negotiated on arm's-length terms.

The Acquisitions

Our direct controlling shareholder, Bertrand Corp. currently controls BDBK, which we have acquired in the BDBK Acquisition. Additionally, certain of our directors and their affiliates currently hold stakes in the Investment Vehicles, as described in "*Summary—The Transactions—The Acquisitions*" and will be selling such stakes to BKRO in the Investment Vehicle Acquisitions. Thus, the Acquisitions are related party transactions between and among the Issuer, NewCo GB and certain of their Related Parties (as defined in "*Description of the Notes*"), in respect of which Groupe Bertrand has received a fairness opinion from an independent financial advisory firm.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following summary of certain provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Revolving Credit Facility

On April 21, 2017, we entered into the Revolving Credit Facility Agreement among certain lenders thereto and BNP Paribas as Agent and Security Agent. Unless stated otherwise, capitalized terms set forth and used in the remainder of this section entitled "—*Revolving Credit Facility*" have the same meanings as set forth in the Revolving Credit Facility Agreement, which may have different meanings from the meanings given to such terms used elsewhere in this Listing Memorandum.

The Revolving Credit Facility Agreement provides for a Facility of up to €60 million, which may be used for Permitted Acquisitions and Permitted Joint Ventures and for the general corporate and working capital purposes of the Restricted Group, but may not be used for: (i) any Restricted Debt Purchase (as to which, see the section below entitled "—*Notes Purchase Condition*"); (ii) the payment of any dividend or any other distribution or amount in respect of the share capital of any member of the Restricted Group or any Investor Liabilities; (iii) any acquisition of a company, business or undertaking other than a Permitted Acquisition; or (iv) any investment in a joint venture other than a Permitted Joint Venture.

In addition, the Revolving Credit Facility Agreement also permits the commitments to be increased up to an amount which does not result in the Total Commitments exceeding €85 million, provided that, among other things: (i) no event of default is continuing or would occur as a result of establishing the Permitted Additional Commitment; and (ii) subject to certain limited exceptions, each Permitted Additional Commitment is made available on the same terms as the Revolving Credit Facility.

Under the Revolving Credit Facility Agreement, we are a Borrower and Guarantor and certain of our Subsidiaries are or may accede thereto as Borrowers and Guarantors (as applicable).

Repayments and Prepayments

The Revolving Credit Facility will mature on April 21, 2022.

Subject to certain conditions, we may voluntarily prepay our utilizations and/or permanently cancel all or part of the Available Commitments under the Revolving Credit Facility by giving five business days' (or such shorter period as the Majority Lenders agree) prior notice to the Agent. We may reborrow amounts repaid, subject to certain conditions, until one month prior to maturity.

In addition to voluntary prepayments, the Revolving Credit Facility Agreement requires mandatory prepayment in full or in part in certain circumstances, including, subject to certain conditions:

(a) upon a sale of all or substantially all of the assets of the Restricted Group;

(b) upon a Listing of a subsidiary of the Parent; or

(c) upon, in certain circumstances, a Restricted Debt Purchase by a member of the Group (as to which, see the section below entitled "—*Notes Purchase Condition*").

In addition, upon a Change of Control (which shall include, in addition to a "Change of Control" under and as defined in the section entitled "*Description of the Notes—Purchase of Notes upon a Change of Control*" and among other things (i) at any time prior to a Qualifying IPO, Olivier Bertrand and his Related Parties collectively cease to own directly or indirectly more than 50% of the share capital and voting rights in the Parent or cease to own and control the right to appoint (x) at least a majority of the directors of the board or equivalent officers of the Parent or (y) the legal representatives of the Parent, and (ii) at any time following a Qualifying IPO (x) Olivier Bertrand and his Related Parties collectively cease to own directly or indirectly more than 35% of the share capital and voting rights of the Parent or (y) any person or group of persons acting in concert acquires (directly or indirectly) more of the voting share capital of the Parent than is held by Olivier Bertrand and his Related Parties collectively), the Issuer shall promptly notify the Agent of that event (and, in any event, within five days of such event having occurred), a Lender will not be obliged to fund a Utilization (unless that Lender consents so to fund) and if a Lender so requires and informs the Agent within 60 days of that Lender having been notified of the occurrence of the Change of Control, the Agent will promptly notify the Issuer and at the end of such 60 day period, the Revolving Credit Facility will be immediately cancelled insofar as it is made available by that Lender and that Lender's participation in all outstanding Utilizations will, together with accrued interest and all other amounts accrued to that Lender under the Finance Documents shall become immediately due and payable.

Interest and Fees

The Revolving Credit Facility bears interest at a rate per annum equal to EURIBOR plus a margin that may range from 3.00 per cent. per annum to 2.50 per cent. per annum. The margin is adjusted by reference to a Consolidated Net Leverage Ratio save that, for purposes of determining the margin, no account will be taken of any *pro forma* adjustments in respect of cost savings and/or revenue synergies with respect to asset sales, investments or acquisitions.

We are also required to pay a commitment fee, quarterly in arrears, on available but unused commitments under the Revolving Credit Facility Agreement at a rate of 33 per cent. of the applicable margin. We are also required to pay an arrangement fee and certain fees to the Arrangers, the Agent and the Security Agent in connection with the Revolving Credit Facility.

Security and Guarantees

The Revolving Credit Facility is guaranteed by the Guarantors and (subject to certain agreed security principles set out in the Revolving Credit Facility Agreement) is secured by security over the shares in the Guarantors held by members of the Restricted Group and over certain assets of the Guarantors as further described in the section entitled "*Description of the Notes—Security*".

Covenants

The Revolving Credit Facility Agreement contains customary positive and negative covenants (including restrictive covenants that largely replicate those which apply to the Senior Secured Notes), subject to certain agreed exceptions. Certain of these covenants are summarized below.

Affirmative Covenants

The affirmative covenants include obligations with respect to, among other things: (i) providing certain financial information, including annual, quarterly and monthly financial statements and an annual budget; (ii) compliance with laws and regulations; (iii) maintaining in full force and effect certain authorizations and consents; (iv) safeguarding intellectual property; (v) maintaining certain insurances; (vi) the payment of taxes; (vii) the maintenance of *pari passu* ranking; (viii) further assurance provisions; (ix) Guarantor coverage (as to which see the section below entitled "*—Guarantor Coverage*").

Negative Covenants

The negative covenants include restrictions with respect to, among other things: (i) the activities of the Parent; (iii) changing the center of main interests of Obligors; (iv) entering into mergers, acquisitions and joint ventures; (v) certain intra-group dealings; (vi) the incurrence of certain indebtedness; (vii) the issuance, repayment and purchase of certain notes and other indebtedness (as to which see the sections below entitled "*—Notes Purchase Condition*" and"*—Notes and Pari Passu Debt*"); (viii) modifying the Franchise Agreements and (ix) compliance with certain anti-corruption and sanction laws.

Guarantor Coverage

The Parent must ensure that:

(a) the aggregate (without double counting) earnings before interest, tax, depreciation (calculated on a LTM basis on the same basis as Consolidated EBITDA, taking each entity on an unconsolidated basis and excluding all intra-group items) of the Guarantors exceeds (i) 70 per cent. of the Consolidated EBITDA of the Restricted Group on the Closing Date and (ii) 75 per cent. of the Consolidated EBITDA of the Restricted Group on and after the first anniversary of the Closing Date; and

(b) the aggregate gross assets (taking each entity on an unconsolidated basis without double counting and excluding goodwill and all intra-group items) of the Guarantors exceeds 75 per cent. of the consolidated gross assets of the Restricted Group,

in each case, by reference to the most recent annual financial statements delivered to the Agent.

Notes Purchase Condition

The Restricted Group is prohibited from prepaying, purchasing, defeasing, redeeming, retiring or acquiring (for the purpose of this paragraph only, collectively "purchasing") any Relevant Debt (being any Pari Passu Notes or Debt with a scheduled maturity date twelve months or more from the date on which it was incurred (but excluding the facility) (or any Permitted Refinancing Debt in relation thereto)) if: (i) a Default is continuing or would result from such purchase; or (ii) the aggregate principal face amount of all Relevant Debt that is, or has been, purchased exceeds the Restricted Debt Purchase Basket (being 50 per cent. of the original aggregate principal face amount of the Senior Secured Notes as at the Closing Date), unless commitments and/or utilizations under the Revolving Credit Facility Agreement are cancelled and/or prepaid (as applicable) in the same proportion by which the Relevant Debt that is purchased exceeds the Restricted Debt Purchase Basket until the Total Commitments (as so reduced) are equal to €20 million, provided that the notes purchase condition shall be deactivated for so long as the Restricted Group's Consolidated Net Leverage Ratio is equal to or below 2.25:1.0 (*pro forma* any such payment or cancellation).

These restrictions do not apply where the Relevant Debt purchase is funded with the proceeds of New Shareholder Injections or is undertaken following a Change of Control (provided the Parent has complied with its notification and mandatory prepayment obligations).

Notes and Pari Passu Debt

The Parent must ensure that, among other things:

(a) the only issuer of the Subordinated Notes is the Parent (or a Holding Company of the Parent) and that no other member of the Group may be a co-issuer of the Subordinated Notes; and

(b) the Subordinated Note Liabilities do not benefit from any Security, save for Security which ranks junior to the Security granted in respect of the Finance Documents and Pari Passu Debt Documents).

Financial Covenant

The Revolving Credit Facility Agreement also requires the Group to observe a financial covenant which requires us to ensure that the Restricted Group's Consolidated Net Leverage Ratio does not exceed 7.5:1 as at the end of each relevant period of four consecutive financial quarters in the event that there are total cash advances under the Revolving Credit Facility, Ancillary Facilities and Letters of Credit outstanding as at the end of such financial quarter equal to or greater than (in the aggregate) 35% of the Total Commitments under the Revolving Credit Facility.

The definition of Consolidated Net Leverage Ratio follows the definition of "Consolidated Net Leverage Ratio" in the section entitled "*Description of the Notes—Certain Definitions*," save that, for the purpose of determining compliance with the financial covenant, only certain specified cost saving and/or revenue synergies in respect of permitted acquisitions may be taken into account.

Events of Default

The Revolving Credit Facility Agreement contains customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), the occurrence of which would allow the Majority Lenders to accelerate all or part of the outstanding utilizations and/or terminate their commitments and/or declare all or part of their utilizations payable on demand and/or declare that cash cover in respect of ancillary facilities and outstanding letters of credit is immediately due and payable or is payable on demand and/or instruct the Security Agent to exercise its rights and powers under the Finance Documents.

Governing Law

The Revolving Credit Facility Agreement is governed by English law although certain of the restrictive covenants and certain events of default, which are included in the Revolving Credit Facility Agreement and largely replicate those which apply to the Senior Secured Notes, are construed in accordance with New York law (without prejudice to the fact that the Revolving Credit Facility Agreement is governed by English law).

Intercreditor Agreement

To establish the relative rights of certain creditors under the financing arrangements, the Issuer, each of the Guarantors and certain other members of the Group (together, along with any other members of the Group that accede to the Intercreditor Agreement from time to time, the "**Debtors**"), on April 21, 2017, entered into an intercreditor agreement with, among others, BNP Paribas as Revolving Agent, BNP Paribas as Security Agent, the lenders under the Revolving Credit Facility and Citibank, N.A., London Branch as trustee for the Notes. Unless stated otherwise, capitalized terms set forth and used in the remainder of this section entitled "*—Intercreditor Agreement*" have the same meaning as set forth in the Intercreditor Agreement, which may have different meanings from the meanings given to such terms used elsewhere in this Listing Memorandum.

The Intercreditor Agreement sets forth, among other things:

- the relative ranking of certain indebtedness of, and security interests over certain assets and property granted by, the Debtors (such security, the "**Transaction Security**");
- when payments can be made in respect of certain indebtedness of the Debtors;
- the terms pursuant to which certain indebtedness will be subordinated;
- when enforcement action can be taken in respect of that indebtedness;
- when Transaction Security and guarantees may be released to permit a sale or disposal of any assets subject to Transaction Security;
- turnover provisions; and
- the order for applying proceeds from enforcement action and other amounts received by the Security Agent.

The Intercreditor Agreement contains provisions relating to certain other and future permitted indebtedness, including:

- obligations to counterparties to certain hedging agreements permitted under the terms of the Credit Facility Documents, Pari Passu Debt Documents and Subordinated Note Documents (each as defined below) and entered into by the Issuer for the purpose of hedging interest rate risk ("**Hedge Counterparties**," and such obligations, the "**Hedging Liabilities**" and each finance document relating thereto, a "**Hedging Agreement**");
- indebtedness entitled to be treated *pari passu* with the Revolving Credit Facility (excluding Hedging Liabilities) in respect of the Transaction Security and under the terms of the Intercreditor Agreement (such indebtedness, together with the Revolving Credit Facility, the "**Credit Facility Liabilities**," and the holders of such indebtedness, the "**Credit Facility Lenders**," and each finance document relating thereto, a "**Credit Facility Document**" and each such financing a "**Credit Facility**");

- indebtedness entitled to be treated pari passu with the Notes (excluding Hedging Liabilities) in respect of the Transaction Security and under the terms of the Intercreditor Agreement (such indebtedness, together with the Notes, the "**Pari Passu Debt Liabilities**," and the holders of such indebtedness, the "**Pari Passu Debt Creditors**" and each finance document relating thereto, a "**Pari Passu Debt Document**"); and

- indebtedness arising from the issuance of subordinated notes by the Issuer or any holding company of the Issuer and subordinated to the *Pari Passu* Liabilities (as defined below), the Credit Facility Liabilities and the Hedging Liabilities in respect of the Transaction Security under the terms of the Intercreditor Agreement (such indebtedness, the "**Subordinated Notes**").

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement because it, and not the description that follows, defines your rights as holders of the Notes. For the avoidance of doubt, by accepting an Additional Note, the relevant holder thereof shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement.

Ranking and Priority

Ranking and Priority of Liabilities

The Intercreditor Agreement provides that the liabilities shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior-ranking liabilities as follows:

- *first*, the "**Super Senior Liabilities**," consisting of the Credit Facility Liabilities and any Hedging Liabilities solely in respect of the Credit Facility Liabilities and Pari Passu Debt Liabilities (the "**Super Senior Hedging Liabilities**," and the holders of such Super Senior Liabilities, the "**Super Senior Creditors**"), the "**Pari Passu Liabilities**," consisting of the Pari Passu Debt Liabilities and the Hedging Liabilities to the extent they are not Super Senior Hedging Liabilities (the "**Pari Passu Hedging Liabilities**," and the holders of such Pari Passu Liabilities, the "**Pari Passu Creditors**") and the "**Subordinated Note Trustee Amounts**," consisting of certain fees, costs and expenses payable to the trustee for the any Subordinated Notes (the "**Subordinated Note Trustee**") for its own account and certain Liabilities payable to the Security Agent *pari passu* and without any preference between them; and

- *second*, the liabilities in respect of the Subordinated Notes (the "**Subordinated Note Liabilities**," and the holders of such Subordinated Note Liabilities, the "**Subordinated Note Creditors**" and each finance document relating thereto, a "**Subordinated Note Document**") (excluding any Subordinated Note Trustee Amounts).

The Intercreditor Agreement provides that certain intercompany obligations of the Issuer and certain of its subsidiaries to other members of the Group (the "**Intra-Group Liabilities**") and investor debt consisting of liabilities owed by the Issuer to certain shareholders of the Issuer ("**Investor Liabilities**") are postponed and subordinated to the liabilities owed by the Debtors to the Super Senior Creditors, the Pari Passu Creditors and the Subordinated Note Creditors (such creditors together, the "**Primary Creditors**"). The Intercreditor Agreement does not purport to rank any of the Investor Liabilities or the Intra-Group Liabilities as between themselves.

Subject to the section below entitled "—*Application of Proceeds*," the Intercreditor Agreement does not prevent payment by the Debtors of certain fees, costs and expenses (as set out in further detail in the Intercreditor Agreement) owing to the representatives of the creditors in relation to the Credit Facility Liabilities, the Pari Passu Debt Liabilities and the Subordinated Note Liabilities (each such representative, a "**Creditor Representative**").

Ranking and Priority of Security

The Intercreditor Agreement provides that the Transaction Security ranks and secures the following liabilities (but only to the extent such Transaction Security is expressed to secure those liabilities) as follows:

- first, the Super Senior Liabilities, the Pari Passu Liabilities and the Subordinated Note Trustee Amounts pari passu and without any preference between them; and
- second, the Subordinated Note Liabilities (excluding any Subordinated Note Trustee Amounts).

Under the Intercreditor Agreement, the proceeds from an enforcement of Transaction Security are required to be applied as provided under the section below entitled "—*Application of Proceeds*").

Restrictions on Credit Facility Liabilities, Pari Passu Debt Liabilities and Subordinated Note Liabilities

Permitted Payments: Credit Facility Liabilities and Pari Passu Debt Liabilities

Prior to the occurrence of an Acceleration Event in respect of the Credit Facility Liabilities or the Pari Passu Debt Liabilities (a "**Senior Secured Acceleration Event**"), the Intercreditor Agreement imposes no restrictions on payments to be made in respect of the Credit Facility Liabilities pursuant to the Credit Facility Documents or the Pari Passu Debt Liabilities pursuant to the Pari Passu Debt Documents. Following a Senior Secured Acceleration Event, no member of the Group may make (and no Super Senior Creditor or Pari Passu Creditor (such creditors together, the "**Senior Secured Creditors**") may receive) payments of the Super Senior Liabilities or Pari Passu Liabilities (as applicable) except from, subject to certain exceptions, enforcement proceeds distributed in accordance with the section below entitled "—*Application of Proceeds*".

Permitted Payments: Subordinated Note Liabilities

The Intercreditor Agreement restricts any member of the Group from making payments in respect of the Subordinated Note Liabilities, except in certain circumstances as summarized below.

Prior to the later of the date on which all the Super Senior Liabilities are discharged in full (the "**Super Senior Discharge Date**") and the date on which all the Pari Passu Liabilities are discharged in full (the "**Pari Passu Discharge Date**") (the latter to occur of the Super Senior Discharge Date and the Pari Passu Discharge Date, the "**Senior Secured Discharge Date**"), certain payments may be made in respect of the Subordinated Note Liabilities in accordance with the Subordinated Note Documents if:

(a) (i) the payment is of any of the principal amount (including capitalized interest) of the Subordinated Note Liabilities or any other amount which is not an amount of principal or capitalized interest, in each case, which is not prohibited from being made by any Credit Facility Document, Pari Passu Debt Document or Hedging Agreement (together, the "**Senior Secured Finance Documents**"); (ii) no Subordinated Note Payment Stop Notice (as defined below) is outstanding; and (iii) no default arising by reason of non-payment under any Senior Secured Finance Document has occurred and is continuing (a "**Senior Secured Payment Default**"); or

(b) the requisite majority of Credit Facility Lenders (the "**Majority Credit Facility Lenders**") and each Creditor Representative acting on behalf of any Pari Passu Lenders or Pari Passu Noteholders (as each term is defined in the Intercreditor Agreement) (the "**Required Pari Passu Creditors**") give prior consent to that payment being made; or

(c) the payment is of any Subordinated Note Trustee Amount; or

(d) the payment is of costs, commissions, taxes and expenses reasonably incurred (with documented evidence thereof) in respect of the Subordinated Note Documents up to an aggregate amount not exceeding €2,000,000.

The Intercreditor Agreement provides that, on or after the Senior Secured Discharge Date, payments may be made to the Subordinated Note Creditors in respect of the Subordinated Note Liabilities in accordance with the Subordinated Note Documents.

Permitted Payments: Subordinated Note Liabilities—Issue of Subordinated Note Payment Stop Notice

The Intercreditor Agreement provides that until the Senior Secured Discharge Date, except with the prior consent of the Instructing Group (as defined below), the Debtors are not entitled to make, and no Subordinated Note Creditor is entitled to receive from the Debtors or any of their subsidiaries, any payment in respect of the Subordinated Note Liabilities (other than such payments permitted under the Intercreditor Agreement) if a Subordinated Note Payment Stop Notice is outstanding.

The Intercreditor Agreement provides that a Subordinated Note Payment Stop Notice is "outstanding" during the period from the date on which, following the occurrence of an event of default arising under any Senior Secured Finance Document (other than a Senior Secured Payment Default) (a "**Subordinated Note Payment Stop Event**"), any Creditor Representative (other than the Subordinated Note Trustee) (acting on the instructions of the Majority Credit Facility Lenders or the Required Pari Passu Creditors) (a "**Relevant Representative**") issues a notice (a "**Subordinated Note Payment Stop Notice**") to the Subordinated Note Trustee and the Security Agent (with a copy to the Issuer) advising that that Subordinated Note Payment Stop Event has occurred and is continuing until the first to occur of: (i) the date which is 179 days after the date of issue of the Subordinated Note Payment Stop Notice; (ii) if a Subordinated Note Standstill Period (as defined below) commences after the issue of a Subordinated Note Payment Stop Notice, the date on which that Subordinated Note Standstill Period expires; (iii) the date on which the Subordinated Note Payment Stop Event in respect of which that Subordinated Note Payment Stop Notice was issued is no longer continuing provided that, at such time no other event of default is continuing under any Senior Secured Finance Document; (iv) the date on which the Relevant Representative cancels that Subordinated Note Payment Stop Notice by notice to the Subordinated Note Trustee and the Security Agent (with a copy to the Issuer); (v) the Senior Secured Discharge Date; and (vi) the date on which any Subordinated Note Creditor takes any enforcement action that it is permitted to take under the Intercreditor Agreement.

The Intercreditor Agreement provides that the ability of a Relevant Representative to deliver a Subordinated Note Payment Stop Notice is subject to certain conditions, including that: (i) a new Subordinated Note Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Subordinated Note Payment Stop Notice; and (ii) no Subordinated Note Payment Stop Notice may be delivered in reliance on a Subordinated Note Payment Stop Event more than 60 days after the date each Relevant Representative received notice of that Subordinated Note Payment Stop Event.

Permitted Enforcement: Subordinated Note Creditors

The Intercreditor Agreement restricts the Subordinated Note Creditors from taking any enforcement action in respect of the Subordinated Note Liabilities prior to the Senior Secured Discharge Date, except in certain circumstances as summarized below.

The Intercreditor Agreement provides that the Subordinated Note Creditors may take enforcement action in respect of the Subordinated Note Liabilities if, at the same time as, or prior to, that action (and subject to certain other conditions): (i) the Subordinated Note Trustee has given notice (a "**Subordinated Note Enforcement Notice**") to each Relevant Representative and the Security Agent specifying that an event of default under the Subordinated Note Documents has occurred and is continuing; (ii) a period (a "**Subordinated Note Standstill Period**") of not less than 179 days has elapsed from the date on which that Subordinated Note Enforcement Notice becomes effective; and (iii) the relevant event of default is continuing at the end of the Subordinated Note Standstill Period.

The Intercreditor Agreement provides that the Subordinated Note Creditors may also take certain limited enforcement action: (i) in circumstances where the Senior Secured Creditors taken enforcement action in relation to the Issuer (provided that the Subordinated Note Creditors may only take the same enforcement action in relation to the Issuer as the enforcement action taken by the Senior Secured Creditors against the Issuer (but not against any other Debtor or any other member of the Group)); and (ii) in certain circumstances, following the occurrence of an insolvency event in relation to the Issuer (but only to the extent that such insolvency event did not arise as a result of any action taken by, or at the request of, a Subordinated Note Creditor).

Restrictions on Investor Liabilities and Intra-Group Liabilities

Restriction on Payment: Investor Liabilities

The Intercreditor Agreement provides that, prior to the Final Discharge Date, neither the Issuer nor any other Debtors shall, and the Debtors shall procure that no other member of the Group will, make any payment of the Investor Liabilities at any time unless such payment is a permitted payment or the taking or receipt of such payment is a permitted enforcement under the Intercreditor Agreement.

Permitted Payments: Investor Liabilities

The Intercreditor Agreement provides that the Issuer may make payments in respect of the Investor Liabilities then due if:

(a) the payment is not prohibited by the Credit Facility Agreement(s), the Pari Passu Facility Agreement(s), the Pari Passu Note Indenture(s) and the Subordinated Note Indenture(s); or

(b) the Majority Credit Facility Lenders and the Required Pari Passu Creditors or, after the Senior Discharge Date, the Majority Subordinated Note Creditors, each consent to such payment being made.

Restriction on Payment: Intra-Group Liabilities

The Intercreditor Agreement provides that, prior to the Final Discharge Date, the Debtors shall not, and shall procure that no other member of the Group will, make any payments of the Intra-Group Liabilities at any time unless such payment is a permitted payment or the taking or receipt of such payment is a permitted enforcement under the Intercreditor Agreement.

Permitted Payments: Intra-Group Liabilities

The Intercreditor Agreement provides that the Debtors and other members of the Group may make payment in respect of Intra-Group Liabilities when due, subject to the circumstances as summarized below.

The Intercreditor Agreement provides that payments in respect of Intra-Group Liabilities may not be made if, at the time of payment, an Acceleration Event has occurred unless:

(a) the Majority Credit Facility Lenders and the Required Pari Passu Creditors, or (after the Senior Secured Discharged Date) the Majority Subordinated Note Creditors, consent to such payment being made; or

(b) the payment is made to facilitate the making of a Permitted Credit Facility Payment, Permitted hedge payment, a Permitted Pari Passu Debt Payment or a Permitted Subordinated Payment.

Enforcement of Transaction Security

The Intercreditor Agreement provides that Security Agent may refrain from enforcing the Transaction Security unless otherwise instructed by the relevant Instructing Group (as defined below).

Enforcement of Transaction Security: Majority Pari Passu Creditors

The Intercreditor Agreement provides that, subject to the certain exceptions including those summarized in the sections below entitled "—*Enforcement of Transaction Security: Majority Super Senior Creditors*" and "—*Enforcement of Transaction Security: Majority Subordinated Note Creditors*," the Security Agent will act in accordance with the enforcement instructions provided by the requisite majority of Pari Passu Creditors (the "**Majority Pari Passu Creditors**").

Enforcement of Transaction Security: Majority Super Senior Creditors

The Intercreditor Agreement provides that the Security Agent will act in accordance with the enforcement instructions received from the requisite majority of Super Senior Creditors (the "**Majority Super Senior Creditors**") until the Super Senior Discharge Date has occurred if:

(a) the Majority Pari Passu Creditors have neither made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue (and notified the Security Agent of that determination in writing) nor appointed a financial adviser to assist them in making such a determination, in each case, within three months of the date of delivery of the initial enforcement notice;

(b) the Super Senior Discharge Date has not occurred within six months of the date of the initial enforcement notice; or

(c) an Insolvency Event is continuing with respect to a member of the Group (to the extent the Majority Super Senior Creditors elect to provide enforcement instructions); or

(d) the Majority Pari Passu Creditors have neither made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue (and notified the Security Agent of that determination in writing) nor appointed a financial adviser to assist them in making such a determination and the Majority Super Senior Creditors: (i) determine in good faith (and notify the other Creditor Representatives, the Hedge Counterparties and the Security Agent) that a delay in issuing enforcement instructions could reasonably be expected to have a material adverse effect on the ability to effect a Distressed Disposal (as defined below) or on the expected realization proceeds of any enforcement; and (ii) deliver enforcement instructions which they reasonably believe to be consistent with the enforcement principles (as to which, see the section below entitled "—*Enforcement Principles*") before the Security Agent has received any enforcement instructions from the Majority Pari Passu Creditors.

Enforcement of Transaction Security: Majority Subordinated Note Creditors

The Intercreditor Agreement provides that, prior to the Senior Secured Discharge Date, the Security Agent shall give effect to any instructions to enforce the Transaction Security (but only to the extent such security is expressed to secure the Subordinated Note Liabilities) which the requisite majority of Subordinated Note Creditors (the "**Majority Subordinated Note Creditors**") are then entitled to give in accordance with the section above entitled "—*Permitted Enforcement: Subordinated Note Creditors*" if:

(a) (i) the Majority Super Senior Creditors or the Majority Pari Passu Creditors (as the case may be) have instructed the Security Agent to cease or not to proceed with enforcement; or (ii) in the absence of such instructions; and

(b) in each case, the Majority Super Senior Creditors and the Majority Pari Passu Creditors have not required any Debtor to make a Distressed Disposal (as defined below).

The Intercreditor Agreement also provides that, notwithstanding the above paragraph, if at any time the Majority Subordinated Note Creditors are entitled to give the Security Agent instructions as to enforcement of the Transaction Security pursuant to the above paragraph and give such instructions, the Majority Super Senior Creditors or the Majority Pari Passu Creditors (as the case may be) shall remain entitled to give instructions to the Security Agent as to enforcement in lieu of any instructions given by the Majority Subordinated Note Creditors and the Security Agent shall act on the first instructions received from the Majority Super Senior Creditors or the Majority Pari Passu Creditors (as the case may be).

Exercise of Voting Rights and Power of Attorney

Each creditor in respect of the Intra-Group Liabilities and the Investor Liabilities and each Subordinated Note Creditor is required to cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency, rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent (acting in accordance with the terms of the Intercreditor Agreement), and each such creditor, together with the Debtors, irrevocably appoints the Security Agent to be its attorney to (with respect to any Investor, following the occurrence of any Event of Default) do anything which that creditor, or Debtor (as the case may be), has authorized the Security Agent to do under the Intercreditor Agreement or is itself required to do under the Intercreditor Agreement but has failed to do (including casting any vote as described above) (but not to waive or amend Debt Documents in relation to the Investor Liabilities to reduce the amount of or discharge or extend the date for payment of, or reschedule Investor Liabilities).

Payment of the "soulte"

(a) If, following an Appropriation (as defined below), a "*soulte*" is owed by the Secured Parties to any Debtor or Investor, as the case may be, such "*soulte*" shall not be immediately payable but shall be payable only on the earlier of (i) the date following twelve months after the date of the enforcement of the Transaction Security pursuant to which such obligation arose and (ii) the Final Discharge Date.

(b) The payment of any "*soulte*" payable by the Secured Parties to any Debtor or Investor, as the case may be, is a several obligation (*conjointe et non solidaire*) of each Secured Party. The amount payable in this respect by each Secured Party shall be equal to a percentage of the appropriate amount of "*soulte*" to be paid equal to the percentage reported by (i) the amount of Secured Obligations owed to that Secured Party extinguished through the enforcement of the Transaction Security pursuant to which such "*soulte*" obligation arose to (ii) the total amount of Secured Obligations extinguished through such enforcement.

(c) Each Secured Party shall pay to the Security Agent the amount it owes pursuant to the previous paragraphs promptly upon first demand of the Security Agent.

(d) Any payment of the "*soulte*" to any Debtor or Investor, as the case may be, which shall occur prior to the Final Discharge Date shall be made by the Security Agent to a bank account of such Debtor or Investor, as the case may be, held with the Security Agent and pledged pursuant to a pledge agreement (a "**Pledge Agreement**") in a manner satisfactory to the Security Agent (acting reasonably) acting on behalf of the Secured Parties, in favor of the Secured Parties, as security for any obligation of the Debtors or Investors under any of the Debt Documents to which they are party including any obligation under this Agreement to pay back any Recoveries by each Debtor or Investor prior to the Final Discharge Date. The Pledge Agreement shall include an irrevocable instruction from each of the relevant Debtors and Investors to make from such pledged bank accounts any payment required to be fulfilled under this Agreement or any other Debt Document.

Enforcement Principles

The Intercreditor Agreement provides that the Security Agent shall enforce the Transaction Security or take other action as to enforcement in such manner as the relevant group of Primary Creditors entitled to give instructions as summarized in the section above entitled "*Enforcement of Transaction Security*" (the "**Instructing Group**") shall instruct (provided that such instructions are consistent with the enforcement principles) or, in the absence of any such instructions, as the Security Agent considers in its discretion to be appropriate and consistent with the enforcement principles.

The enforcement principles are set out in a schedule to the Intercreditor Agreement and provide, among other things, that:

(a) it shall be the primary and over-riding aim of any enforcement to maximize, to the extent consistent with a prompt and expeditious realization of value, the value realized from enforcement, provided that the Security Agent shall have no obligation to postpone (or request the postponement of) any Distressed Disposal (as defined below) or liabilities sale in order to achieve a higher price;

(b) to the extent the Instructing Group is the Majority Super Senior Creditors, all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the section below entitled "—*Application of Proceeds*";

(c) to the extent the Instructing Group is the Majority Pari Passu Creditors: (i) all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the section below entitled "—*Application of Proceeds*"; or (ii) sufficient proceeds from enforcement will be received by the Security Agent to ensure that, when the proceeds are applied in accordance with the section below entitled "—*Application of Proceeds*," the Super Senior Discharge Date would occur; and

(d) on: (i) a proposed enforcement in relation to assets other than shares in a member of the Group over which Transaction Security exists, where the book value of the assets exceeds €5,000,000.00; or (ii) a proposed enforcement in relation to the shares in a member of the Group over which Transaction Security exists, which, in each case, is not being effected through a public auction, the Security Agent shall, if requested by the Majority Super Senior Creditors or the Majority Pari Passu Creditors (and subject to certain exceptions), appoint a financial adviser to provide a fairness opinion in relation that enforcement.

Release of the Guarantees and Transaction Security

Non-distressed Disposal

The Intercreditor Agreement provides that, in circumstances in which a disposal to a person outside the Group is permitted under the relevant financing documents and is not being effected: (i) at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable; (ii) by enforcement of the Transaction Security; or (iii) after a Senior Secured Acceleration Event or an Acceleration Event in respect of the Subordinated Note Liabilities has occurred ((ii) and (iii), a "**Distress Event**" and a disposal in the circumstances of (i), (ii) or (iii), a "**Distressed Disposal**"), the Intercreditor Agreement provides that the Security Agent is irrevocably authorized to, among other things, release the Transaction Security or any other claim (relating to a Debt Document (as defined in the Intercreditor Agreement)) over that asset and, where the relevant asset consists of shares in the capital of a member of the Group, to release the Transaction Security or any other claim (relating to a Debt Document (as defined in the Intercreditor Agreement)) over that member of the Group's property, provided that, in each case, the release of Transaction Security or such claims will only be effective upon the making of the disposal.

The Intercreditor Agreement provides that the Security Agent is also authorized to release Transaction Security or any other claim (relating to a Debt Document) where such release is necessary to implement a merger or a reorganization permitted under the Credit Facility Documents, the Pari Passu Documents, the Subordinated Note Documents and the Hedging Agreements or where a member of the Group is designated as Unrestricted Subsidiary in accordance with the terms of each of the Credit Facility Documents, the Pari Passu Debt Documents and the Subordinated Note Documents, in each case, subject to the conditions mentioned therein.

Distressed Disposal

The Intercreditor Agreement provides that where a Distressed Disposal is being effected, the Intercreditor Agreement provides that the Security Agent is irrevocably authorized, among other things: (i) to release the Transaction Security or any other claim over the asset subject to the Distressed Disposal; (ii) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or a holding company of a Debtor, to release that Debtor or holding company and any subsidiary of that Debtor or holding company from all or any part of its liabilities under the Debt Documents (as defined in the Intercreditor Agreement) and Transaction Security granted by that Debtor or holding company or any subsidiary of that Debtor or holding company or any claims in respect of Intra-Group Liabilities or Investor Liabilities; (iii) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or a holding company of a Debtor, the disposal of all, or any part, of certain liabilities under the Debt Documents (as defined in the Intercreditor Agreement) and certain other liabilities, provided that, if it is intended that the transferee will not be treated as a Primary Creditor or secured party, the transferee will not be treated as a Primary Creditor or secured party, and, if it is intended that the transferee should be a Primary Creditor or secured party, then all, and not party only, of the liabilities owed to the Primary Creditors (other than to any Creditor Representative or arranger) and certain other liabilities shall be disposed of; and (iv) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or holding company of a Debtor, the transfer to another Debtor of all or any part of the disposed entity's obligations under Intra-Group Liabilities or other liabilities owed to a Debtor.

The Intercreditor Agreement provides that the net proceeds from each Distressed Disposal and each debt disposal shall be paid to the Security Agent for application in accordance with the section below entitled "—*Application of Proceeds*" below.

Certain Limitations

The Intercreditor Agreement also includes limitations on the ability to release the Subordinated Note Liabilities and Transaction Security pledged in favor of the Subordinated Note Creditors as part of a Distressed Disposal, including: (i) that the proceeds of such sale or disposal must be in cash (or substantially in cash) and applied in accordance with the section below entitled "—*Application of Proceeds*"; and (ii) the sale or disposal must be made pursuant to a competitive sales process or where a financial adviser has delivered an independent opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement and the circumstances giving rise to such sale.

The Intercreditor Agreement provides that, if a Distressed Disposal is being effected at a time when the Majority Subordinated Note Creditors are entitled to give, and have given, enforcement instructions in accordance with the section above entitled "—*Enforcement of Transaction Security: Majority Subordinated Note Creditors*," the Security Agent is not authorized to release any Debtor or any subsidiary or holding company of a Debtor from certain liabilities under the Debt Documents (as defined in the Intercreditor Agreement) owed to any Senior Secured Creditor unless those liabilities (together with any other amounts owing to the Senior Secured Creditors) will be paid (or repaid) in full in cash, upon that release.

Effect of Insolvency Event

The Intercreditor Agreement provides that, after the occurrence of an Insolvency Event in relation to any member of the Group, any party entitled to receive a payment or distribution out of the assets of that member of the Group (in the case of the Senior Secured Creditors, only to the extent that such amount constitutes enforcement proceeds) in respect of liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to make that distribution to the Security Agent until the liabilities owing to the secured parties have been paid in full and the Security Agent shall apply such distributions in accordance with the section below entitled "—*Application of Proceeds*".

Turnover

Turnover by the Senior Secured Creditors

The Intercreditor Agreement provides that if any of the Senior Secured Creditors receives or recovers any enforcement proceeds except in accordance with the section below entitled "—*Application of Proceeds*" that Senior Secured Creditor shall, subject to certain exceptions:

(a) in relation to receipts or recoveries not received or recovered by way of set-off: (i) hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

(b) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Turnover by creditors (other than the Senior Secured Creditors)

The Intercreditor Agreement provides that if any of the creditors (other than a Senior Secured Creditor) receives or recovers:

(a) any payment or distribution in relation to any liability which is neither a permitted payment under the Intercreditor Agreement nor made in accordance with the order of application summarized under the section below entitled "—*Application of Proceeds*;"

(b) except with respect to certain set-off rights, any amount by way of set-off in respect of any liability owed to it which does not give effect to a permitted payment under the Intercreditor Agreement;

(c) except with respect to certain set-off rights, (i) any amount in relation to any liabilities after the occurrence of a Distress Event or as a result of litigation or proceedings against a member of the Group (other than after the occurrence of an insolvency event in respect of that member of the Group); or (ii) any amount by way of set-off in respect of any liabilities owed to it after the occurrence of a Distress Event, other than, in each case, except in accordance with the order of application summarized under "—*Application of Proceeds*" below;

(d) the proceeds of any enforcement of any Transaction Security, except in accordance with the order of application summarized under "—*Application of Proceeds*" below; or

(e) except with respect to certain set-off rights, any distribution in relation to any liability owed by any member of the Group which is not in accordance with the order of application summarized in "—*Application of Proceeds*" below and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of the Group.

then that creditor will, subject to certain exceptions:

(a) in relation to receipts or recoveries not received or recovered by way of set-off: (i) hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

(b) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Application of Proceeds

The Intercreditor Agreement provides that all amounts received or recovered by the Security Agent pursuant to the sections above entitled "—*Effect of Insolvency Event*" and "—*Turnover*" or in connection with the realization or enforcement of all or any part of the Transaction Security or any other Distressed Disposal or otherwise paid to the Security Agent for application as summarized in this section shall be held by the Security Agent on trust and applied in the following order of priority:

(a) in discharging any sums owing to the Security Agent (other than pursuant to the parallel debt provisions), any receiver or any delegate and in payment to the Creditor Representatives of certain fees, costs and expenses payable to the Creditor Representatives for their own account pursuant to terms of the Intercreditor Agreement;

(b) in discharging all costs and expenses incurred by any Primary Creditor in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or certain action taken at the request of the Security Agent (including any "*soulte*" effectively paid in cash pursuant to the terms of the Intercreditor Agreement to the relevant Debtors and Investors in connection with the enforcement of any Transaction Security;

(c) in payment to the Secured Parties of any "*soulte*" owed but not yet paid by the Secured Parties pursuant to the terms of the Intercreditor Agreement (for the avoidance of doubt without double-counting for any payment made (if any) pursuant to paragraph (b) above with respect to any "*soulte*" effectively paid in cash pursuant to the terms of the Intercreditor Agreement to the relevant Debtors and Investors in connection with the enforcement of any Transaction Security;

(d) in payment or distribution to: (i) each Creditor Representative in respect of a Credit Facility on its own behalf and on behalf of the Credit Facility Creditors for which it is the Creditor Representative; and (ii) the "**Super Senior Hedge Counterparties**" (being each Hedge Counterparty to the extent it is owed Super Senior Hedging Liabilities), for application towards the discharge of: (A) the Credit Facility Liabilities (in accordance with the terms of the Credit Facility Documents) on a *pro rata* basis between Credit Facility Liabilities incurred under separate Credit Facility Agreements (as defined in the Intercreditor Agreement); and (B) the Super Senior Hedging Liabilities (on a *pro rata* basis between the Super Senior Hedging Liabilities of each Super Senior Hedge Counterparty), on a *pro rata* basis between sub-paragraph (A) and sub-paragraph (B);

(e) in payment or distribution to: (i) the Creditor Representatives in respect of any Pari Passu Debt Liabilities on its own behalf and on behalf of the Pari Passu Debt Creditors for which it is the Creditor Representative; and (ii) the "**Pari Passu Hedge Counterparties**" (being each Hedge Counterparty to the extent it is owed Pari Passu Hedging Liabilities), for application towards the discharge of: (A) the Pari Passu Debt Liabilities (in accordance with the terms of the relevant Pari Passu Debt Documents) on a *pro rata* basis between Pari Passu Debt Liabilities under separate Pari Passu Facility Agreements (as defined in the Intercreditor Agreement); and (B) the Pari Passu Debt Liabilities (in accordance with the terms of the relevant Pari Passu Debt Documents) on a *pro rata* basis between Pari Passu Debt Liabilities under separate Pari Passu Note Indentures (as defined in the Intercreditor Agreement); and (C) the Pari Passu Hedging Liabilities on a *pro rata* basis between the Pari Passu Hedging Liabilities of each Pari Passu Hedge Counterparty, on a *pro rata* basis between sub-paragraph (A), sub-paragraph (B) and sub-paragraph (C);

(f) in payment or distribution to the Subordinated Note Trustee in respect of any Subordinated Note Liabilities on its own behalf and on behalf of the Subordinated Noteholders for which it is the Creditor Representative for application towards the discharge of the Subordinated Note Liabilities (in accordance with the terms of the relevant Subordinated Note Documents) on a *pro rata* basis;

(g) once the Final Discharge Date has occurred, in payment to the relevant Debtors or Investor to which a "*soulte*", if any, is payable or has been paid and returned to the Security Agent by the relevant Debtors and/or Investors pursuant to the terms of the Intercreditor Agreement;

(h) if none of the Debtors is under any further actual or contingent liability under any Credit Facility Document, Hedging Agreement, Pari Passu Debt Document or Subordinated Note Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Debtor; and

(i) the balance, if any, in payment or distribution to the relevant Debtor.

Equalization

The Intercreditor Agreement provides that if, for any reason, any Super Senior Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Credit Facility Lenders and Hedge Counterparties in the proportions their respective exposures at the enforcement date bore to the aggregate exposures of all the Credit Facility Lenders and Hedge Counterparties at the exposure date, the Credit Facility Lenders and Hedge Counterparties will make such payments from such payments among themselves as the Security Agent shall require to put the Credit Facility Lenders and Hedge Counterparties in such a position that (after taking into account such payments) their losses are borne in those proportions.

The Intercreditor Agreement provides that if, for any reason, following an appropriation (or similar process) of the shares in the capital of a member of the Group by the Security Agent (or any Receiver or Delegate) which is effected (to the extent permitted under the relevant Security Document and applicable law) by enforcement of the Transaction Security (the "**Appropriation**") of Transaction Security over shares, certain Secured Parties have not paid their share of the corresponding resulting "*soulte*" (if any), such Secured Parties will make such payments among themselves as the Security Agent shall require to put the Secured Parties in such a position that (after taking into account such payments) the amount paid or payable in respect of such corresponding "*soulte*" is borne by all the Secured Parties having participated in such Appropriation in the proportions which their respective Exposures at the date of the Appropriation bore to the aggregate Exposures of all such Secured Parties at the date of the Appropriation.

Option to Purchase

The Intercreditor provides that, following a Distress Event, some or all of the Pari Passu Noteholders and Pari Passu Lenders (as each term is defined in the Intercreditor Agreement) shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of the Credit Facility Liabilities.

The Intercreditor provides also that, following a Distress Event, some or all of the Subordinated Noteholders shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of the Credit Facility Liabilities and the Pari Passu Debt Liabilities.

Consents, Amendments and Override

The Intercreditor Agreement provides that, subject to certain exceptions, the Intercreditor Agreement may be amended only with the consent of each Creditor Representative, the Majority Credit Facility Lenders, the Required Pari Passu Creditors, the Majority Subordinated Note Creditors and the Security Agent unless it is an amendment or waiver that has the effect of changing or that relates to, among other things: (i) the order of application or subordination under the Intercreditor Agreement; or (ii) the provisions in respect of redistribution, the enforcement of Transaction Security, the application of proceeds, amendments and waivers, the effect of an insolvency event and turnover, which shall not be made without the consent of:

- the Creditor Representatives (save that the consent of any Creditor shall not be required for any amendment or waiver in relation to the enforcement provisions, except for an amendment or waiver to the rights of the Subordinated Note Creditors to take enforcement action as summarized in the section above entitled "*—Enforcement of Transaction Security: Majority Subordinated Note Creditors*");
- the Credit Facility Lenders;
- each Pari Passu Note Trustee on behalf of the Pari Passu Noteholders (as each term is defined in the Intercreditor Agreement) in respect of which it is the Creditor Representative;
- the Pari Passu Lenders (as defined in the Intercreditor Agreement);
- the Subordinated Note Creditors (save that the consent of the Subordinated Note Trustee shall not be required for any amendment or waiver in relation to the enforcement provisions, except for an amendment or waiver to the rights of the Subordinated Note Creditors to take

enforcement action as summarized in the section above entitled "—*Enforcement of Transaction Security: Majority Subordinated Note Creditors*");

- each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty); and

- the Security Agent.

The Intercreditor Agreement provides that, subject to the above and certain other exceptions, no amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on or withdraw or reduce the rights of any party to the Intercreditor Agreement without the prior written consent of that party.

The Intercreditor Agreement also provides that, unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the Debt Documents (as defined in the Intercreditor Agreement) to the contrary.

Governing Law

The Intercreditor Agreement is governed by English law.

Bilateral indebtedness and finance leases

The Group and its subsidiaries and joint ventures and the Targets are also party to a number of bilateral lines and other financial indebtedness. These lines include the following (with principal amounts indicated as of September 30, 2017): (i) a €4.8 million bilateral loan granted by Bpifrance to France Quick maturing in April 2022; (ii) a €5.0 million loan for financing capital expenditures granted by BNP Paribas to France Quick maturing in October 2020; (iii) €1.1 million CICE financing line granted by Bpifrance to Agaquick (our joint venture with Auchan Group); (iv) a €3.4 million CICE financing line granted by Bpifrance to the Issuer; and (v) €5.9 million in financial leases related to equipment and fixtures held by the Group. See note 24 to the BKF Interim Financial Statements included elsewhere in this Listing Memorandum. In addition, as of September 30, 2017, BDBK had an estimated €0.2 million in financial leases related to equipment and fixtures outstanding and the Investment Vehicles had an estimated €10.8 million in bilateral bank loans outstanding, comprising:

- approximately €1.2 million outstanding under a bilateral loan granted by BNP Paribas to BK Croissance maturing in February 2024;

- approximately €2.2 million outstanding under bilateral loans granted by BNP Paribas to BK Développement maturing between August 2024 and August 2026;

- approximately €1.2 million outstanding under a bilateral loan granted by Crédit Agricole to BK Expansion maturing in December 2023;

- approximately €1.0 million outstanding under a bilateral loan granted by Crédit Agricole to BK Expansion maturing in December 2024;

- approximately €2.4 million outstanding under a bilateral loan granted by BNP Paribas to BK Exploitation maturing in March 2026; and

- approximately €2.8 million outstanding under bilateral loans granted by BNP Paribas to Flagship Restauration maturing between August 2024 and September 2026.

The Proceeds Loans

The Issuer, as lender, and each of the following subsidiaries of the Issuer, as borrower (each, a "**Proceeds Loan Borrower**"), entered into proceeds loan agreements pursuant to which the Issuer loaned to each such Proceeds Loan Borrower the following respective amounts from the gross proceeds from the issuance of each of the Existing Fixed Rate Notes and the Existing Floating Rate Notes (each a "**Proceeds Loan**" and collectively the "**Proceeds Loans**"):

Proceeds Loan Borrower	Amount of Proceeds Loan from Fixed Rate Notes Proceeds (€ in millions)	Amount of Proceeds Loan from Floating Rate Notes Proceeds (€ in millions)
Financière Quick SAS	€255.2	€202.5
Quick Restaurants SA	€29.5	€23.4
Burger King Restauration	€13.9	€11.0
BK N SAS	€1.0	€0.8
BK SE SAS	€1.0	€0.8
BK E SAS	€0.8	€0.7
BK OU SAS	€1.5	€1.2
BK IDF SAS	€3.2	€2.5

Each Proceeds Loan is denominated in euro. Each Proceeds Loan bears interest at a rate at least equal to the interest rate of the relevant series of Notes. Interest on each Proceeds Loan is payable semi-annually in arrears (in the case of a Proceeds Loan relating to the Existing Fixed Rate Notes) and quarterly in arrears (in the case of a Proceeds Loan relating to the Existing Floating Rate Notes), in each case, with sufficient time in advance to permit the Issuer to make payments of interest on the relevant series of Existing Notes. The maturity date of each Proceeds Loan is the same maturity date as the maturity date of the Existing Notes. Each Proceeds Loan is an unsecured obligation of the relevant Proceeds Loan Borrower.

Except as otherwise required by law, all payments under each Proceeds Loan will be made without deductions or withholding for, or on account of, any applicable tax. In the event that the relevant Proceeds Loan Borrower is required to make any such deduction or withholding, it shall gross-up each payment to the Issuer to ensure that the Issuer receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

The Issuer's rights under the Proceeds Loans are pledged to the Security Agent for the benefit of the Trustee and the holders of the Existing Notes, as described under the caption "*Description of the Notes—Security*", and such pledge will similarly secure the Additional Notes.

Existing Notes

On April 21, 2017, the Issuer issued €250.0 million in aggregate principal amount of Existing Floating Rate Notes and €315.0 million in aggregate principal amount of Existing Fixed Rate Notes. The Additional Notes have the same terms as the Existing Floating Rate Notes, which are described in "*Description of the Notes*".

DESCRIPTION OF THE NOTES

Burger King France, a *société par actions simplifiée* organized under the laws of France (the "**Issuer**"), has issued in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") €60.0 million in aggregate principal amount of additional floating rate senior secured notes due 2023 (the "**Additional Notes**"), under an indenture dated April 21, 2017 (as amended and supplemented, the "**Indenture**"), among, among others, the Issuer, certain subsidiaries of the Issuer that guarantee the Notes (the "**Guarantors**"), Citibank, N.A. London Branch, as trustee (the "**Trustee**"), and BNP Paribas, as security agent (the "**Security Agent**"), pursuant to which the Issuer issued €315.0 million aggregate principal amount of 6.00% senior secured notes due 2024 (the "**Existing Fixed Rate Notes**") and €250.0 million floating rate notes due 2023 (the "**Existing Floating Rate Notes**" and, together with the Existing Fixed Rate Notes, the "**Existing Notes**"). The term "**Floating Rate Notes**" refers, collectively, to the Additional Notes and the Existing Floating Rate Notes. The term "**Notes**" refers, collectively, to the Additional Notes and the Existing Notes and refers also to Book-Entry Interests (as defined below) in the Notes. Except as set forth herein, the terms of the Notes include those set forth in the Indenture.

The definitions of certain terms used in this description are set forth under the subheading "—*Certain Definitions*". Certain defined terms used in this description but not defined below under "—*Certain Definitions*" have the meanings assigned to them in the Indenture. In this "*Description of the Notes*," references to (i) the "Issuer" refer only to Burger King France and not to any of its Subsidiaries; and (ii) "we," "our," "us" refer to the Issuer and its Restricted Subsidiaries.

The terms of the Notes include those set forth in the Indenture. The Indenture is not qualified under, and is not subject to, the U.S. Trust Indenture Act of 1939, as amended (the "**TIA**"). Consequently, the holders of the Notes generally will not be entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including those requiring the Trustee to resign in the event of certain conflicts of interest and to inform the holders of the Notes of certain relationships between it and the Issuer or the Guarantors. The Security Documents referred to below under the caption "—*Security*" define the terms of the security that secures the Existing Notes and the Additional Notes.

The following description is a summary of the material terms of the Indenture and the Notes and refers to the Intercreditor Agreement, the Security Documents and certain other agreements relating to the Notes. It does not, however, restate any of those agreements in their entirety. You should read the Indenture, the Notes, the Intercreditor Agreement and the Security Documents because they, and not this description, define your rights as a holder of the Notes. Copies of the Indenture, the form of the Global Notes (as defined below), the Intercreditor Agreement and the Security Documents may be obtained upon request from the Issuer as set forth below under "*Listing and General Information*".

The registered holder of a Note is treated as the owner of it for all purposes. Only registered holders have rights under the Indenture.

Principal, Maturity and Interest

The Issuer issued €60.0 million in an aggregate principal amount of Temporary Notes on December 19, 2017, which were subsequently exchanged for Additional Notes on the BDBK Acquisition Completion Date (the "**Notes Exchange**").

The Fixed Rate Notes will mature on May 1, 2024, and the Floating Rate Notes will mature on May 1, 2023, at which respective time 100.0% of the principal amount of Notes of the applicable series shall be payable, unless redeemed prior thereto as described herein. The Indenture is unlimited in aggregate principal amount, of which €60.0 million aggregate principal amount of Additional Notes were issued on the BDBK Acquisition Completion Date. The Issuer may, subject to applicable law and the Indenture, issue an unlimited principal amount of additional Fixed Rate Notes (the "**Subsequent Additional Fixed Rate Notes**") and an unlimited principal amount of additional Floating Rate Notes (the "**Additional Floating Rate Notes**" and, together with the Subsequent Additional Fixed Rate Notes, the "**Subsequent Additional Notes**". The Issuer will only be permitted to issue Subsequent Additional Notes in compliance with the covenants contained in the Indenture, including the covenants restricting the incurrence of Debt and the incurrence of Liens (as described below under "—*Certain Covenants—Limitation on Debt*" and "—*Certain Covenants—Limitation on Liens*"). Except as otherwise provided for in the Indenture, the Existing Fixed Rate Notes, the Existing Floating Rate Notes, the Additional Notes and any Subsequent Additional Notes will be treated as a single class for all purposes under the Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase; *provided, however*, that Subsequent Additional Notes that are not fungible with the Notes for U.S. federal income tax purposes shall have a separate common code, ISIN or other identifying number from the Notes.

Interest on the Fixed Rate Notes

Interest on the Fixed Rate Notes will accrue at the rate of 6.00% per annum computed against the principal amount outstanding on the Fixed Rate Notes. Interest on the Fixed Rate Notes is payable, in cash, semi-annually in arrears on May 1 and November 1 of each year, to holders of record on the immediately preceding April 30 and October 31, respectively. Interest on the Fixed Rate Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

Interest on the Floating Rate Notes

Interest on the Floating Rate Notes accrues at a rate per annum (the "**Applicable Rate**"), reset quarterly, equal to three-month EURIBOR (subject to a 0% floor) plus 525 basis points, as determined by the calculation agent (the "**Calculation Agent**"), which is Citibank, N.A. London Branch. Interest on the Floating Rate Notes will:

- accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid;
- be payable in cash quarterly in arrears on each February 1, May 1, August 1 and November 1, commencing on August 1, 2017; and
- be payable to the holder of record of such Note on January 31, April 30, July 31 and October 31 immediately preceding the related interest payment date.

Interest on the Additional Notes is deemed to have accrued from the most recent interest payment date for the Existing Floating Rate Notes prior to the Temporary Notes Issue Date.

Set forth below is a summary of certain of the provisions from the Indenture relating to the calculation of interest on the Notes.

"**Determination Date**," with respect to an Interest Period means the day that is two TARGET Settlement Days preceding the first day of such Interest Period.

"**EURIBOR**," with respect to an Interest Period, means the rate (expressed as a percentage per annum) for deposits in euros for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date that appears on Reuters Page 248 as of 11:00 a.m. Brussels time, on the Determination Date. If Reuters Page 248 does not include such a rate or is unavailable on a Determination Date, the Calculation Agent will request the principal London office of each of four major banks in the Euro-zone inter-bank market, as selected by the Calculation Agent (in consultation with the Issuer), to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such Determination Date, to prime banks in the Euro-zone inter-bank market for deposits in a Representative Amount in euros for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Calculation Agent (in consultation with the Issuer) will request each of three major banks in London, as selected by the Issuer, to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m., London time, on such Determination Date, for loans in a Representative Amount in euros to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period. Notwithstanding the foregoing, if for any Interest Period the rate determined based on the procedure specified in this paragraph is less than 0.0%, EURIBOR shall mean 0.0% for purposes of determining the Applicable Rate for such Interest Period.

"**Euro-zone**" means the region comprised of member states of the European Union that have adopted the euro.

"**Interest Period**" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date.

"**Representative Amount**" means the greater of (i) €1,000,000 and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Reuters Page 248**" means the display page so designated by Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor).

"**TARGET Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. Brussels time on each Determination Date, determine the Applicable Rate and calculate the aggregate amount of interest payable in respect of the following Interest Period (the "**Interest Amount**"). The Interest Amount shall be calculated by applying the Applicable Rate to the principal amount of each outstanding Floating Rate Note, multiplying each such amount by the actual amounts of days in the Interest Period concerned divided by 360. All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (*e.g.*, 4.876545% (or 0.04876545) being rounded to 4.87655% (or 0.0487655)). All euro amounts used in or resulting from such calculations will be rounded to the nearest euro cent (with one-half euro cent being rounded upwards). The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, bad faith or manifest error, be final and binding on all parties. In no event will the rate of interest on the Notes be higher than the maximum rate permitted by applicable law; provided, however, that the Calculation Agent shall not be responsible for verifying the rate of interest on the Notes is permitted by any applicable law.

Brief Description of the Notes and the Note Guarantees

The Notes

The Notes are:

- general obligations of the Issuer;
- *pari passu* in right of payment with all existing and future Debt of the Issuer that is not subordinated in right of payment to the Notes;
- senior in right of payment to all existing and future Debt of the Issuer that is subordinated in right of payment to the Notes;
- guaranteed by the Guarantors;
- secured by senior Liens over the Collateral as described below under "*—Security*"; provided that the Revolving Credit Facility and certain priority Hedging Obligations will be repaid with the proceeds from any enforcement of the Collateral in priority to the Notes;
- effectively subordinated to any existing and future Debt of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such Debt; and
- structurally subordinated to all obligations of the Issuer's Subsidiaries that are not Guarantors.

The Note Guarantees

The Note Guarantee of each Guarantor is:

- a general obligation of that Guarantor;
- *pari passu* in right of payment with all existing and future Debt of that Guarantor that is not subordinated in right of payment to such Note Guarantee;
- senior in right of payment to all existing and future Debt of that Guarantor that is subordinated in right of payment to such Note Guarantee;
- secured by senior Liens over the Collateral, as described below under "—*Security*;" provided that the Revolving Credit Facility and certain priority Hedging Obligations will be repaid with the proceeds from any enforcement of the Collateral in priority to the Note Guarantee of that Guarantor;
- effectively subordinated to any existing and future Debt of that Guarantor that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such Debt;
- structurally subordinated to all obligations of that Guarantor's Subsidiaries that are not Guarantors; and
- contractually limited to reflect limitations under applicable law.

Assuming we had completed the BDBK and Investment Vehicle Transactions and applied the proceeds therefrom as described under "*Use of Proceeds*," as of September 30, 2017, the Issuer and its Restricted Subsidiaries would have had total financial indebtedness of €638.5 million. In addition, we would have had €60 million available for drawing under the Revolving Credit Facility. The Indenture permits the Issuer and its Restricted Subsidiaries to Incur additional Debt in the future.

For the nine months ended September 30, 2017, the Issuer and the Guarantors generated 70.5% of our consolidated EBITDA after the elimination of the effect of subsidiaries generating negative EBITDA and, as at September 30, 2017 the Issuer and the Guarantors held 77.4% of our consolidated total assets including goodwill, and in each case net of intercompany eliminations. For the nine months ended September 30, 2017, the non-Guarantor subsidiaries generated 29.5% of our consolidated EBITDA after the elimination of the effect of subsidiaries generating negative EBITDA, and, as at September 30, 2017, held 22.6% of our consolidated total assets including goodwill, and in each case net of intercompany eliminations.

As of the BDBK Acquisition Completion Date, all of the Issuer's Subsidiaries, including BDBK, are, and as of the Investment Vehicle Acquisition Completion Date, the three Majority-Held Investment Vehicles, will be "Restricted Subsidiaries" for purposes of the Indenture. However, under the circumstances described below under the caption "—*Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*," the Issuer will be permitted to designate certain of its Subsidiaries as "*Unrestricted Subsidiaries*". Unrestricted Subsidiaries of the Issuer will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes.

Payments on the Notes; Paying Agent, Registrar and Transfer Agent for the Notes

The Issuer maintains one or more paying agents (each, a "**Paying Agent**") for the Notes for so long as the Notes are held in registered form. The initial Paying Agent is Citibank, N.A. London Branch.

The Issuer also maintains one or more registrars (each, a "**Registrar**") and one or more transfer agents (each, a "**Transfer Agent**"). The initial Registrar is Citibank, N.A. London Branch. The initial transfer agent is Citibank, N.A. London Branch. The Registrar maintains a register reflecting ownership of Definitive Registered Notes (as defined herein) outstanding from time to time (the "**Register**") and will make payments on and facilitate transfer of Definitive Registered Notes on the behalf of the Issuer.

The Issuer may change the Paying Agent, the Registrar or the Transfer Agent without prior notice to the holders of Notes. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules and regulations, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

No service charge will be made for any registration of a transfer, exchange or redemption of the Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange (but not for a redemption).

Form of Notes

The Additional Notes were issued only in fully registered form without coupons and only in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Temporary Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act ("**Rule 144A**") and the Additional Notes issued in exchange therefore on the BDBK Acquisition Completion Date are initially represented by Global Temporary Notes or Global Notes (in each case, as defined below), as applicable, in registered form without interest coupons attached (the "**Rule 144A Global Temporary Notes**" and the "**Rule 144A Global Notes**"), respectively. The Rule 144A Global Temporary Notes and Rule 144A Global Notes, as applicable, were deposited with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream. The Temporary Notes sold outside the United States pursuant to Regulation S under the Securities Act and the Additional Notes issued in exchange therefor on the BDBK Acquisition Completion Date are initially represented by Global Temporary Notes or Global Notes, as applicable, in registered form without interest coupons attached (the "**Regulation S Global Temporary Notes**" and the "**Regulation S Global Notes**", respectively, and, together with the Rule 144A Global Temporary Notes and the Rule 144A Global Notes, the "**Global Notes**"). The Regulation S Global Temporary Notes and the Regulation S Global Notes, as applicable, were deposited with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream. Please see "*Book-Entry, Delivery and Form*".

Transfer and Exchange

The Global Notes may be transferred only in accordance with the Indenture. Ownership of interests in the Global Notes (the "**Book-Entry Interests**") limited to persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Notice to Investors*". In addition, transfers of Book-Entry Interests between participants in Euroclear or Clearstream are effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in a Rule 144A Global Note, or the "**Restricted Book-Entry Interest**," may be transferred to a person who takes delivery in the form of Book-Entry Interests in a Regulation S Global Note, or the "**Regulation S Book-Entry Interests**," only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If definitive notes in registered form ("**Definitive Registered Notes**") are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions*".

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof, to persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture requires the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions, and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer or exchange.

Notwithstanding the foregoing, the Issuer is not required to register the transfer of any Definitive Registered Notes:

(a) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(b) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(c) for a period of 15 days prior to the record date with respect to any interest payment date; or

(d) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, Excess Proceeds Offer or Notes Offer.

The Notes are subject to certain restrictions on transfer and certification requirements, as described under "*Transfer Restrictions*".

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Note Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of

(1) any jurisdiction in which the Issuer or any Guarantor is then incorporated or organized, engaged in business for tax purposes or otherwise resident for tax purposes or any political subdivision or governmental authority thereof or therein or

(2) any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any paying agent for the Notes) or any political subdivision or governmental authority thereof or therein (each, a "**Tax Jurisdiction**")

will at any time be required to be made from any payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Note Guarantee, including, without limitation, payments of principal, redemption price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments by each holder of Notes after such withholding, deduction or imposition (including any such withholding, deduction or imposition from such Additional Amounts) will equal the respective amounts that would have been received by the holder in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable with respect to:

(a) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any actual or deemed present or former connection between the holder or the beneficial owner of the Notes (or between a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant holder, if the relevant holder is an estate, trust, nominee, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction (including, without limitation, being or having been a resident, citizen or national of such jurisdiction or being or having been present or engaged in a trade or business there or having or having had a permanent establishment therein for Tax purposes), but excluding any connection arising solely from the holding of such Note, the enforcement of rights under such Note or under a Note Guarantee or the receipt of any payments in respect of such Note or a Note Guarantee;

(b) any Taxes to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period);

(c) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes, or excise taxes imposed on the transfer of Notes;

(d) Taxes imposed on or with respect to a payment made to a holder or beneficial owner of Notes who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent;

(e) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or with respect to any Note Guarantee;

(f) any Taxes to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of Notes, following the Issuer's written request addressed to the holder or beneficial owner (and made at least 30 days before any such withholding or deduction at a time that would enable the holder or beneficial owner acting reasonably to comply with that request), to provide information concerning the nationality, residency or identity of such holder or beneficial owner of the Notes or to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to provide such certification or documentation;

(g) any Taxes imposed on or with respect to any payment by the Issuer or Guarantor to the holder if such holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Note;

(h) any Taxes payable under Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof and any agreements (including any law implementing any such agreement or any intergovernmental agreements) entered into pursuant thereto; or

(i) any combination of items (a) through (i) above.

In addition to the foregoing, the Issuer and the Guarantors will also pay and indemnify the holder for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and any other reasonable expenses related thereto) which are levied by any Tax Jurisdiction on the execution, delivery, issuance, initial resale, enforcement or registration of any of the Notes, the Indenture, any Note Guarantee or any other document referred to therein (other than a transfer of Notes other than the initial resale by the initial purchasers), or the receipt of any payments with respect thereto (limited, solely in the case of Taxes attributable to the receipt of any payments with respect thereto, to any such Taxes imposed in a Tax Jurisdiction that are not excluded under clauses (a) through (d) or (f) through (h) above or any combination thereof), or any such taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of any of the Notes or any Note Guarantee.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Note Guarantee, each of the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee (copied to the Paying Agent) on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificate must also set forth any other information reasonably necessary to enable the paying agents to pay such Additional Amounts to holders on the relevant payment date. The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

The Issuer or the relevant Guarantor will make or cause to be made all withholdings and deductions required by law and will timely remit or cause to be remitted the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity. If reasonably requested by the Trustee or the Paying Agent, the Issuer or the Guarantors will provide to the Trustee such information as may be in the possession of the Issuer or the Guarantors (and not otherwise in the possession of the Trustee) to enable the Trustee to determine the amount of withholding taxes attributable to any particular holder; *provided, however*, that in no event shall the Issuer or the Guarantors be required to disclose any information that it reasonably deems to be confidential. For the avoidance of doubt, in no event shall the Trustee be required to determine the amount of withholding taxes attributable to any particular holder.

Whenever in the Indenture or in this "*Description of the Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes, of principal, redemption or purchase prices in connection with a redemption or purchase of the Notes, of interest or of any other amount payable under, or with respect to, any of the Notes or any Note Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture or any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the Notes (or any Note Guarantee) and any department or political subdivision thereof or therein.

The Note Guarantees

The Notes are guaranteed by each of the following Subsidiaries of the Issuer (the "**Initial Guarantors**"): Financière Quick SAS, Quick Restaurants SA, France Quick, Burger King Restauration, BK N SAS, BK SE SAS, BK E SAS, BK OU SAS and BK IDF SAS. The Note Guarantees are joint and several obligations of the Guarantors.

As described below under "*—Certain Covenants—Additional Guarantees"* and subject to the Intercreditor Agreement, any Additional Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary of the Issuer that guarantees the Revolving Credit Facility or other indebtedness of the Issuer shall also enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement and/or any Additional Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Revolving Credit Facility Agreement and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees or security where, among other things, such grant would be restricted by general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar principles which limit the ability of the Issuer, a Guarantor or any Holdco Security Provider to provide a guarantee or security or may require that the guarantee or security interest granted be limited by an amount or otherwise, as described below under "*—Security—General".*

Each of the Note Guarantees and the amounts recoverable thereunder are contractually limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering its guarantee voidable or otherwise ineffective under applicable law, including laws relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally, or otherwise to reflect applicable laws, including laws relating to capital maintenance, corporate benefit and the liability of directors and officers. By virtue of these limitations, a Guarantor's obligations under its Note Guarantee or any security interest granted by such Guarantor, as applicable, could be significantly less than amounts payable in respect of the Notes. Other debt of such Guarantor may not be similarly limited. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—Applicable laws may limit amounts recoverable under the Guarantees and the security interests in the Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*".

The operations of the Issuer are conducted through its Subsidiaries, and therefore the Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Notes. Not all of the Issuer's Subsidiaries guarantee the Notes. The Notes are effectively subordinated in right of payment to all Debt and other liabilities and commitments (including trade payables and lease obligations) of the Issuer's non-guarantor Subsidiaries. Any right of the Issuer or any Guarantor to receive assets of any of its non-guarantor Subsidiaries upon that non-guarantor Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) are effectively subordinated to the claims of that non-guarantor Subsidiary's creditors, except to the extent that the Issuer or such Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the Issuer or such Guarantor, as the case may be, would still be subordinated in right of payment to any security in the assets of the non-guarantor Subsidiary. See "*Risk Factors—Risks related to the Notes, the Guarantees and the Collateral—The Issuer and certain Guarantors are holding companies dependent upon cash flows from the operating companies of our Group to meet our obligations on the Notes or the Note Guarantees*".

Release of the Note Guarantees

The Note Guarantees will be released:

(a) in connection with any sale, transfer or other disposition of all or substantially all of the assets of that Guarantor, including by way of merger, consolidation, amalgamation or combination, to a Person that is not (either immediately before or immediately after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale, transfer or other disposition does not violate the covenant described under "*—Certain Covenants—Limitation on Sale of Certain Assets*" below;

(b) in connection with any sale, transfer or other disposition of Capital Stock of that Guarantor or any parent of that Guarantor to a Person that is not (either immediately before or immediately after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale, transfer or other disposition does not violate the covenant described under "*—Certain Covenants—Limitation on Sale of Certain Assets*" below and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale, transfer or other disposition;

(c) with respect to the Note Guarantee of any Guarantor that was required to provide such Note Guarantee pursuant to the covenant described under the caption "—*Certain Covenants—Additional Guarantees*," upon such Guarantor being unconditionally released and discharged from its liability with respect to the Debt giving rise to the requirement to provide such Note Guarantee so long as no other Debt guaranteed by the relevant Guarantor would result in the requirement that such Guarantor provide a Note Guarantee pursuant to the covenant described under the caption "—*Certain Covenants—Additional Guarantees*" immediately after the release of such Note Guarantee;

(d) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes;

(e) in accordance with the caption entitled "—*Amendments and Waivers*";

(f) (i) as a result of a transaction permitted by the covenant described under the caption entitled "—*Certain Covenants—Consolidation, Merger and Sale of Assets*", (ii) automatically and without any action by the Trustee, in connection with any consolidation or merger of Quick Restaurants SA with or into Financière Quick SAS or of Financière Quick SAS with or into the Issuer (with the Issuer as the surviving entity) or (iii) in connection with a Permitted Reorganization (other than any transaction described under (ii) above);

(g) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—*Legal Defeasance or Covenant Defeasance of Indenture*" and "—*Satisfaction and Discharge*";

(h) upon the sale of all the Capital Stock of, or all or substantially all of the assets of, that Guarantor or any direct or indirect parent of that Guarantor pursuant to a security enforcement sale in compliance with the Intercreditor Agreement and any Additional Intercreditor Agreement;

(i) if the Issuer designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture; and

(j) as otherwise provided in the Intercreditor Agreement or any Additional Intercreditor Agreement.

Upon any occurrence giving rise to a release as specified above, the Trustee will execute any documents reasonably requested in order to evidence or effect such release, discharge and termination in respect of such guarantee. Neither the Issuer nor any Guarantor will be required to make a notation on the Notes to reflect any such release, termination or discharge.

Security

General

The obligations of the Issuer under the Notes and the obligations of the Guarantors under their respective Note Guarantees and the Additional Notes are secured by the Collateral on a senior basis.

The Collateral (as defined below) includes the following properties and assets of the Issuer, the Guarantors and the Holdco Security Providers:

- the financial securities accounts to which the shares of the Issuer owned by each of the Holdco Security Providers are credited, together constituting all of the outstanding shares of the Issuer;

- the respective financial securities accounts to which the shares owned by the Issuer in each of its direct Subsidiaries are credited, in each case constituting all of the outstanding shares of each such Subsidiary;

- the financial securities account to which the one share owned by the Issuer in France Quick is credited;

- the respective financial securities accounts to which the shares owned by Burger King Restauration, an Initial Guarantor, in each of its direct Subsidiaries are credited, in each case, constituting all of the outstanding shares of each such Subsidiary;

- the shares owned by Financière Quick SAS, an Initial Guarantor, in Quick Restaurants SA, constituting all of the outstanding shares of Quick Restaurants SA, other than the one share owned by France Quick;

- the financial securities account to which the one share in France Quick owned by Financière Quick SAS is credited;

- the financial securities account to which the shares owned by Quick Restaurants SA, an Initial Guarantor, in France Quick are credited, constituting all of the outstanding shares of France Quick, other than the one share owned by Financière Quick SAS and the one share owned by the Issuer;

- the one share in Quick Restaurants SA owned by France Quick;

- the respective financial securities accounts to which the shares owned by France Quick in most of its direct material operating Subsidiaries are credited, in each case, constituting all of the outstanding shares of each such Subsidiary;

- the bank accounts of the Issuer and each Initial Guarantor;

- all intragroup receivables owed to the Issuer and each Initial Guarantor;

- all receivables due to the Issuer by BH pursuant to the BH Cash Management Agreement;

- all material registered trademarks and trademark applications owned by Quick Restaurants SA; and

- all receivables owned by France Quick against franchisees operating under the Quick brand.

In addition, BH has granted for the benefit of the Issuer only a bank account pledge over the dedicated accounts on which all funds advanced to BH by the Issuer pursuant to the BH Cash Management Agreement (and all proceeds thereof) will be credited from time to time.

The assets and property of the Issuer, the Guarantors and the Holdco Security Providers that are from time to time subject to, or required to be subject to, a Lien pursuant to the Security Documents are referred to as the "**Collateral**". The security and other agreements in respect of the Collateral are referred to as the "**Security Documents**".

The Collateral is contractually limited to reflect limitations under applicable law, including laws relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally, or other restrictions applicable to security providers, including laws relating to capital maintenance, corporate benefit and the liability of directors and officers.

The Liens securing the Notes and the Note Guarantees also secure the obligations of the Issuer and the Guarantors under the Revolving Credit Facility Agreement and certain hedging obligations on a *pari passu* basis. Pursuant to the terms of the Intercreditor Agreement, the obligations of the Issuer and the Guarantors under the Revolving Credit Facility Agreement and certain hedging obligations are entitled to receive payment from the proceeds of enforcement of the Security Documents prior to the

Trustee for the benefit of the holders of the Notes. In addition, under the Indenture, the Issuer and its Restricted Subsidiaries are permitted to Incur certain additional Debt in the future that may share in the Collateral, including Debt with priority rights to proceeds from the enforcement of the Collateral. The amount of such additional Debt is limited by the covenants described under the captions "—*Certain Covenants—Limitation on Liens*" and "—*Certain Covenants—Limitation on Debt*". Under certain circumstances, the amount of such additional Debt that may share in the Collateral could be significant.

Notwithstanding the foregoing, certain assets may not be secured or such security perfected in accordance with the Agreed Security Principles, including:

- if the cost of providing security or perfecting the same is not proportionate to the benefit accruing to the holders of Notes and the other secured parties;

- if providing such security requires consent of a third party and, if the asset is material, such consent cannot be obtained after the use of reasonable endeavors;

- if providing such security would be prohibited or to the extent it would be limited by general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar principles or if entering into the Security Documents would conflict with fiduciary duties of directors or officers, contravene any legal prohibition or result in a risk of personal or criminal liability on the part of directors or officers; and

- until an enforcement action is taken, if perfecting such security would have an unreasonable adverse effect on the ability of the Issuer or the relevant Guarantor to conduct its operations and business in the ordinary course as permitted by the Indenture.

Under the Security Documents, the Collateral has been pledged by the Issuer, the Guarantors and the Holdco Security Providers to secure the payment when due of the Issuer's and the Guarantors', as applicable, payment obligations under the Notes, the Note Guarantees and the Indenture. The Security Documents have been entered into by, *inter alios*, the Security Agent or its nominee(s), who act as Security Agent for the lenders under the Revolving Credit Facility Agreement, certain secured hedge counterparties, and for the Trustee and the holders of Notes.

Due to the laws and other jurisprudence governing the creation and perfection of security interests in France and Belgium, the relevant Security Documents provide for the creation of "parallel debt" obligations in favor of the Security Agent, and the security interests in such jurisdictions will secure the parallel debt (and not the Debt under the Notes, the Note Guarantees and the other secured obligations). The parallel debt construct has not been fully tested under law in certain of these jurisdictions. See "*Risk Factors—Risks related to the Notes, the Guarantees and the Collateral*".

Each holder of Notes, by accepting a Note, shall be deemed (i) to have authorized the Trustee to enter into the Intercreditor Agreement and the Security Agent to enter into the Security Documents and the Intercreditor Agreement and (ii) to be bound thereby. Each holder of Notes, by accepting a Note, appoints the Trustee or the Security Agent, as the case may be, as its agent under the Intercreditor Agreement and the Security Documents and authorizes it to act as such.

The holders of the Notes are not a party to the Security Documents, and therefore holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders may only act through the Trustee or the Security Agent (as creditor of the parallel debt, in respect of the Security Documents governed by French law), as applicable. The Security Agent will agree to any release of the security interest created by the Security Documents (the "**Security Interests**") that is in accordance with the Indenture and the Intercreditor Agreement without requiring any consent of the holders. The Trustee has the ability to direct the Security Agent to commence enforcement action under the Security Documents in accordance with the Indenture and the terms of the Intercreditor Agreement. See "*Description of Certain Financing Arrangements—Intercreditor Agreement—Enforcement of Transaction Security*".

Subject to the terms of the Security Documents and prior to enforcement of any such Collateral, the Issuer, the Guarantors and the Holdco Security Providers, as the case may be, have the right to remain in possession and retain exclusive control of the Collateral securing the Notes and the Note Guarantees, to freely operate the Collateral and to collect, invest and dispose of any income therefrom and, in respect of the shares that are part of the Collateral, are entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing).

The value of the Collateral securing the Notes and the Note Guarantees may not be sufficient to satisfy the Issuer's and the Guarantors' obligations under the Notes and the Note Guarantees, respectively, and the Collateral securing the Notes and the Note Guarantees may be reduced or diluted under certain circumstances, including the issuance of Subsequent Additional Notes and the disposition of assets comprising the Collateral, subject to the terms of the Indenture. Please see "*Risk Factors—Risks related to the Notes, the Guarantees and the Collateral—The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations under the Notes*".

No appraisals of the Collateral have been prepared by or on behalf of the Issuer or the Guarantors in connection with this Offering. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the Indenture, the Intercreditor Agreement and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Notes or the Note Guarantees. By its nature, some or all the Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

The Security Documents are governed by the laws of France or Belgium, as applicable, and provide that the rights with respect to the Notes and the Indenture must be exercised by the Security Agent and in respect of the entire outstanding amount of the Notes. The term "**Security Interests**" refers to the Liens on the Collateral.

Each of the Issuer, the Guarantors shall, and shall procure that each of their respective Subsidiaries, if any, and the Holdco Security Providers shall, at their own expense, execute and do all such acts and things and provide such assurances as the Security Agent may require (i) for registering any Security Document relating to the Collateral in any required register and for perfecting or protecting the security intended to be afforded by such Security Document relating to the Collateral; and (ii) if such Security Document is enforced in accordance with the terms of the Indenture, the relevant Security Document and the Intercreditor Agreement, for facilitating the realization of all or any part of the assets which are subject to such Security Document and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of the Collateral. Each of the Issuer, the Guarantors and the Holdco Security Providers shall, and shall procure that each of their respective Subsidiaries, if any, shall, execute such transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give such notices, orders and directions which the Security Agent may request.

Release of the Security

The Collateral will be released from the Liens over the Collateral under any one or more of the following circumstances:

(a) in connection with any sale, assignment, transfer, conveyance or other disposition of such property or assets constituting Collateral to a Person that is not (either immediately before or immediately after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale, transfer or other disposition does not violate the covenant described under "*—Certain Covenants—Limitation on Sale of Certain Assets*" below, *provided that*, in the event of the sale, assignment, transfer, conveyance or other disposition of any Capital Stock of the Issuer (other than any sale, assignment, transfer, conveyance or other disposition of such Capital Stock in connection with a Qualifying IPO), the Issuer will cause the Person to which such Capital Stock is sold, assigned, transferred, conveyed or otherwise disposed to enter, upon the closing of such transaction, into a pledge of such Capital Stock securing the obligations of the Issuer under the Notes (or parallel debt related thereto) to the Security Agent for the benefit of the Trustee and the holders of Notes (which pledge shall be on substantially similar terms as the pledges entered into by the Holdco Security Providers with respect to such Capital Stock on the Issue Date);

(b) in the case of a Guarantor that is released from its Note Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(c) upon a release of the Lien (the "**Initial Lien**") that resulted in the creation of the Lien (the "**Notes Lien**") under the covenant described below under the caption "*—Certain Covenants—Limitation on Liens*" so long as immediately after the release of the Notes Lien there is no other Debt secured by a Lien on the property and assets that were the subject of the Initial Lien and Notes Lien that would result in the requirement for the Notes and the Note Guarantees to be secured equally and ratably with, or prior to, such Lien;

(d) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes;

(e) in accordance with the caption entitled "*—Amendments and Waivers*";

(f) (i) as a result of a transaction permitted by the covenant described under the caption entitled "*—Certain Covenants—Consolidation, Merger and Sale of Assets*"; (ii) automatically and without any action by the Trustee or the Security Agent, in connection with any consolidation or merger of Quick Restaurants SA with or into Financière Quick SAS or of Financière Quick SAS with or into the Issuer (with the Issuer as the surviving entity) or (iii) in connection with a Permitted Reorganization (other than any transaction described in clause (ii));

(g) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance or Covenant Defeasance of Indenture*" and "*—Satisfaction and Discharge*";

(h) in the case of a security enforcement sale in compliance with the Intercreditor Agreement and any Additional Intercreditor Agreement, the release of the property and assets subject to such enforcement sale;

(i) in respect of a release followed by an immediate retaking in accordance with the covenant described under "*—Certain Covenants—Impairment of Security Interest*";

(j) if the Issuer designates any of its Restricted Subsidiaries to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and Capital Stock, of such Restricted Subsidiary;

(k) with respect to all of the shares of Capital Stock of the Issuer (or any financial securities account on which such shares are credited), automatically in connection with a Qualifying IPO, not earlier than the date on which an underwriting, placement or similar agreement is signed by the Issuer with respect to such Qualifying IPO, *provided* that if the Qualifying IPO is not completed as at the initially anticipated date (unless postponed to a subsequent date falling no later than ten (10) Business Days after such initially contemplated completion date), the Issuer will cause the owner of such shares to enter into a pledge of such Capital Stock securing the obligations of the Issuer under the Notes (or parallel debt related thereto) to the Security Agent for the benefit of the Trustee and the holders of Notes (which pledge shall be on substantially similar terms as the pledges entered into by the Holdco Security Providers with respect to such Capital Stock on the Issue Date); and

(l) as otherwise provided in the Intercreditor Agreement or any Additional Intercreditor Agreement.

Following written request by the Issuer, the Security Agent and, if necessary, the Trustee will take all necessary action required to effect any release of Collateral securing the Notes and the Note Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the relevant Security Documents. Each of the releases set forth above shall be effected by the Security Agent without the consent of the holders or any action on the part of the Trustee.

Optional Redemption

Optional Redemption of Fixed Rate Notes

Except as described below and except as described under "—*Tax Redemption*", the Fixed Rate Notes are not redeemable until May 1, 2020. On and after May 1, 2020 the Issuer may redeem all or, from time to time, part of the Fixed Rate Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts (as defined below), if any, to, but not including, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on May 1 of the years indicated below:

Year	Redempti on Price
2020	103.000 %
2021	101.500 %
2022 and thereafter	100.000 %

Prior to May 1, 2020, the Issuer may on any one or more occasions redeem Fixed Rate Notes in a total aggregate principal amount not to exceed 40% of the original aggregate principal amount of the Fixed Rate Notes (including the principal amount of any Additional Fixed Rate Notes), in each case, upon not less than 10 nor more than 60 days' notice, with funds in an aggregate amount (the "**Redemption Amount**") not exceeding the net cash proceeds of one or more Equity Offerings at a redemption price of 106.000% of the principal amount of the Fixed Rate Notes so redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided that:

(1) at least 60% of the original principal amount of the Fixed Rate Notes (including the principal amount of any Additional Fixed Rate Notes) remains outstanding after each such redemption; and

(2) the redemption occurs within 180 days after the closing of such Equity Offering.

At any time and from time to time prior to May 1, 2020, the Issuer may redeem during each twelve-month period commencing with the Issue Date up to 10% of the original aggregate principal amount of the Fixed Rate Notes (including the principal amount of any Additional Fixed Rate Notes), at its option, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to 103% of the principal amount of the Fixed Rate Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

In addition, prior to May 1, 2020, the Issuer may redeem all or, from time to time, a part of the Fixed Rate Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount of the Fixed Rate Notes plus the Fixed Rate Applicable Redemption Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Optional Redemption of Floating Rate Notes

Except as described below and except as described under "*—Tax Redemption"*, the Floating Rate Notes are not redeemable until May 1, 2018. On and after May 1, 2018, the Issuer may redeem all or, from time to time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts (as defined below), if any, to, but not including, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on May 1 of the years indicated below:

Year	Redemption Price
2018	101.000%
2019 and thereafter	100.000%

In addition, prior to May 1, 2018, the Issuer may redeem all or, from time to time, a part of the Floating Rate Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount of the Floating Rate Notes redeemed plus the Floating Rate Applicable Redemption Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Optional Redemption General

Notice of redemption will be provided as set forth under "*—Selection and Notice*" below. If the Issuer effects an optional redemption of Notes of any series, it will, for so long as the Notes of such series are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes of such series that will remain outstanding immediately after such redemption.

Any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to holders whose Notes will be subject to redemption by the Issuer.

Sinking Fund; Offers to Purchase; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes as described under the captions "*—Purchase of Notes upon a Change of Control*" and "*—Certain Covenants—Limitation on Sale of Certain Assets*". The Issuer and any Restricted Subsidiary may at any time and from time to time purchase Notes in the open market or otherwise.

Tax Redemption

The Issuer may redeem the Notes, in whole but not in part, at the Issuer's discretion at any time upon giving not less than 10 nor more than 60 days' prior written notice to the holders of the Notes (which notice will be irrevocable), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a "**Tax Redemption Date**") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes or any Note Guarantee, the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Note Guarantee, as the case may be, is or would be required to pay Additional Amounts (but, in the case of the relevant Guarantor, only if such amount cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and the Issuer or Guarantor, as applicable, cannot avoid any such payment obligation by taking reasonable measures available (including making payment through a paying agent located in another jurisdiction), and the requirement arises as a result of:

(a) any amendment to, or change in, the laws or treaties (or any regulations, protocols or rulings promulgated thereunder) of a relevant Tax Jurisdiction which change or amendment has not been publicly announced as formally proposed before and which becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date); or

(b) any amendment to, or change in, any existing official written interpretation or application of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change has not been publicly announced as formally proposed before and which becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date) (each of the foregoing clauses (a) and (b), a "**Change in Tax Law**").

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer or the Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of the Notes was then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an opinion of independent tax counsel (the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld)) to the effect that the Issuer or Guarantor, as the case may be, is required to pay such Additional Amounts as a result of a Change in Tax Law. In addition, before the Issuer publishes or mails notice of redemption of the Notes as described above, it will deliver to the Trustee an Officer's Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and that it is entitled to redeem such Notes pursuant to the their terms.

The Trustee will accept and shall be entitled to conclusively rely on such Officer's Certificate and Opinion of Counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the Notes.

The foregoing provisions shall apply (a) to a Guarantor only after such Guarantor has become obligated to make at least one payment on the Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a Change in Tax Law occurring on or after the date on which such successor Person becomes a party to the Indenture.

Purchase of Notes upon a Change of Control

If a Change of Control (as defined below) occurs at any time, then the Issuer must make an offer (a "**Change of Control Offer**") to each holder of Notes to repurchase all or any part (equal to €100,000 or in integral multiples of €1,000 in excess thereof) of such holder's Notes, at a purchase price (the "**Change of Control Purchase Price**") in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the date of purchase (the "**Change of Control Purchase Date**") (subject to the rights of holders of record on relevant regular record dates that are prior to the Change of Control Purchase Date to receive interest due on an interest payment date). Purchases made under a Change of Control Offer will also be subject to other procedures set forth in the Indenture.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes in accordance with the Indenture and all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control, the Issuer will deliver a notice to each holder of the Notes at such holder's registered address or otherwise deliver a notice in accordance with the procedures described under "—*Selection and Notice*," stating that a Change of Control Offer is being made and offering to repurchase Notes on the Change of Control Purchase Date, and the notice will state:

(a) that a Change of Control has occurred, and the date it occurred and offering to purchase the Notes on the date specified in the notice;

(b) the circumstances and relevant facts and financial information regarding the transaction or transactions that constitute a Change of Control;

(c) the Change of Control Purchase Price and the Change of Control Purchase Date, which will be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act and any applicable securities laws or regulations;

(d) that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless the Change of Control Purchase Price is not paid;

(e) that any Note (or part thereof) not tendered will continue to accrue interest; and

(f) any other procedures that a holder of Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

An agent of the Issuer (expected to be the Paying Agent) will at the written direction of the Issuer promptly mail (or cause to be delivered) to each holder of Notes properly tendered the Change of Control Purchase Price for such Notes. The Trustee (or the authenticating agent appointed by it) will promptly authenticate and deliver (or cause to be transferred by book-entry) to each holder a new Note or Notes equal in principal amount to any unpurchased portion of Notes surrendered, if any, to the holder of Notes in global form or to each holder of certificated Notes; provided that each new Note will be in a principal amount of €100,000 or in integral multiples of €1,000 in excess thereof. The Issuer will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

The ability of the Issuer to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that would constitute a Change of Control could trigger a mandatory repayment and cancellation of the Revolving Credit Facility Agreement. In addition, certain events that may constitute a change of control under the Revolving Credit Facility Agreement may not constitute a Change of Control under the Indenture. The Issuer's future indebtedness and the future indebtedness of its Subsidiaries may also require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of the Notes of their right to require a repurchase of the Notes upon a Change of Control could cause a default under such indebtedness, even if the Change of Control itself does not, due to the possible financial effect on the Issuer of such repurchase.

If a Change of Control Offer is made, the Issuer cannot provide any assurance that it will have available funds sufficient to pay the Change of Control Purchase Price for all the Notes that might be delivered by holders of the Notes seeking to accept the Change of Control Offer. If the Issuer fails to make or consummate a Change of Control Offer or pay the Change of Control Purchase Price when due, such failure would result in an Event of Default and would give the Trustee and the holders of the Notes the rights described under "—*Events of Default*".

Even if sufficient funds were otherwise available, the terms of the other indebtedness of the Issuer and its subsidiaries may prohibit the prepayment of the Notes prior to their scheduled maturity. The Revolving Credit Facility includes a covenant restricting the Issuer from offering to purchase the Notes, unless the Issuer has complied with its mandatory prepayment obligations in respect of the

Revolving Credit Facility as result of such Change of Control. If the Issuer was so prohibited from conducting a Change of Control Offer and not able to prepay any indebtedness containing any such restrictions or obtain requisite consents, the Issuer would be unable to fulfill its repurchase obligations to holders of the Notes who exercise their right to have their Notes repurchased following a Change of Control, which would cause a Default or Event of Default under the Indenture. A Default or Event of Default under the Indenture, unless waived by holders of the Notes, could result in a cross-default under certain of the financing arrangements described under "*Description of Certain Financing Arrangements*".

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of the Issuer and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Issuer and the initial purchasers of the Notes. The Issuer has no present intention to engage in a transaction involving a Change of Control, although it is possible that the Issuer could decide to do so in the future. Subject to limitations discussed below, the Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Debt outstanding at such time or otherwise affect the Issuer's capital structure or credit ratings. Restrictions on the Issuer's ability to Incur additional Debt are contained in the covenants described below under "*—Certain Covenants—Limitation on Debt*" and "*—Limitation on Liens*". Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding (subject to the provisions described under "*—Amendments and Waivers*"). Except for the limitations contained in such covenants, however, the provisions of the Indenture do not require the Issuer to make a Change of Control Offer in the event of certain highly leveraged transactions, or certain other transactions, including a reorganization, restructuring, merger or similar transaction that may adversely affect holders of the Notes, if such transaction is not a transaction defined as a Change of Control.

The Issuer is not required to make a Change of Control Offer if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (2) a notice of redemption has been given pursuant to the Indenture as described above under the caption "*—Optional Redemption*," unless and until there is a default in payment of the applicable redemption price. The Change of Control provisions described above are applicable whether or not any other provisions of the Indenture are applicable. Any such transaction, however, would have to comply with the applicable provisions of the Indenture, including the "*—Limitation on Debt*" covenant.

Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Issuer will comply with the requirements of applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such conflict.

If holders of not less than 90% in aggregate principal amount of the outstanding Notes of any series validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Notes of such series validly tendered and not withdrawn by such holders, the Issuer or such third party will have the right, upon not less than 10 days nor more than 60 days' prior notice (*provided* that such notice is given not more than 30 days following such purchase pursuant to the Change of Control Offer described above), to redeem all Notes of such series that remain outstanding following such purchase at a redemption price in cash equal to the applicable Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest, if any, to, but not including, the date of the date of redemption.

"**Change of Control**" means the occurrence of any of the following events:

(a) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, being or becoming the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer (or any successor entity permitted by the covenant described under the caption "—*Certain Covenants—Consolidation, Merger and Sale of Assets*"); provided that, for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Issuer becoming a Subsidiary of a Successor Parent;

(b) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than or one or more Permitted Holders; or

(c) the Issuer is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction that complies with the provisions described under the caption "—*Certain Covenants—Consolidation, Merger and Sale of Assets*".

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the Notes if made prior to the occurrence of the Change of Control.

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, the Issuer will publish notices relating to a Change of Control Offer on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Selection and Notice

If fewer than all the Notes of a series are to be redeemed at any time, the Trustee or the Registrar will select the Notes of such series for redemption by a method that complies with the requirements, as certified to the Trustee and the Registrar by the Issuer, of the principal securities exchange, if any, on which the Notes of such series are listed at such time or, if the Notes of such series are not listed on a securities exchange, *pro rata*, by such method as the Trustee or the Registrar in its sole discretion shall deem fair and appropriate unless otherwise required by law; provided, however, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than €100,000. Neither the Trustee nor the Registrar shall be liable for any selections made by it in accordance with this paragraph.

No Notes of €100,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. While the Notes are held in certificated form, a new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes redeemed.

For Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules and regulations, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in connection with any redemption, the Issuer will notify the Luxembourg Stock Exchange of any change in the principal amount of Notes outstanding.

Suspension of Certain Covenants when Notes Rated Investment Grade

If on any date following the Issue Date, the Notes attain an Investment Grade Rating from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing under the Indenture (a "**Suspension Event**"), beginning on the day of the Suspension Event and continuing until such time (the "**Suspension Period**"), if any, at which the Notes cease to have an Investment Grade Rating from each Rating Agency (the "**Reversion Date**"), (whereupon the Issuer shall promptly notify the Trustee in writing that the Notes no longer have an Investment Grade Rating), the covenants summarized under the following captions will not apply to the Notes and any related default provisions of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries:

(1) "*—Certain Covenants—Limitation on Debt*;"

(2) "*—Certain Covenants—Limitation on Restricted Payments*;"

(3) "*—Certain Covenants—Limitation on Transactions with Affiliates*;"

(4) "*—Certain Covenants—Limitation on Sale of Certain Assets*;"

(5) "*—Certain Covenants—Additional Guarantees*;"

(6) "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*;"

(7) "*—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*;"

(8) "*—Certain Covenants—Consolidation, Merger and Sale of Assets*" (but only clause (c) of the first paragraph of such covenant); and

(9) "*—Certain Covenants—Lines of Business*".

Such covenants and any related default provisions will again apply according to their terms on and after the Reversion Date. Such covenants will not, however, be of any effect with regard to actions of the Issuer or the Restricted Subsidiaries properly taken during the Suspension Period, and the "*—Certain Covenants—Limitation on Restricted Payments*" covenant will be interpreted as if it had been in effect since the Issue Date, except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made during the Suspension Period. On the Reversion Date, all Debt Incurred during the continuance of the Suspension Period will be classified as having been Incurred pursuant to clause (2)(d) of the covenant described under "*—Certain Covenants—Limitation on Debt*". Any transactions prohibited by the covenant described under "*—Certain Covenants—Limitation on Transactions with Affiliates*" entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (c) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Transactions with Affiliates*". Any encumbrance or restriction on the ability of any Restricted Subsidiary to take any action described in clauses (a) through (d) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (2)(c) of the covenant described under "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*". Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero.

Upon the occurrence of a Suspension Event, the Issuer will promptly deliver to the Trustee an Officer's Certificate notifying it of each occurrence hereunder.

Certain Covenants

Limitation on Debt

(1) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually or collectively, to "**Incur**" or, as appropriate, an "**Incurrence**") any Debt (including Acquired Debt); provided, however, the Issuer and any Restricted Subsidiary is permitted to Incur Debt (including Acquired Debt) if:

(a) on the date of such Incurrence and after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, on a *pro forma* basis, the Consolidated Fixed Charge Coverage Ratio of the Issuer for the four full fiscal quarters for which internal consolidated financial statements of the Issuer are available immediately preceding the Incurrence of such Debt, taken as one period, would have been at least 2.0 to 1.0; and

(b) in the case of Senior Secured Debt, on the date of such Incurrence and after giving effect to the Incurrence of such Senior Secured Debt and the application of the proceeds thereof, on a *pro forma* basis, the Consolidated Net Senior Secured Leverage Ratio of the Issuer for the four full fiscal quarters for which internal consolidated financial statements of the Issuer are available immediately preceding the Incurrence of such Debt, taken as one period, would have been no greater than 4.8 to 1.0;

provided, *however*, that the maximum aggregate principal amount of Debt that may be Incurred by Restricted Subsidiaries that are not Guarantors pursuant to this paragraph (1) shall not exceed €20.0 million at any time outstanding.

(2) The first paragraph of this covenant will not, however, prohibit the following (collectively, "**Permitted Debt**"):

(a) the Incurrence by the Issuer or any Restricted Subsidiary of Debt under Credit Facilities (including in respect of letters of credit or banker's acceptances issued or created thereunder) in an aggregate principal amount at any time outstanding not to exceed the greater of (i) €80.0 million and (ii) 100.0% of Consolidated EBITDA, plus, in the case of any refinancing of any Debt permitted under this clause (a) or any portion thereof, the aggregate amount of fees, accrued and unpaid interest, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(b) the Incurrence by the Issuer and the Guarantors of Debt represented by the Notes, the related Note Guarantees, the Proceeds Loans, in each case, issued or Incurred on the Issue Date and, in each case, any "**parallel debt**" obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(c) the Incurrence by the Issuer or any Restricted Subsidiary of intercompany Debt between the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; provided that:

(i) if the Issuer or a Guarantor is the obligor on any such Debt and the payee is not the Issuer or a Guarantor, such Debt is unsecured and expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes, in the case of the Issuer, or the Note Guarantee, in the case of a Guarantor (in each case, to the extent required by the Intercreditor Agreement) (A) except in respect of intercompany current liabilities Incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Restricted Subsidiaries and (B) only to the extent legally permitted (the Issuer and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Debt); and

(ii) (A) any disposition, pledge or transfer of any such Debt to a Person (other than a disposition, pledge or transfer to the Issuer or a Restricted Subsidiary) and (B) any transaction pursuant to which any Restricted Subsidiary that has Debt owing by the Issuer or another Restricted Subsidiary ceases to be a Restricted Subsidiary, will, in each case, be deemed to be an Incurrence of such Debt not permitted by this clause (c);

(d) any Debt of the Issuer or any Restricted Subsidiary (other than Debt described in clauses (a) and (b) of this paragraph) outstanding on the Issue Date after giving effect to the Transactions on the Issue Date;

(e) (i) guarantees of the Issuer's Debt or Debt of any Restricted Subsidiary by the Issuer or any Restricted Subsidiary; provided that (x) the Incurrence of the Debt being guaranteed was permitted by another provision of this covenant and (y) if the Debt being guaranteed is subordinated to the Notes or to a Note Guarantee then such guarantee must be subordinated to the same extent as the Debt being guaranteed; or (ii) without limiting the covenant described under "—*Limitation on Liens*," Debt arising by reason of any Lien granted by or applicable to such Person securing Debt of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Debt and Lien is permitted under the terms of the Indenture;

(f) the Incurrence by the Issuer or any Restricted Subsidiary of Debt arising from customary agreements providing for guarantees, indemnities or obligations in respect of earn-outs or other purchase price adjustments or, in each case, similar obligations, in connection with the acquisition or disposition of any business or assets or Person or any shares of Capital Stock of a Subsidiary, other than guarantees or similar credit support given by the Issuer or any Restricted Subsidiary of Debt Incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; provided that the maximum aggregate liability in respect of all such Debt permitted pursuant to this clause (f) will at no time exceed the net proceeds, including the Fair Market Value of non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received from such disposition;

(g) the Incurrence by the Issuer or any Restricted Subsidiary of Hedging Obligations, in each case, entered into not for speculative purposes (as determined in good faith by the Board of Directors or a member of senior management of the Issuer);

(h) the Incurrence by the Issuer or any Restricted Subsidiary of Debt represented by (i) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other Debt, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Permitted Business or (ii) Debt otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Permitted Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Debt which refinances, replaces or refunds such Debt, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Debt Incurred pursuant to this clause (2)(h) and then outstanding, will not exceed at any time outstanding the greater of €25.0 million and 30.0% of Consolidated

EBITDA; provided that the Debt exists on the date of such purchase, lease, rental or improvement or is created within 180 days thereafter;

(i) the Incurrence by the Issuer or any Restricted Subsidiary of Debt in respect of (i) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary in the ordinary course of business or in respect of any governmental requirement, (ii) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or in respect of any governmental requirement; provided, however, that upon the drawing of such letters of credit or similar instruments, the obligations are reimbursed within 30 days following such drawing, (iii) the financing of insurance premiums in the ordinary course of business and (iv) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(j) the Incurrence by the Issuer or any Restricted Subsidiary of Debt arising from (i) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Debt is extinguished within 30 days of Incurrence; (ii) take-or-pay obligations, customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business; and (iii) Debt owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries;

(k) Debt (i) of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (ii) Incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which a Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or that was otherwise Incurred in connection with or contemplation of such acquisition; provided, however, that, with respect to clauses (2)(k)(i) and (2)(k)(ii), at the time of such acquisition or other transaction pursuant to which such Debt is Incurred or deemed to be Incurred, (x) the Issuer could incur at least €1.00 of additional Debt under clause (1)(a) of this covenant after giving *pro forma* effect to such acquisition or other transaction and the Incurrence of such Debt or (y) the Consolidated Fixed Charge Coverage Ratio of the Issuer immediately after giving effect to the Incurrence of such Debt pursuant to this clause (2)(k) would not be less than it was immediately prior to giving effect to such acquisition or other transaction;

(l) the Incurrence by the Issuer or any Restricted Subsidiary of Permitted Refinancing Debt Incurred to renew, refund, replace, refinance, defease or discharge Debt Incurred by it pursuant to, or described in, paragraph (1) or clause (2)(b), (2)(d) (including, in the case of (2)(d), any Debt that renews, refunds, replaces (whether upon or after termination or otherwise) or refinances any such Debt that has been repaid, prepaid, purchased, repurchased, redeemed, defeased or otherwise extinguished, in whole or in part), (2)(k) or (2)(m) or this (2)(l) of this covenant, as the case may be;

(m) Contribution Debt;

(n) the Incurrence by the Issuer or any Restricted Subsidiary of Debt represented by guarantees of any Management Advances;

(o) Debt under daylight borrowing facilities Incurred in connection with any refinancing of Debt (including by way of set-off or exchange) so long as any such Debt is repaid within three days of the date on which such Debt is Incurred; or

(p) the Incurrence by the Issuer or any Restricted Subsidiary of Debt (other than and in addition to Debt permitted under clauses (a) through (o) above) in an aggregate principal amount at any one time outstanding, including all Permitted Refinancing Debt Incurred to renew, refund, replace, refinance, defease or discharge any Debt Incurred pursuant to this clause (p), in an aggregate amount not to exceed the greater of €25.0 million and 30.0% of Consolidated EBITDA; provided that the aggregate principal amount of Debt that may be Incurred under this clause (p) by Restricted Subsidiaries that are not Guarantors shall not exceed €10.0 million; or

(q) the Incurrence of Debt under any Qualified Securitization Financing.

(3) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Debt, the payment of dividends on Preferred Stock or Redeemable Capital Stock in the form of additional shares of Preferred Stock or Redeemable Capital Stock or the reclassification of commitments or obligations not treated as Debt due to a change in IFRS will not be deemed to be an Incurrence of Debt for purposes of this covenant. For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Debt, the euro equivalent of the aggregate principal amount of Debt denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred, in the case of term Debt, or, at the option of the Issuer, first committed, in the case of Debt Incurred under a revolving credit facility; provided that (a) if such Debt is Incurred to refinance other Debt denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the aggregate principal amount of such refinancing Debt does not exceed the aggregate principal amount of such Debt being refinanced; (b) the euro equivalent of the aggregate principal amount of any such Debt outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Debt is subject to a Currency Agreement with respect to the currency in which such Debt is denominated covering principal and interest on such Debt, the amount of such Debt, if denominated in euro, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the euro equivalent of such amount plus the euro equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement. Notwithstanding any other provision of this covenant, for purposes of determining compliance with this "—*Limitation on Debt*" covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies or currency values will not be deemed to exceed the maximum amount that the Issuer or a Restricted Subsidiary may Incur under the "—*Limitation on Debt*" covenant.

(4) For purposes of determining any particular amount of Debt under this "—*Limitation on Debt*" covenant (a) obligations with respect to letters of credit, bankers' acceptances or similar instruments, guarantees or Liens or "**parallel debt**," in each case supporting Debt otherwise included in the determination of such particular amount will not be included and (b) any Liens granted pursuant to the equal and ratable provisions referred to in the "—Certain Covenants—Limitation on Liens" covenant will not be treated as Debt.

(5) The amount of any Debt outstanding as of any date will be:

(a) in the case of any Debt issued with original issue discount, the accreted value of such Debt and in the case of pay in kind Debt, the amount of such Debt shall include any interest paid in the form of additional Debt;

(b) the principal amount of the Debt or the liquidation preference thereof, as applicable, in the case of any other Debt determined in accordance with IFRS;

(c) in respect of Debt of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(i) the Fair Market Value of such assets at the date of determination; and

(ii) the amount of the Debt of the other Person;

(d) in respect of any Redeemable Capital Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof; and

(e) for the avoidance of doubt and in accordance with IFRS, the principal amount of Debt shall be determined net of any unamortized portion of capitalized debt issuance costs.

(6) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Debt of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Debt is not permitted to be Incurred as of such date under this "*—Limitation on Debt*" covenant, the Restricted Subsidiary shall be in Default of this covenant).

(7) In the event that an item of Debt meets the criteria of more than one of the types of Debt described in clauses (2)(a) through (p) of this covenant or is entitled to be Incurred pursuant to clause (1) of this "*—Limitation on Debt*" covenant, the Issuer, in its sole discretion, is permitted to classify items of Debt on the date of its Incurrence and is only be required to include the amount and type of such Debt in one of such clauses or paragraphs, and the Issuer is entitled to divide and classify an item of Debt in more than one of the types of Debt described in clauses (1) and (2) of this covenant, and may change the classification of an item of Debt (or any portion thereof) to any other type of Debt described in this "*—Limitation on Debt*" covenant at any time; provided that all Debt Incurred under any Credit Facility that is secured by Liens on the Collateral that are accorded super senior priority status with respect to proceeds of enforcement of Collateral under the Intercreditor Agreement or any Additional Intercreditor Agreement will be deemed to have been Incurred in reliance on the exception provided in clause (2)(a) above and may not be reclassified.

(8) Debt permitted by this covenant need not be permitted solely by reference to one provision permitting such Debt but may be permitted in part by one such provision and in part by one or more provisions of this covenant permitting such Debt.

Financial Calculations for Limited Condition Acquisitions

Anything to the contrary herein notwithstanding, when calculating the availability under any basket or ratio under the "*—Limitation on Debt*" covenant or for the purposes of the definitions of Permitted Liens or Permitted Collateral Liens, in each case, in connection with a Limited Condition Acquisition, the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such Limited Condition Acquisition are entered into and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any Incurrence of Debt and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such Limited Condition Acquisition (and not for purposes of any subsequent availability of any basket or ratio). For the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in EBITDA of the Issuer or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Acquisition, such baskets or ratios are not deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Acquisition and the related transactions are permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Acquisition or related transactions; *provided*, *further*, that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any Incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Acquisition.

Limitation on Restricted Payments

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a "**Restricted Payment**" and which are collectively referred to as "**Restricted Payments"**):

(a) declare or pay any dividend on or make any other payment or distribution (whether made in cash, securities or other property) with respect to any of the Issuer's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer or any Restricted Subsidiary) to the direct or indirect holders of the Issuer's or any Restricted Subsidiary's Capital Stock (including any Parent Company) in their capacity as holders (other than (i) to the Issuer or any Restricted Subsidiary, (ii) for dividends or distributions payable solely in Qualified Capital Stock of the Issuer or in Deeply Subordinated Funding, or (iii) to all holders of Capital Stock of a Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by the Issuer or a Restricted Subsidiary of dividends or distributions of greater value than the Issuer or such Restricted Subsidiary would have received on such *pro rata* basis);

(b) purchase, repurchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation), directly or indirectly, any Capital Stock of the Issuer or of any Parent Company held by persons other than the Issuer or a Restricted Subsidiary (other than in exchange for Qualified Capital Stock of the Issuer);

(c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value any Debt of the Issuer or any Guarantor that is Subordinated Debt (excluding any intercompany Debt between or among the Issuer and any Restricted Subsidiary), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Debt purchased in anticipation of satisfying a scheduled sinking fund obligation, principal installment or scheduled maturity, in each case, due within one year of the date of such purchase, repurchase or other acquisition;

(d) make any cash interest payment or principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, any Deeply Subordinated Funding; or

(e) make any Investment (other than any Permitted Investment) in any Person.

(2) Notwithstanding the foregoing, the Issuer or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving *pro forma* effect to such proposed Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) the Issuer could Incur at least €1.00 of additional Debt under clause (1)(a) of the "—*Certain Covenants—Limitation on Debt*" covenant; and

(c) the aggregate amount of all Restricted Payments declared or made after the Issue Date (and not returned or rescinded) (including Restricted Payments permitted by clauses (3)(a) (unless already so included at the time of its declaration), (d)(ii), (h), (j), (k) and (q) below, but excluding all other Restricted Payments described in paragraph (3) below) does not exceed the sum of (without duplication):

(i) 50% of aggregate Consolidated Adjusted Net Income of the Issuer on an accumulative basis during the period beginning on July 1, 2017, and ending on the last day of the Issuer's most recently ended fiscal quarter for which internal consolidated financial statements of the Issuer are available prior to the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Adjusted Net Income shall be a negative number, minus 100% of such negative amount); plus

(ii) 100% of the aggregate net cash proceeds and the Fair Market Value of property or assets or marketable securities received by the Issuer after the Issue Date as capital contributions or from the issuance or sale (other than to any Subsidiary of the Issuer) of shares of Qualified Capital Stock of the Issuer or Deeply Subordinated Funding (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase, the shares of the Issuer's Qualified Capital Stock or Deeply Subordinated Funding (except, in each case, for Excluded Contributions or Cash Contributions for Contribution Debt) (excluding the net cash proceeds from the issuance of the Issuer's Qualified Capital Stock or Deeply Subordinated Funding financed, directly or indirectly, using funds borrowed from the Issuer or any Restricted Subsidiary until and to the extent such borrowing is repaid); plus

(iii) (x) the amount by which the Issuer's Debt or Debt of any Restricted Subsidiary is reduced on the Issuer's consolidated balance sheet after the Issue Date upon the conversion or exchange (other than by the Issuer or its Restricted Subsidiary) of such Debt into the Qualified Capital Stock of the Issuer or Deeply Subordinated Funding and (y) the aggregate net cash proceeds and the Fair Market Value of property or assets or marketable securities received after the Issue Date by the Issuer or any Restricted Subsidiary from the issuance or sale (other than to any Restricted Subsidiary) of Redeemable Capital Stock of the Issuer or any Restricted Subsidiary that has been converted into or exchanged for the Qualified Capital Stock of the Issuer or Deeply Subordinated Funding to the extent such Redeemable Capital Stock of the Issuer was originally sold for cash or Cash Equivalents, together with, in the case of both clauses (x) and (y), the aggregate net cash proceeds and the Fair Market Value of property of assets or marketable securities received by the Issuer or any Restricted Subsidiary at the time of such conversion or exchange (excluding Cash Contributions for Contribution Debt, Excluded Contributions and the net cash proceeds or property or assets or marketable securities from the issuance of the Qualified Capital Stock of the Issuer or Deeply Subordinated Funding financed, directly or indirectly, using funds borrowed from the Issuer or any Restricted Subsidiary until and to the extent such borrowing is repaid); plus

(iv) (x) in the case of any Investment that is sold, disposed of or otherwise cancelled, liquidated or repaid, constituting a Restricted Payment made after the Issue Date, an amount equal to 100% of the aggregate amount received in cash and the Fair Market Value of property or assets or marketable securities received by the Issuer or any Restricted Subsidiary and (y) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or if an Unrestricted Subsidiary is merged or consolidated into the Issuer or a Restricted Subsidiary or the assets of an Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the Issuer's interest in such Subsidiary as of the date of such designation or at the time of such merger, consolidation or transfer of assets; plus

(v) to the extent that any Investment constituting a Restricted Payment that was made after the Issue Date is made in an entity that subsequently becomes a Restricted Subsidiary, the Fair Market Value of such Investment of the Issuer and the Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; plus

(vi) 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Adjusted Net Income of the Issuer for such period.

(3) Clauses (1) and (2) above do not prohibit (so long as with respect to clauses (h) and (q) below no Default or Event of Default has occurred and is continuing) any of the following (collectively "**Permitted Payments**"):

(a) the payment of any dividend within 60 days after the date of its declaration if at such date of its declaration such payment would have been permitted by the provisions of this covenant;

(b) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary of the Issuer) of, shares of the Issuer's Qualified Capital Stock or Deeply Subordinated Funding, or from the substantially concurrent contribution of common equity capital to the Issuer; provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clauses (2)(c)(ii) and (2)(c)(iii) above and will not be considered Excluded Contribution or to be net cash proceeds from an Equity Offering for purposes of the "*Optional Redemption*" provisions of the Fixed Rate Notes;

(c) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt in exchange for, or out of the net cash proceeds of an Incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;

(d) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt (other than any Subordinated Debt held by Affiliates of the Issuer) (i) upon a Change of Control or Asset Sale to the extent required by the agreements governing such Debt; provided that the Issuer shall have complied with the "*—Purchase of Notes upon a Change of Control*" or "*—Limitation on Sale of Certain Assets*" covenant, as the case may be, and the Issuer repurchased all Notes tendered pursuant to the offer required by such covenants prior to offering to purchase, purchasing or repaying such Debt; provided further that the purchase price for such Subordinated Debt shall not be greater than 101% of the principal amount thereof in respect of a Change of Control or 100% of the principal amount thereof in respect of an Asset Sale, in each case plus accrued and unpaid interest and (ii) consisting of Acquired Debt (other than Debt Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and at a purchase price not greater than 100% of the principal amount of such Subordinated Debt plus accrued and unpaid interest and any premium required by the terms of such Acquired Debt;

(e) the repurchase of Capital Stock deemed to occur upon the exercise of stock options or warrants to the extent such Capital Stock represents a portion of the exercise price of those stock options or warrants;

(f) payments of cash, dividends, distributions, advances or other Restricted Payments by the Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of issuing fractional shares upon (i) exercise of options or warrants or (ii) the exchange or conversion of Capital Stock of any such Person;

(g) cash payments, dividends, distributions, advances, loans or expense reimbursements made to or on behalf of any Parent Company to permit any such company to pay (i) general operating expenses, customary directors' fees, accounting, legal, corporate reporting and administrative expenses Incurred in the ordinary course of business to the extent such costs and expenses are attributable to the ownership or operation of the Issuer and the Restricted Subsidiaries, (ii) any taxes, duties or similar governmental fees of any such Parent Company, to the extent such tax obligations are directly attributable to its ownership of the Issuer and the Restricted Subsidiaries or its funding or holding Deeply Subordinated Funding, (iii) costs (including all professional fees and expenses) Incurred by any Parent Company in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Debt of the Issuer or any Restricted Subsidiary and (iv) fees and expenses of any Parent Company Incurred in relation to any public offering or other sale of Capital Stock or Debt (x) where the net proceeds of such offering or sale are received by or contributed to the Issuer or any Restricted Subsidiary or (y) in a prorated amount of such expenses in proportion to the amount of such net proceeds received or contributed;

(h) following a Public Offering of the Issuer or of a Parent Company, the declaration or payment of dividends or distributions, or the making of any cash payments, advances, loans or expense reimbursements on the Qualified Capital Stock of the Issuer or Capital Stock of any Parent Company if the aggregate amount of all such dividends or distributions under this clause (h) do not exceed in any fiscal year the greater of (i) 6% of the net cash proceeds received by the Issuer in connection with any such Public Offering or subsequent Equity Offering by the Issuer or contributed in cash to the capital of the Issuer (other than through the issuance of Redeemable Capital Stock or where such contribution is an Excluded Contribution) by a Parent Company from any such Public Offering or subsequent Equity Offering of a Parent Company and (ii) following the Initial Public Offering, an amount not to exceed (A) the greater of (x) 7% of the Market Capitalization and (y) 7% of the IPO Market Capitalization, provided that, in the case of (x) and (y), after giving *pro forma* effect to such dividends, distributions, payments, advances, loans or reimbursements, the Consolidated Net Leverage Ratio of the Issuer would not exceed 2.50 to 1.0 or (B) the greater of (x) 5% of the Market Capitalization and (y) 5% of the IPO Market Capitalization, provided that after giving *pro forma* effect to such dividends, distributions, payments, advances, loans or reimbursements, the Consolidated Net Leverage Ratio of the Issuer would not exceed 2.75 to 1.0; provided, further, that if such Public Offering was of Capital Stock of a Parent Company, the net proceeds of any such dividend are used to fund a corresponding dividend in equal or greater amount on the Capital Stock of such Parent Company;

(i) Restricted Payments that are made with Excluded Contributions;

(j) advances or loans to (i) either any future, present or former officer, director, employee, consultant or independent contractor of the Issuer or a Restricted Subsidiary or any Management Investor or Management Investment Company to pay for the purchase or other acquisition for value of Capital Stock of the Issuer, a Parent Company or a Restricted Subsidiary or Capital Stock of any Management Investment Company or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (ii) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital Stock of the Issuer, a Parent Company or a Restricted Subsidiary or Capital Stock of any Management Investment Company; provided that the total aggregate amount of Restricted Payments made under this clause (j), when aggregated with the total amount of Restricted Payments made under clause (k), does not exceed €2.0 million in any calendar year (with any unused amounts in any calendar year carried over to the next two succeeding calendar years);

(k) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Qualified Capital Stock of the Issuer, Capital Stock of a Parent Company, a Management Investment Company or a Restricted Subsidiary held by either any current or former officer, director, employee, consultant or independent contractor of the Issuer or any Restricted Subsidiary or any Management Investor or any Management Investment Company pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock, when aggregated with the total amount of Restricted Payments made under clause (j), does not exceed €2.0 million in any calendar year (with unused amounts in any calendar year being carried over to the next two succeeding calendar years); and provided further, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds received by the Issuer during such calendar year (including through receipt of proceeds from the issuance or sale of its Qualified Capital Stock to a Parent Company, a Management Investment Company or a Management Investor) from, or as a capital contribution from, the issuance or sale of Qualified Capital Stock of the Issuer or Capital Stock of a Parent Company or Management Investment Company, in each case to Management Investors, other members of management, directors, consultants or independent contractors of the Issuer or any of its Restricted Subsidiaries or any Parent Company to the extent the cash proceeds from the sale or issuance of such Capital Stock have not otherwise been designated as Excluded Contributions, applied to the making of Restricted Payments pursuant to clauses (2)(c)(ii) or (2)(c)(iii) or clause (b) of this paragraph or utilized for Contribution Debt and (B) the cash proceeds of key man life insurance policies;

(l) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Redeemable Capital Stock, or of any Preferred Stock of a Restricted Subsidiary, in each case Incurred in accordance with the terms of the "—*Limitation on Debt*" covenant;

(m) without duplication of any payment made pursuant to clause (g) above, payments or other transactions pursuant to any tax sharing agreement or arrangement among the Issuer or any Restricted Subsidiary and any other Person with which the Issuer or any Restricted Subsidiary files or filed a consolidated tax return or with which the Issuer or any Restricted Subsidiary is or was part of a consolidated group for tax purposes; provided, however, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Issuer or such Restricted Subsidiaries would owe without taking into account such other Person;

(n) the payment of any Securitization Fees and purchases of Securitization Assets and related assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing;

(o) dividends, loans, advances or other distributions to any Parent Company used to, or the making of Investments in any Parent Company to, fund the payment of fees and expenses owed by the Issuer or the Restricted Subsidiaries to Affiliates, to the extent permitted by clause (f), (h), (j), (k) or (l) of the second paragraph of the "—*Limitation on Transactions with Affiliates*" covenant;

(p) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries; and

(q) Restricted Payments (including loans and advances) in an aggregate amount outstanding at any time not to exceed €20.0 million.

(4) The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount, and the Fair Market Value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Issuer acting in good faith.

Limitation on Transactions with Affiliates

The Issuer will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service) for the benefit of any Affiliate of the Issuer (any such transaction or series of related transactions being an "**Affiliate Transaction**") involving aggregate payments or consideration in excess of €3.0 million unless:

(a) such transaction or series of related transactions is on terms that, taken as a whole, are not materially less favorable to the Issuer or the relevant Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's-length transaction with Persons that are not Affiliates; and

(b) the Issuer delivers to the Trustee:

(i) with respect to any such transaction or series of related transactions involving aggregate payments or the transfer of assets or provision of services, in each case, having a value greater than €5.0 million, a resolution of its Board of Directors set out in an Officer's Certificate certifying that such transaction or series of related transactions complies with this covenant and that such transaction or series of related transactions has been approved by a majority of the members of its Board of Directors; and

(ii) with respect to any such transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case, having a value greater than €20.0 million, a written opinion (a "**Fairness Opinion**") of an Independent Financial Advisor stating that the transaction or series of transactions is (i) fair to the Issuer or the relevant Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable than could reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person who is not an Affiliate.

Notwithstanding the foregoing, the restrictions set forth in this description do not apply to:

(a) any issuance of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, collective bargaining, consulting, employee benefit arrangement, agreement or program, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Company, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of employees, consultants, independent contractors, officers or directors approved by the Board of Directors of the Issuer, in each case, in the ordinary course of business;

(b) any Restricted Payments permitted to be made pursuant to the "*—Limitation on Restricted Payments*" covenant, any Permitted Payment (other than pursuant to clause 3(o) of such covenant) or any Permitted Investments (other than a Permitted Investment described in clauses (c)(iii), (k), (p), (s) and (w) of the definition thereof);

(c) the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries under the terms of any transaction pursuant to, or contemplated by, and any payments pursuant to or for purposes of funding, any agreement or arrangement or instrument in effect as of or on the Issue Date, as these agreements and arrangements or instruments may be amended, modified, supplemented, extended, renewed, replaced or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the holders of the Notes in any material respect, and the entry into and performance of any registration rights or other listing agreement;

(d) any transaction in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer or an Associate or similar entity (in each case other than an Unrestricted Subsidiary of the Issuer) that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(e) transactions between or among the Issuer and the Restricted Subsidiaries (or entity that becomes a Restricted Subsidiary as a result of such transaction) or between or among Restricted Subsidiaries and any guarantees issued by the Issuer or a Restricted Subsidiary for the benefit of the Issuer or a Restricted Subsidiary, as the case may be, in accordance with the "—*Limitation on Debt*" covenant;

(f) the execution, delivery and performance of any tax sharing agreement or any arrangement among the Issuer or any Restricted Subsidiary and any other Person with which the Issuer or any Restricted Subsidiary files or filed a consolidated tax return or with which the Issuer or any Restricted Subsidiary is or was part of a consolidated group for tax purposes; *provided, however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Issuer or such Restricted Subsidiaries would owe without taking into account such other Person;

(g) (i) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, providers of employees or other labor in the ordinary course of business or (ii) transactions, agreements or payments (including franchise fees and royalties) related to the licensing or sub-licensing of intellectual property (including, without limitation, trademarks, copyrights, licenses and related rights) or other general intangibles that, in the case of (i) and (ii) are otherwise in compliance with the terms of the Indenture and that are fair to the Issuer or the Restricted Subsidiaries or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person, in each case, as determined in good faith by the Board of Directors or a member of senior management of the Issuer;

(h) the payment of reasonable fees and reimbursement of expenses to, and indemnities and similar payments (including the payment of directors' and officers' insurance premiums) and employee benefit and pension expenses provided on behalf of, employee and director salaries, bonuses and payments of other fees to officers, consultants, independent contractors and directors of the Issuer and the Restricted Subsidiaries (whether directly or indirectly including through any Person owned or controlled by any such directors, officers or employees) in the ordinary course of business;

(i) (A) issuances or sales of Qualified Capital Stock of the Issuer, Capital Stock of any Parent Company or Deeply Subordinated Funding; and (B) any amendment, waiver or other transaction with respect to any Deeply Subordinated Funding in compliance with the other provisions of the Indenture;

(j) Management Advances and any waiver or transaction with respect thereto;

(k) without duplication in respect of payments made pursuant to clause (o) below, (i) the entering into any agreement to pay, and the payment of, customary annual management, consulting, monitoring and advisory fees and related expenses to Permitted Holders or their Affiliates (whether directly or indirectly, including through any Parent Company) in an amount not to exceed €3.0 million in any consecutive four-quarter period and (ii) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Company) for management consulting, financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital markets transactions, acquisitions or divestitures, mergers, recapitalizations or similar transactions, which payments (or agreements providing for such payments) pursuant to this clause (ii) are approved by the Board of Directors of the Issuer in good faith;

(l) the Transactions;

(m) transactions (i) on terms that, taken as a whole, are not materially less favorable to the Issuer or the relevant Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's-length transaction with Persons that are not Affiliates of the Issuer and (ii) in respect of which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis;

(n) payment to any Permitted Holder of all reasonable out-of-pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Issuer and its Subsidiaries;

(o) investments by any of the Initial Investors in securities of any of the Issuer's Restricted Subsidiaries (and the payment of reasonable out of pocket expenses of the Initial Investors in connection therewith) so long as (i) the investment complies with clause (a) of the preceding paragraph, (ii) the investment is being offered generally to other investors on the same or more favorable terms, and (iii) the investment constitutes less than 5% of the proposed issue amount of such class of securities;

(p) pledges of Capital Stock of Unrestricted Subsidiaries; and

(q) any transaction affected as part of or in connection with a Qualified Securitization Financing.

Limitation on Liens

The Issuer will not, and the Issuer will not cause or permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Debt upon any of its property or assets now owned or hereafter acquired, except (1) in the case of any property or asset that does not constitute Collateral, (a) Permitted Liens or (b) Liens on property or assets that are not Permitted Liens if the obligations under the Notes and the Note Guarantees are secured at least equally and ratably with, or, in the case of Liens in respect of Subordinated Debt, prior or senior to, the Debt secured by such Lien for so long as such Debt is so secured and (2) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

The Issuer will procure that no Holdco Security Provider will, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind upon the Capital Stock of the Issuer now owned or hereafter acquired except Permitted Collateral Liens; *provided*, *however*, that the foregoing provisions of this sentence will cease to apply upon the completion of a Qualifying IPO.

Limitation on Sale of Certain Assets

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

(a) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value (such Fair Market Value to be determined as of the date of contractually agreeing to such Asset Sale) of the assets sold or Capital Stock issued or sold or otherwise disposed of; and

(b) at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Sale consists of (i) cash; (ii) Cash Equivalents; (iii) any securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion; (iv) the assumption by the purchaser of any liabilities, as recorded on the balance sheet of the Issuer or any Restricted Subsidiary (other than Subordinated Debt), that are assumed by the transferee of any such assets and as a result of which the Issuer and the Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities; (v) Debt of any Restricted Subsidiary (other than Subordinated Debt) that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each Restricted Subsidiary are released from any guarantee of such Debt in connection with such Asset Sale; (vi) any Capital Stock or assets of the kind referred to in clause (2)(e), (f) or (g) of this covenant; (vii) consideration consisting of Debt (or the cancellation of Debt) of the Issuer or any Restricted Subsidiary received by the Issuer or any Guarantor from Persons who are not the Issuer or any Restricted Subsidiary; (viii) any Designated Non-cash Consideration received by the Issuer or any Restricted Subsidiary in such Asset Sale; provided that the aggregate Fair Market Value of such Designated Non-cash Consideration, taken together with the Fair Market Value at the time of receipt of all other Designated Non-cash Consideration received and designated as such pursuant to this clause (viii) (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value), is less than the greater of €15.0 million and 2.0% of Total Assets; or (ix) a combination of the consideration specified in clauses (i) to (viii).

(2) If the Issuer or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds from such Asset Sale, within 365 days after the consummation of such Asset Sale, may be used or committed in a binding commitment to be used (provided that such Net Cash Proceeds are actually used within the later of 365 days from the consummation of the Asset Sale or 180 days from the date of such binding commitment) at the option of the Issuer or any Restricted Subsidiary:

(a) to redeem, repay or purchase Notes (i) pursuant to an offer to all holders of the Notes at a purchase price equal to at least 100% of the principal amount of the Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase (a "**Notes Offer**") and/or (ii) pursuant to the redemption provisions set forth above under "—*Optional Redemption*", in the case of this clause (ii), in proportion to the respective principal amounts of Fixed Rate Notes and Floating Rate Notes then outstanding;

(b) to purchase or permanently prepay or redeem or repay any Debt under Credit Facilities (provided that in connection with any revolving credit borrowings under Credit Facilities (other than the Revolving Credit Facility or any Permitted Refinancing Debt in respect thereof), the related commitment will be cancelled in an amount equal to the principal amount so prepaid, repaid or purchased) Incurred pursuant to clause 2(a) of the covenant described under the caption "—*Limitation on Debt*" that is secured by a Lien on assets or property which constitute Collateral;

(c) to purchase or permanently prepay or redeem or repay (i) except with respect to Debt that is the subject of clause (b), any Debt (provided that in connection with any revolving credit borrowings under Credit Facilities, the related commitment will not be required to be reduced) that is secured by a Lien on assets or property which do not constitute Collateral or (ii) any Debt of a Restricted Subsidiary that is not a Guarantor;

(d) unless included in clause (2)(b) above, to purchase, or prepay or redeem or repay, any Pari Passu Debt to the extent secured by a Lien on the Collateral at a price of no more than 100% of the principal amount (or accreted value, as applicable) of such Debt (plus accrued and unpaid interest) so long as the Issuer or such Restricted Subsidiary makes an offer on a *pro rata* basis to all holders of the Notes at a purchase price equal to

100% of the principal amount of the Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase;

(e) to acquire all or substantially all the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;

(f) to make a capital expenditure;

(g) to acquire other assets (other than Capital Stock) that are used or useful in a Permitted Business; or

(h) any combination of the foregoing.

(3) Pending the final application of any Net Cash Proceeds (including cash or Cash Equivalents received from the conversion of any securities, notes or other obligations), the Issuer (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the Indenture.

(4) Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clause (2) of this covenant will constitute "**Excess Proceeds**". The Issuer may also at any time, and the Issuer will within ten Business Days after the aggregate amount of Excess Proceeds exceeds €10 million, make an offer (an "**Excess Proceeds Offer**") to purchase, prepay or redeem with the proceeds of sales of assets the maximum principal amount of Notes and Pari Passu Debt, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with the procedures set forth in the Indenture or the agreements governing any such Pari Passu Debt. The offer price for the Notes and any such Pari Passu Debt will be payable in cash in an amount equal to 100% of the principal amount of such Note (and solely in the case of Pari Passu Debt, no greater than 100% of the principal amount (or accreted value, as applicable) of such Debt), plus in each case accrued and unpaid interest, if any, to the date of purchase and Additional Amounts, if any, to the date of purchase, prepayment or redemption.

(5) To the extent that the aggregate principal amount of the Notes and any such Pari Passu Debt tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the Issuer (or applicable Restricted Subsidiary) may use the amount of such Excess Proceeds not used to purchase the Notes and other Pari Passu Debt for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of the Notes and any such Pari Passu Debt to be prepaid or validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the Notes and any such Pari Passu Debt to be purchased will be purchased, prepaid or redeemed, as applicable, on a *pro rata* basis (based upon the principal amount of the Notes and the principal amount or accreted value of such Pari Passu Debt to be prepaid or tendered by each holder). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero. If the aggregate principal amount of Notes to be purchased exceeds the amount of proceeds received for application to such principal amount, the Trustee will select the Notes to be purchased on a *pro rata* basis (or in the manner described under "*—Selection and Notice*"), based on the amounts tendered. Any Net Cash Proceeds payable in respect of Notes pursuant to an Excess Proceeds Offer will be allocated between the Fixed Rate Notes and the Floating Rate Notes in proportion to the respective aggregate principal amounts of Fixed Rate Notes and Floating Rate Notes validly tendered and not withdrawn.

(6) If the Issuer is obligated to make an Excess Proceeds Offer, the Issuer will purchase the Notes and Pari Passu Debt, at the option of the holders thereof, in whole or in part in integral multiples of €1,000, on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders, or such later date as may be required under the Exchange Act; provided that no Note of less than €100,000 remains outstanding thereafter.

(7) The Issuer will comply with the applicable requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Excess

Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached their respective obligations under the Asset Sale provisions of the Indenture by virtue of such compliance.

Additional Guarantees

The Issuer will not permit any of its Restricted Subsidiaries that is not a Guarantor, directly or indirectly, to guarantee the payment of any other Debt of the Issuer or any Guarantor unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Note Guarantee of the payment of the Notes by such Restricted Subsidiary, which Note Guarantee will be *pari passu* with or senior to such Restricted Subsidiary's guarantee of such other Debt.

Each additional Note Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, thin capitalization, distributable reserves, benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

The first paragraph of this covenant is not applicable to any guarantee of any Restricted Subsidiary (a) existing on the Issue Date (after giving effect to the Transactions on the Issue Date), (b) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or (c) given to a bank or trust company having combined capital and surplus and undivided profits of not less than €250.0 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the benefit of the Issuer or the Restricted Subsidiaries.

Notwithstanding the foregoing, the Issuer shall not be obligated to cause a Restricted Subsidiary to guarantee the payment of the Notes to the extent that such Note Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in (a) a violation of applicable law, which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Restricted Subsidiary; (b) any liability for the officers, directors or shareholders of such Restricted Subsidiary; (c) significant cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses and other than reasonably expenses Incurred in connection with any governmental or regulatory filings required as a result or, or any measures pursuant to clause (b) undertaken in connection with, such Note Guarantee, which cannot be avoided through measures reasonably available to the Issuer or any Restricted Subsidiary or (d) an inconsistency with Agreed Security Principles.

Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries

(1) The Issuer will not, and will not permit any Restricted Subsidiary to create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock to the Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits;

(b) pay any Debt owed to the Issuer (including any Proceeds Loan) or any other Restricted Subsidiary;

(c) make loans or advances to the Issuer or any other Restricted Subsidiary; or

(d) transfer any of its properties or assets to the Issuer or any other Restricted Subsidiary;

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Issuer or any Restricted Subsidiary to other Debt (other than any Proceeds Loan) Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

(2) The provisions of the covenant described in paragraph (1) above do not apply to encumbrances or restrictions existing under or by reason of:

(a) the Notes (including Additional Notes), the Note Guarantees, the Indenture, the Revolving Credit Facility Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents;

(b) any agreements or instruments with respect to Debt of the Issuer or any Restricted Subsidiary permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of "—*Limitation on Debt*," and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that such encumbrances or restrictions taken as a whole, as determined in good faith by the Board of Directors or a member of senior management of the Issuer, are not materially less favorable to the holders of the Notes than (i) the encumbrances and restrictions contained in the Revolving Credit Facility Agreement, the Notes, the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) is customary in comparable financings and, in the case of this subclause (ii), the Issuer determines at the time such Debt is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuers' ability to make principal or interest payments on the Notes (as determined in good faith by the Board of Directors, the chief executive officer, chief financial officer or treasurer of the Issuer);

(c) any agreement in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date (as determined in good faith by the Board of Directors or a member of senior management of the Issuer);

(d) customary non-assignment and similar provisions in contracts, leases and licenses entered into in the ordinary course of business;

(e) any agreement or other instrument of a Person (including its Subsidiaries) acquired by the Issuer or any Restricted Subsidiary in effect at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired (including its Subsidiaries);

(f) any agreement for the sale or other disposition of the Capital Stock or all or substantially all the property and assets of a Restricted Subsidiary that restricts distributions of such Capital Stock or property and assets of that Restricted Subsidiary pending its sale or other disposition;

(g) Liens permitted to be Incurred under the provisions of the covenant described above under the caption "—*Limitation on Liens*" that limit the right to dispose of the assets subject to such Liens;

(h) applicable law, rule, regulation or order or the terms of any governmental licenses, authorizations, concessions, franchises or permits;

(i) encumbrances or restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies or indemnities, in each case, under contracts, agreements or policies entered into in the ordinary course of business;

(j) customary limitations on the distribution or disposition of assets or property in leases, licenses, joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment), which limitations are applicable only to the assets that are the subject of such agreements;

(k) Purchase Money Obligations and mortgage financings for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (1)(d) of the preceding paragraph;

(l) any agreement that extends, renews, amends, modifies, restates, supplements, refunds, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (2)(a) through (k), or in this clause (2)(l); provided that the terms and conditions of any such encumbrances or restrictions are not materially less favorable, taken as a whole, to the holders of the Notes than those under or pursuant to the agreement so extended, renewed, amended, modified, restated, supplemented, refunded, refinanced or replaced (as determined in good faith by the Board of Directors, the chief executive officer, chief financial officer or treasurer of the Issuer);

(m) any encumbrance or restriction pursuant to Hedging Obligations; and

(n) any Qualified Securitization Financing.

Lines of Business

The Issuer will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries, taken as a whole.

Designation of Unrestricted and Restricted Subsidiaries

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer to be an Unrestricted Subsidiary (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) if no Default or Event of Default shall have occurred or be continuing at the time of or immediately after giving effect to such designation and such Subsidiary to be so designated or any of its Subsidiaries does not own any Capital Stock or Debt of, or own or hold any Lien on any property of, the Issuer or any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and the Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "—*Limitation on Restricted Payments*" or under one or more clauses of the definition of Permitted Investments, as determined by the Issuer. That designation will only be permitted if the Investment of the Issuer in such Subsidiary would be permitted at that time under the covenant "—*Limitation on Restricted Payments*". The Board of Directors of the Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "—*Limitation on Restricted Payments*".

The Board of Directors of the Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation will be deemed to be an Incurrence of Debt by a Restricted Subsidiary of any outstanding Debt of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Debt is permitted under the covenant described under the caption "—*Limitation on Debt*," calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation. Any designation of an Unrestricted Subsidiary of the Issuer as a Restricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions.

Provision of Information

So long as the Notes are outstanding, the Issuer will furnish to the Trustee:

(a) within 120 days after the end of the Issuer's fiscal year beginning with the fiscal year ended December 31, 2017, annual reports containing the following information with a level of detail that is reasonably consistent with this Listing Memorandum: (i) audited consolidated balance sheets of the Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the two most recent fiscal years, including complete footnotes to such financial statements and the report of its independent auditors on the financial statements; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisition or disposition or material recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (b) or (c) below provided that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) an operating and financial review of the audited financial statements, including a discussion of the consolidated results of operations, financial condition, EBITDA and liquidity and capital resources, and a discussion of material commitments and contingencies, capital expenditures and critical accounting policies; (iv) a description of the business, management and shareholders of the Issuer, material affiliate transactions, material debt instruments and material contracts; and (v) material risk factors and material recent developments;

(b) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Issuer, all quarterly financial statements of the Issuer containing the following information: (i) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year period (which may be presented on a *pro forma* basis), together with condensed footnote disclosure; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisition or disposition as determined with reference to the most recently completed fiscal quarter as to which such quarterly report relates or material recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report related, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (c) below; provided that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of material acquisition, acquired company financials, (iii) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated results of operations, financial condition and EBITDA and material changes in liquidity and capital resources of the Issuer and any material change between the current year-to-date period and the corresponding period of the prior year; and (iv) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; and

(c) promptly after the occurrence of any material acquisition, disposition, restructuring or business consolidation or combination of the Issuer and the Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the Issuer or change in auditors of the Issuer or any other material event that the Issuer announces publicly, a report containing a description of such event.

All historical financial statements shall be prepared in accordance with IFRS on a consistent basis for the periods presented. Except as provided for above, no report need include separate financial statements for the Issuer or any Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in the offering memorandum dated April 12, 2017 related to the issuance of Existing Notes and in no event (i) shall U.S. GAAP information or reconciliation to U.S. GAAP be required nor (ii) shall such report include separate financial statements for any Guarantor and non-Guarantor Subsidiaries of the Issuer.

Contemporaneously with the furnishing of each such report discussed above, the Issuer will also (i) file a press release with the appropriate internationally recognized wire services (including, without limitation, through the newswire service of Bloomberg, or if Bloomberg does not then operate, any similar agency) in connection with such report or (ii) post each such report on such website as may be then maintained by the Issuer.

So long as any of the Notes remain outstanding and during any period during which the Issuer is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b) under the Exchange Act, the Issuer will make available to any prospective purchaser of Notes or beneficial owner of Notes in connection with any sale thereof the information required by Rule 144A(d)(4) under the Securities Act.

At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "—*Provision of Information*" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

In the event that (i) the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the Commission or (ii) the Issuer elects to provide reports which, if filed with the Commission, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the Commission pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs of this covenant.

Consolidation, Merger and Sale of Assets

The Issuer

The Issuer will not, directly or indirectly, in a single transaction or through a series of related transactions, consolidate or merge with or into another Person (whether or not the Issuer is the surviving Person) or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to another Person, unless:

(a) at the time of, and immediately after giving effect to, any such transaction or series of transactions, either (i) the Issuer will be the surviving Person or (ii) the Person (if other than the Issuer) formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all the properties and assets of the Issuer and the Restricted Subsidiaries, taken as a whole, has been made (the "**Surviving Entity**"):

(x) will be a Person duly incorporated and validly existing under the laws of any member state of the European Union, Switzerland, Canada or any province of Canada, the United States of America, any state thereof or the District of Columbia; and

(y) will expressly assume the Issuer's obligations under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Proceeds Loans and the Security Documents pursuant to a supplemental indenture, accession agreement, security documents and any other relevant document, in each case, delivered to the Trustee and the Security Agent and the Issuer will cause the Holdco Security Providers (or any of them) to enter into one or more pledges of all of the Capital Stock of the Surviving Entity securing the obligations of the Issuer under the Notes (or parallel debt related thereto) to the Security Agent for the benefit of the Trustee and the holders of Notes (which pledges shall be on substantially similar terms as the pledges entered into by the Holdco Security Providers with respect to the Capital Stock of the Issuer on the Issue Date);

(b) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (and treating any obligation of the Issuer or any Restricted Subsidiary Incurred in connection with or as a result of such transaction or series of related transactions as having been Incurred by the Issuer or such Restricted Subsidiary at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(c) the Issuer or the Surviving Entity would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to Incur at least €1.00 of additional Debt pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in clause (1)(a) of the "—*Limitation on Debt*" covenant or (ii) have a Consolidated Fixed Charge Coverage Ratio not less than it was immediately prior to giving effect to such transaction; and

(d) the Issuer or the Surviving Entity will have delivered to the Trustee, in form satisfactory to the Trustee, an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this covenant and that the supplemental indenture and the Notes constitute the Issuer's or Surviving Entity's legal, valid and binding obligations, enforceable in accordance with their terms provided that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clause (b) and (c) above.

The foregoing provisions (other than the requirements of clause (b) of the first paragraph of this "—*Consolidation, Merger and Sale of Assets*" covenant) shall not apply to (i) any transactions which constitute an Asset Sale if the Issuer has complied with the covenant described under "—*Limitation on Sale of Certain Assets*" or (ii) the creation of a new subsidiary as a Restricted Subsidiary of the Issuer.

The Surviving Entity will succeed to, be substituted for and may exercise every right and power of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents.

Guarantors

A Guarantor (other than any Guarantor whose Note Guarantee is to be released in accordance with the terms of the Note Guarantee and the Indenture as described under "—*The Note Guarantees*") will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Guarantor is the surviving Person), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Guarantor and its Subsidiaries which are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(a) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(b) either:

(i) the Person acquiring the property or assets in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than the Issuer or a Guarantor) assumes all the obligations of such Guarantor under its Note Guarantee, the Indenture, the relevant Proceeds Loans (as applicable), the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which such Guarantor is party pursuant to a supplemental indenture, accession agreement and appropriate security documents delivered to the Trustee and the Security Agent; or

(ii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture.

Notwithstanding clauses (b) and (c) of the first paragraph of this covenant under "—*The Issuer*" and clause (a) of the first paragraph of this covenant under "—*Guarantors*" (which do not apply to the transactions referred to in this sentence), (i) any Restricted Subsidiary may consolidate with, merge into or transfer all or substantially all of its properties and assets to the Issuer or any other Restricted Subsidiary and (ii) the Issuer may consolidate with, merge into or transfer all or substantially all of its properties and assets to any Guarantor. In addition, clause (c) of the first paragraph of this covenant under "—*The Issuer*" does not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer with or into an Affiliate solely for the purpose of reincorporating the Issuer in another jurisdiction for tax reasons.

Notwithstanding anything to the contrary contained herein, this "—*Consolidation, Merger and Sale of Assets*" covenant does not apply to any transaction or arrangement that is a Permitted Reorganization.

Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Impairment of Security Interest

The Issuer and the Guarantors will not, and the Issuer will not cause or permit any of its Restricted Subsidiaries or any Holdco Security Provider to, take, or knowingly or negligently omit to take, any action which would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens, the implementation of any Permitted Reorganization and the release of the Liens created by the Issuer Share Pledges in connection with a Qualifying IPO shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral) for the benefit of the Trustee and the holders of the Notes, and the Issuer and the Guarantors will not, and the Issuer will not cause or permit any of its Restricted Subsidiaries or any Holdco Security Provider to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement any interest whatsoever in any of the Collateral; provided that (a) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with any other provision of the Indenture (including without limitation, in connection with a Permitted Reorganization or Qualifying IPO), the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement and (b) the Issuer, the Issuer's Restricted Subsidiaries and the Holdco Security Providers may Incur Permitted Collateral Liens, implement any Permitted Reorganization or release Liens created by the Issuer Share Pledge in connection with a Qualifying IPO; and provided further, however, that, except with respect to clause (a) and clause (b) of the foregoing proviso (provided that, in the case of such clause (b), unless no release of the relevant Lien securing the Notes is required in order for the Issuer, any Restricted Subsidiary or any Holdco Security Provider to Incur a Permitted Collateral Lien, implement any Permitted Reorganization or release Liens created by the Issuer Share Pledge in connection with a Qualifying IPO, such Lien securing the Notes is retaken immediately following its release in connection with such Incurrence), no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced or a Lien over the Collateral released and immediately retaken unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, replacement or release and retaking, the Issuer delivers to the Trustee any of (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance satisfactory to the Trustee confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification, replacement or release and retaking, (2) a certificate from the Board of Directors or the chief financial officer of the relevant Person which confirms the solvency of such Person after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release and retaking and replacement, or (3) an Opinion of Counsel, in form and substance satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or release and retaking, the Lien or Liens securing the Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity (if legally applicable) or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the written direction of the Issuer and without the consent of the holders of the Notes, the Trustee and the Security Agent may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; (iv) comply with the terms of the Intercreditor Agreement; (v) evidence the succession of another Person to the Issuer, a Guarantor or a Holdco Security Provider and the assumption by such successor of the obligations under the Indenture, the Notes, the applicable Note Guarantee and the Security Documents, in each case, in accordance with "*—Certain Covenants—Merger, Consolidation or Sale of Assets*;" or as result of a Permitted Reorganization; (vi) provide for the release of property and assets constituting Collateral from the Lien of the Security Documents or the release of the Note Guarantee of a Guarantor, in each case, in accordance with (and if permitted by) the terms of the Indenture; (vii) conform the Security Documents to this "*Description of the Notes*;" (viii) evidence and provide for the acceptance of the appointment of a successor Trustee or Security Agent; (ix) provide for Additional Notes to also benefit from the Collateral or (x) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect.

In the event that the Issuer complies with this covenant, the Security Agent and the Issuer and the Trustee (subject to customary protections and indemnifications), if required, shall take all action necessary to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

Additional Intercreditor Agreements

At the written request of the Issuer, at the time of, or prior to, the Incurrence or refinancing of any Debt that is permitted to share the Collateral, the Issuer, the relevant Guarantors, the Holdco Security Providers, the Trustee and the Security Agent will (without the consent of the holders of the Notes) enter into an additional intercreditor agreement (each an "**Additional Intercreditor Agreement**") on terms substantially similar to the Intercreditor Agreement (or more favorable to the holders of the Notes) or an amendment to or an amendment and restatement of the Intercreditor Agreement (which amendment in the good faith judgment of the Issuer does not adversely affect the rights of holder of the Notes in any material respect), it being understood that an increase in the amount of Debt being subject to the terms of the Intercreditor Agreement or Additional Intercreditor Agreement will be deemed to be on substantially similar terms to the Intercreditor Agreement and will be deemed not to adversely affect the rights of the holders of the Notes and will be permitted by this covenant if, in each case, the Incurrence of such Debt (and any Lien in its favor is permitted by the "*—Limitation on*

Debt" and "—*Limitation on Liens*" covenants; provided that such Intercreditor Agreement or Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities, protections, indemnities or immunities of the Trustee and the Security Agent under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture also provides that, at the written direction of the Issuer and without the consent of the holders of the Notes, the Trustee and the Security Agent shall from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, error, defect or inconsistency of such agreement, (2) increase the amount or types of Debt covered by such agreement that may be Incurred by the Issuer or a Guarantor that is subject to such agreement (including with respect to the Intercreditor Agreement or any Additional Intercreditor Agreement, the addition of provisions relating to new Debt ranking junior in right of payment to the Notes or the Note Guarantees, or an amendment or modification of provisions relating to Debt ranking junior in right of payment to the Notes or the Note Guarantees if such amendments do not adversely affect the holders of the Notes in any material respect), (3) add Restricted Subsidiaries or new Guarantors to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of or call options on the Collateral to secure Additional Notes, (6) implement any Permitted Collateral Liens, (7) to enable a Permitted Reorganization or release Liens created by the Issuer Share Pledge in connection with a Qualifying IPO, (8) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (9) make any other change to any such agreement that does not adversely affect the holders of the Notes in any material respect.

The Indenture also provides that, in relation to the Intercreditor Agreement or any Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the holders of the Notes to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of Subordinated Debt; provided that such transaction would comply with the covenant described under the caption "—*Restricted Payments*". The Indenture provides that each holder of a Note, by accepting such Note, will be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement, Additional Intercreditor Agreement and any amendment that complies with the provisions of this covenant, and none of the Issuer, the Trustee or the Security Agent will be required to seek the consent of any holders of the Notes to perform its obligations under and in accordance with this covenant. Each holder of the Notes will be deemed to have consented to and directed the Trustee and the Security Agent to execute the Intercreditor Agreement, any Additional Intercreditor Agreement or amendment or amendment and restatement of the Intercreditor Agreement or any Additional Intercreditor Agreement that complies with the provisions of this covenant.

Limitation on Amendments to the Proceeds Loans

The Issuer shall not sell, assign or otherwise transfer or forgive or waive any principal amount of any Proceeds Loan (other than to secure the Notes, any Guarantee of the Notes or the Indenture or to grant Permitted Collateral Liens).

In addition, the Issuer may not amend, modify or supplement any Proceeds Loan in a manner adverse in any material respect to the holders of Notes.

Notwithstanding the foregoing, any Proceeds Loan may be cancelled, forgiven or otherwise repaid, released or discharged upon:

(1) a sale or other disposition (including by way of consolidation or merger) of the Capital Stock of the relevant Proceeds Loan Borrower (whether by direct sale or sale of a holding company), if the sale or other disposition does not violate the Indenture and such Proceeds Loan Borrower ceases to be a Restricted Subsidiary of the Issuer as a result of the sale or other disposition;

(2) the sale or disposition of all or substantially all the assets of such Proceeds Loan Borrower (other than to the Issuer or any of its Restricted Subsidiaries), if the sale or other disposition does not violate the Indenture;

(3) defeasance or discharge of the Notes, as provided in "—*Legal Defeasance or Covenant Defeasance of Indenture*" and "—*Satisfaction and Discharge*";

(4) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;

(5) as described under "—*Amendments and Waivers*"; or

(6) (i) as a result of a transaction permitted by the covenant described under the caption entitled "—*Certain Covenants—Consolidation, Merger and Sale of Assets*"; (ii) automatically and without any action by the Trustee or the Security Agent, in connection with any consolidation or merger of Quick Restaurants SA with or into Financière Quick SAS or of Financière Quick SAS with or into the Issuer (with the Issuer as the surviving entity) or (iii) in connection with a Permitted Reorganization (other than any transaction described in clause (ii)).

The Trustee and the Security Agent shall, as applicable, take all necessary actions reasonably requested by the Issuer, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any redemption or release of the relevant Proceeds Loan in accordance with the foregoing provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee and the Security Agent without the consent (except to the extent required under clause (5) above) of or liability to the holders of Notes or any other action or consent on the part of the Trustee or the Security Agent.

Limitations Related to the BH Cash Management Agreement

In the event that (i) BH shall have breached its obligations under the BH Cash Management Agreement, (ii) an Event of Default shall have occurred and be continuing and the Security Agent shall have commenced enforcement proceedings under the Indenture, (iii) the BH Cash Management Agreement or the BH Account Pledge shall have been terminated, (iv) the BH Account Pledge shall have ceased to constitute a valid and perfected Lien or shall have been declared legally invalid or unenforceable by a court of competent jurisdiction or (v) Mr. Olivier Bertrand or any of his Related Parties shall have ceased to own more than 50% of the total voting power of the Voting Stock of BH, the Issuer shall, promptly upon the occurrence of any such event described in clause (i), (ii), (iii), (iv) or (v), cause BH to pay over to it (A) all cash and any other property and assets theretofore advanced by the Issuer to BH under the terms of the BH Cash Management Agreement (and not theretofore reimbursed), (B) all securities and cash equivalents purchased with any such cash, property and assets (and not theretofore paid out to the Issuer) and (C) all proceeds of the foregoing not theretofore paid out to the Issuer and shall cancel and terminate the BH Cash Management Agreement and ensure that no further funds are advanced to BH thereunder or under any other cash management arrangements whether now or hereafter in effect.

In addition, the Issuer will not amend, modify, supplement, restate or replace, or cause or suffer to be amended, modified, supplemented, restated or replaced, the BH Cash Management Agreement or the BH Account Pledge in any manner that would be materially adverse to the Holders of Notes.

Maintenance of Listing

The Issuer has listed the Existing Notes and the Additional Notes on the Luxembourg Stock Exchange and will use its commercially reasonable efforts to maintain the listing of the Existing Notes and the Additional Notes on the Luxembourg Stock Exchange for so long as such Notes are outstanding; provided that if the Issuer is unable to obtain admission to listing of the Additional Notes on the Luxembourg Stock Exchange or if at any time the Issuer determines that it will not maintain the listing of Notes, it will use its commercially reasonable efforts to obtain and maintain a listing of such Notes on another recognized stock exchange.

Payments for Consent

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes, to exclude holders of Notes in any jurisdiction where (a) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or (b) the payment of the consideration therefor would require the Issuer or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), and the Issuer in its sole discretion determines (acting in good faith) (x) such filing would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction); or (y) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Events of Default

(1) Each of the following is an "**Event of Default**" under the Indenture:

(a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Note;

(b) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of or premium, if any, on any Note;

(c) failure by the Issuer or any Restricted Subsidiary for 60 days after written notice to the Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the agreements in the Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (a) or (b) above) or the Notes, the Note Guarantees or the Security Documents;

(d) default under the terms of any instrument evidencing or securing Debt by the Issuer or any Restricted Subsidiary (other than Debt owed to the Issuer or a Restricted Subsidiary) if that default (x) results in the acceleration of the payment of such Debt or (y) is caused by a failure to pay principal of such Debt at the Stated Maturity thereof after giving effect to any applicable grace periods, and such failure to make any payment has not been waived or the maturity of such Debt has not been extended (a "**Payment Default**"), and in either case the aggregate principal amount of such Debt unpaid or accelerated exceeds €15.0 million;

(e) any Note Guarantee existing on the Issue Date or any other Note Guarantee of a Significant Subsidiary or a group of Guarantors that, taken as a whole, would constitute a Significant Subsidiary ceases to be, is held in any judicial proceeding or shall be asserted in writing by any Guarantor, or any Person acting on behalf of any Guarantor, not to be, in full force and effect or enforceable in accordance with its terms (other than as provided for in the Indenture, any Note Guarantee or the Intercreditor Agreement);

(f) failure by the Issuer or any Significant Subsidiary or a group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, to pay final judgments, orders or decrees (not subject to appeal) entered by a court or courts of competent jurisdiction aggregating in excess of €15.0 million (exclusive of any amounts covered by insurance policies issued by reputable and creditworthy insurance companies), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days or more during which a stay of enforcement of such judgment, order or decree (by reason of pending appeal, waiver or otherwise) shall not have been in effect;

(g) (i) the security interests purported to be created under any Security Document (with respect to Collateral) having a Fair Market Value in excess of €5.0 million will (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture), at any time, cease to be in full force and effect and to constitute a valid and perfected Lien with the priority required by the applicable Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Indenture for any reason other than the satisfaction in full of all obligations under the Indenture and discharge of the Indenture or in accordance with the terms of the Intercreditor Agreement, any Additional Intercreditor Agreement, the Indenture and the Security Documents or (ii) any security interest purported to be created under any Security Document is declared invalid or unenforceable or the Issuer, any Restricted Subsidiary or Holdco Security Provider granting Collateral that is the subject of any such Security Interest asserts, in any pleading in any court of competent jurisdiction, that any such Security Interest is invalid or unenforceable, and, in the case of (i), such failure to be in full force and effect or such assertion has continued uncured for a period of 15 days; and

(h) the occurrence of certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer, a Guarantor, any Holdco Security Provider, BH or any Significant Subsidiary or group of Restricted Subsidiaries that taken as a whole would constitute a Significant Subsidiary;

provided, *however*, that a default under clause (c), (d) or (f) of this paragraph does not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of the outstanding Notes notify the Issuer of the Default and, with respect to such clause (c), (d) or (f), the Issuer does not cure such Default within the time specified in such clause (c), (d) or (f), as applicable, after receipt of such notice. Notwithstanding the foregoing clause (h), the occurrence of any such bankruptcy or insolvency event with respect to BH shall be deemed not be an Event of Default if (and only for so long as) BH holds no cash or other property and assets on behalf of the Issuer pursuant to the terms of the BH Cash Management Agreement.

(2) If an Event of Default (other than as specified in clause (1)(h) above) occurs and is continuing, the Trustee or the holders of not less than 25% in aggregate principal amount of the Notes then outstanding by written notice to the Issuer (and to the Trustee if such notice is given by the holders) may, and the Trustee, upon the written request of such holders, shall, declare the principal of, premium, if any, and any Additional Amounts and accrued interest on all the outstanding Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes will become immediately due and payable.

(3) If an Event of Default specified in clause (1)(h) above occurs and is continuing, then the principal of, premium, if any, and Additional Amounts and accrued and unpaid interest on all the outstanding Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Notes.

(4) The Indenture provides that the holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the holders of all of the Notes waive any existing Default and its consequences under the Indenture (except a continuing Default in the payment of interest, premium and Additional Amounts, if any, or the principal of any Notes held by a non-consenting holder, which may only be waived with the consent of holders of the Notes holding 90% of the aggregate principal amount of the Notes outstanding under the Indenture) and rescind any acceleration with respect to the Notes and its consequences (except if such rescission would conflict with any judgment of a court of competent jurisdiction). In the event of any Event of Default specified in clause (d) above, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Notes) shall be annulled, waived or rescinded, automatically and without any action by the Trustee or the holders, if within 20 days after such Event of Default arose: (i) the indebtedness or guarantee that is the basis for such Event of Default has been discharged; (ii) holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or (iii) the default that is the basis for such Event of Default has been cured.

(5) At any time after a declaration of acceleration under the Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to the Issuer and the Trustee, may rescind such declaration and its consequences if:

(a) the Issuer has paid or deposited with the Trustee (or another party designated by the Trustee for this purpose) a sum sufficient to pay:

(i) all overdue interest and Additional Amounts on all Notes then outstanding;

(ii) all unpaid principal of and premium, if any, on any outstanding Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes;

(iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Notes; and

(iv) all sums paid or advanced by the Trustee under the Indenture and the properly Incurred compensation, expenses, disbursements and advances of the Trustee, its agents and counsels;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of amounts of principal of, premium, if any, and any Additional Amounts and interest on the Notes that has become due solely by such declaration of acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(6) Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power.

(7) In case an Event of Default occurs and is continuing, the Trustee is under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of the Notes unless such holders have made written request and offered to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of any of the Notes has any right to institute any proceedings with respect to the Indenture or any remedy thereunder, unless:

(a) the holders of at least 25% in aggregate principal amount of the outstanding Notes have made written request to, and offered indemnity and security satisfactory to, the Trustee to institute such proceeding as trustee under the Notes and the Indenture;

(b) the Trustee has failed to institute such proceeding within 60 days after receipt of such written notice and offer of indemnity; and

(c) security and the Trustee within such 60-day period has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.

(8) If a Default or an Event of Default occurs and is continuing and is known to the Trustee, the Trustee will deliver to each holder of the Notes notice of the Default or Event of Default within 30 Business Days after its actual knowledge of such occurrence. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, Additional Amounts or interest on any Notes, the Trustee may withhold the notice to the holders of such Notes if a committee

of its trust officers in good faith determines that withholding the notice is in the interests of the holders of the Notes.

(9) The Issuer is required to furnish to the Trustee annual statements regarding compliance with the Indenture and as to the occurrence of a Default or Event of Default. The Issuer is also required to notify the Trustee in writing within 30 days of the occurrence of any Default (unless cured) or Event of Default stating what action, if any, it is taking with respect to such Default or Event of Default.

(10) The Indenture provides that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "**Initial Default**") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*—Provision of Information*" or otherwise to deliver any notice or certificate pursuant to any other provision of this Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

Legal Defeasance or Covenant Defeasance of Indenture

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Notes issued under an Indenture and all obligations of the Guarantors discharged with respect to their applicable Note Guarantees ("**Legal Defeasance**") except as to:

(a) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on such Notes (including Additional Amounts, if any) when such payments are due from the trust referred to below;

(b) the Issuer's obligations to issue temporary Notes, register, transfer or exchange any Notes, replace mutilated, destroyed, lost or stolen Notes, maintain an office or agency for payments in respect of the Notes and segregate and hold such payments in trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee and the obligations of the Issuer and the Guarantors in connection therewith; and

(d) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

If the Issuer exercises its Legal Defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the Guarantors released with respect to certain covenants (including, without limitation, its obligation to make Change of Control Offers and Excess Proceeds Offers) set forth in the Indenture ("**Covenant Defeasance**"), and thereafter any omission to comply with such covenants does not constitute a Default or an Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events described under "*—Events of Default*" no longer constitute an Event of Default with respect to the Notes. These events do not include events relating to non-payment or, solely with respect to the Issuer, bankruptcy, insolvency, receivership and reorganization. The Issuer may exercise its Legal Defeasance option regardless of whether it previously exercised Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuer must irrevocably deposit or cause to be deposited in trust with the Trustee (or such other entity nominated by the Trustee for this purpose), for the benefit of the holders of the Notes, cash in euro, non-callable European Government Obligations or a combination thereof, in each case, in such amounts as will be sufficient, in the opinion of internationally recognized investment bank, appraisal firm or firm of independent public accountants taking into account the effect of any hedging arrangements entered into in connection with such deposit, to pay and discharge the principal of, premium, if any, and interest (including Additional Amounts, if any) on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Issuer must (x) specify whether the Notes are being defeased to such Stated Maturity or to a particular redemption date; and (y) if applicable, have delivered to the Trustee an irrevocable notice to redeem all the outstanding Notes of such principal, premium, if any, or interest;

(b) in the case of Legal Defeasance, the Issuer must have delivered to the Trustee an Opinion of Counsel stating that (i) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (ii) since the Issue Date, there has been a change in applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer must have delivered to the Trustee an Opinion of Counsel to the effect that the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) the Issuer must have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of the Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or others; and

(e) the Issuer must have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder when:

(a) either:

(i) all the Notes that have been authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust and thereafter repaid to the Issuer or discharged from such trust as provided for in the Indenture) have been delivered to the Paying Agent (and notified to the Trustee) for cancellation; or

(ii) all Notes that have not been delivered to the Paying Agent (and notified to the Trustee) for cancellation (x) have become due and payable (by reason of the mailing of a notice of redemption or otherwise), (y) will become due and payable within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or such other entity nominated by the Trustee for this purpose) as trust funds in trust solely for the benefit of the holders of the Notes, cash in euro, non-callable European Government Obligations or a combination thereof, in each case in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the Notes not delivered to the Paying Agent (and notified to the Trustee) for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; and

(b) the Issuer or any Guarantor has paid or caused to be paid all other sums payable by the Issuer under the Indenture; and

(c) the Issuer has delivered irrevocable instructions to the Paying Agent and copied to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been satisfied; provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (a), (b) and (c)).

Amendments and Waivers

Except as provided otherwise in the succeeding paragraphs, the Indenture, the Notes, the Note Guarantees, the Security Documents, any Proceeds Loan, the Intercreditor Agreement or any Additional Intercreditor Agreement may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the Note Guarantees, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided, however*, that if any amendment, supplement or waiver will only affect the Fixed Rate Notes or the Floating Rate Notes, only the consent of holders of a majority in aggregate principal amount of the then outstanding Fixed Rate Notes or Floating Rate Notes, as applicable, and not the consent of holders of a majority in aggregate principal amount of all Notes then outstanding, will be required.

However, without the consent of the holders holding not less than 90% of the then outstanding principal amount of Notes (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), or if any amendment, supplement or waiver will only affect one series of the Notes, without the consent of holders holding not less than 90% of the then outstanding aggregate principal amount of Notes of such series so amended, supplemented or waived, an amendment, supplement or waiver may not, with respect to any Notes held by a non-consenting holder:

(a) extend the Stated Maturity of the principal of, or any installment of or interest or Additional Amounts on, any Note;

(b) reduce the principal amount of any Note (or Additional Amounts or premium, if any) or the rate of or change the time for payment of interest, including default interest, on any Note;

(c) change the coin or currency in which the principal of any Note or any premium or any Additional Amounts or the interest thereon is payable;

(d) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described under "—*Optional Redemption*;"

(e) impair the right of any holder of Notes to institute suit for the enforcement of any payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date) on or with respect to such holder's Notes;

(f) waive a continuing Default or Event of Default in the payment of principal of, premium, if any, interest, or Additional Amounts, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);

(g) release any Guarantor from any of its obligations under its Note Guarantee other than in accordance with the terms of the Indenture and the Intercreditor Agreement;

(h) make any change to any provision of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement affecting the ranking of the Notes or Note Guarantees, in each case, in a manner that adversely affects the rights of the holders of Notes;

(i) release any Collateral granted for the benefit of the holders of the Notes, except in accordance with the terms of the relevant Security Document, the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(j) make any change in the provisions of the Indenture described under "—*Additional Amounts*" that adversely affects the rights of any holder of the Notes in any material respect or amend the terms of the Notes or the Indenture in a way that would result in the loss of an exemption from any of the Taxes described thereunder;

(k) waive a redemption payment with respect to any Note (other than a payment required by the covenants described above under the captions "*Purchase of Notes upon a Change of Control*" and "—*Certain Covenants—Limitation on Sale of Certain Assets*");

(l) modify any of the provisions relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding Notes required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each Note affected thereby; or

(m) make any change in the preceding provisions.

Notwithstanding the foregoing, without the consent of any holder of the Notes, the Issuer, the Guarantors, the Security Agent, Paying Agent and the Trustee (as applicable) may modify, amend or supplement the Indenture, the Notes, the Note Guarantees, any Security Document, the Intercreditor Agreement or any Additional Intercreditor Agreement to which they are party:

(a) to cure any ambiguity, omission, error, defect or inconsistency;

(b) increase the amount or types of Debt covered by any such agreement that may be Incurred under the Indenture by the Issuer or a Guarantor that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Debt ranking junior or *pari passu* in right of payment to the Notes, or an amendment or modification of provisions relating to such Debt) that does not adversely affect the holders of the Notes in any material respect;

(c) add Restricted Subsidiaries to the relevant agreement or provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the Indenture;

(d) implement any Permitted Collateral Liens (including junior liens, *pari passu* liens, and liens benefiting from priority rights of turnover in respect of proceeds of enforcement);

(e) to provide for the assumption of the Issuer's or any other Guarantor's obligations to holders of the Notes and Note Guarantees by a Surviving Entity;

(f) to make any change that would provide any additional rights or benefits to the holders of the Notes or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect;

(g) to conform the text of the Indenture, the Note Guarantees, the Security Documents or the Notes to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a verbatim recitation of a provision of the Indenture, the Note Guarantees, the Security Documents or the Notes;

(h) to release any Note Guarantee in accordance with the terms of the Indenture;

(i) to add Note Guarantees with respect to the Notes and to allow any Guarantor to execute a supplemental indenture with respect to the Notes or a Note Guarantee and to allow the entry into of additional or supplemental Security Documents or to add additional parties to the Intercreditor Agreement or any Security Documents to the extent permitted hereunder or thereunder;

(j) to confirm and evidence the release, termination, discharge or retaking of any Note Guarantee or Lien (including any Collateral) or any amendment or in respect of the Security Documents with respect to or securing the Notes and the Note Guarantees when such release, termination, discharge or retaking or amendment is in accordance with the terms of the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(k) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the *Code*);

(l) to evidence and provide for the acceptance of the appointment of a successor trustee and/or security agent under the terms of the Indenture or to otherwise comply with any requirement of the Indenture;

(m) to the extent necessary to grant a Security Interest in any Collateral for the benefit of any Person, provided that the granting of such Security Interest is not prohibited by the Indenture or the Intercreditor Agreement;

(n) make any change to the extent permitted by the covenant described under "—*Additional Intercreditor Agreements*" or the second paragraph of the covenant described under "—*Certain Covenants—Impairment of Security Interest*;" or

(o) to provide for the issuance of Subsequent Additional Notes in accordance with, and if permitted by, the terms and limitations set forth in the Indenture.

In formulating its opinion on such matters, the Trustee shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Opinion of Counsel and an Officer's Certificate on which the Trustee may solely rely.

The consent of the holders of the Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Acts by Holders

In determining whether the holders of the required aggregate principal amount of the Notes have concurred in any direction, waiver or consent, any Notes owned by the Issuer or by any Person directly or indirectly controlling, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding.

Concerning the Trustee

The Trustee is permitted to engage in other transactions; however, if it acquires any conflicting interest, it must eliminate such conflict within 90 days or resign as Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Notes have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that, in case an Event of Default occurs and is continuing, the Trustee is required, in the exercise of its rights and powers vested in it by the Indenture, to use the degree of care of a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Subject to such provisions, the Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

The Issuer and the Guarantors will jointly and severally indemnify the Trustee for certain claims, liabilities and expenses incurred without gross negligence or willful misconduct on its part, arising out of or in connection with its duties.

Listing

The Notes are listed on the Official List of the Luxembourg Stock Exchange and have been admitted to trading on the Euro MTF of that exchange. The Issuer designated Banque Internationale à Luxembourg SA as its listing agent (the "**Listing Agent**"). The address of the Listing Agent is 69 route d'Esch, L-1470 Luxembourg.

Listing and General Information

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF of that exchange and the rules and regulations of Luxembourg Stock Exchange shall so require, copies, current and future, of all of our annual audited consolidated and unconsolidated financial statements, our unaudited consolidated interim quarterly financial statements and this Listing Memorandum may be obtained, free of charge, during normal business hours at the registered office of the Issuer.

Anyone who receives this Listing Memorandum may obtain a copy of the Indenture, the Notes, the Intercreditor Agreement, the Security Documents and any Additional Intercreditor Agreement without charge by writing to the Issuer at 50, avenue du Président Wilson, Parc des Portes de Paris, Bâtiment 123, 93214 La Plaine Saint-Denis CEDEX, France.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator, member or shareholder of the Issuer or any Guarantor will have any liability for any obligations of the Issuer, the Guarantors under the Notes, the Note Guarantees, the Security Documents or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each holder, by accepting a Note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws.

Prescription

Claims against the Issuer or the Guarantors for the payment of principal or premiums, if any, on the Notes are prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or the Guarantors for the payment of interest on the Notes are prescribed five years after the applicable due date for payment of interest.

Governing Law

The Indenture, the Additional Notes, the Existing Notes and the Note Guarantees are governed by and construed in accordance with the laws of the State of New York and provide for the submission of the parties to the jurisdiction of the courts in the State of New York. The Security Documents are governed by the laws of France and Belgium, as applicable. Each Proceeds Loan is governed by the laws of France. The Intercreditor Agreement is governed and construed in accordance with English law.

Consent to Jurisdiction and Service

The Issuer and each Guarantor have appointed Law Debenture Corporate Services, Inc. 801 2nd Avenue Suite 403 New York, NY 10017, as their agent for service of process in any suit, action or proceeding with respect to the Indenture or the Notes, as the case may be, and for actions brought under U.S. Federal or state securities laws brought in any Federal or state court located in the City of New York and have submitted to such jurisdiction.

Enforceability of Judgments

Since most of the assets of the Issuer and the Guarantors are outside the United States, any judgment obtained in the United States against the Issuer or Guarantors, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, redemption price and any purchase price with respect to the Notes, may not be collectible within the United States.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"**Acquired Debt**" means Debt of a Person:

(1) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with the Issuer or a Restricted Subsidiary whether or not such Debt is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; or

(2) assumed in connection with the acquisition of assets from any such Person.

Acquired Debt will be deemed to be Incurred on the date the acquired Person becomes a Restricted Subsidiary or is merged into or consolidated with the Issuer or a Restricted Subsidiary or the date of the related acquisition of assets from any Person.

"**Acquisitions**" means, collectively, the BDBK Acquisition and the Investment Vehicle Acquisitions.

"**Affiliate**" means, with respect to any specified Person any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agreed Security Principles**" means the agreed security principles set out in an annex to the Indenture as in effect on the Issue Date, as applied reasonably and in good faith by the Issuer.

"**Asset Sale**" means any sale, issuance, conveyance, transfer, lease (other than an operating lease entered into in the ordinary course of business) or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback transaction) (collectively, a "**transfer**"), directly or indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than the Issuer or a Restricted Subsidiary) or the economic rights of the Issuer or a Restricted Subsidiary in the Capital Stock of any Restricted Subsidiary;

(b) all or substantially all the properties and assets of any division or line of business of the Issuer or any Restricted Subsidiary; or

(c) any other of the Issuer's or any Restricted Subsidiary's properties or assets.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any lease, transfer, conveyance or other disposition of assets that is governed by the provisions of the Indenture described under "*—Certain Covenants—Consolidation, Merger and Sale of Assets*" or "*—Purchase of Notes upon a Change of Control*;"

(ii) any transfer or disposition of assets or Capital Stock by the Issuer to any Restricted Subsidiary, or by any Restricted Subsidiary to the Issuer or any Restricted Subsidiary, in each case in accordance with the terms of the Indenture;

(iii) any issuance of Capital Stock by a Restricted Subsidiary to the Issuer or another Restricted Subsidiary;

(iv) any transfer or disposition of (x) obsolete, worn-out or surplus equipment or facilities of the Issuer or any Restricted Subsidiary or (y) other assets or rights of the Issuer or any Restricted Subsidiary that, in the case of this clause (y), are no longer used or useful in the ordinary course of the Issuer's or any Restricted Subsidiary's business (other than, in the case of clauses (x) and (y), any property or assets (including, without limitation, intellectual property and any rights thereto or other general intangibles) or Capital Stock, in each case, related to or used in connection with the existence or operation of the Quick brand);

(v) any single transaction or series of related transactions that involves assets, Capital Stock or economic rights in the Capital Stock of a Restricted Subsidiary under the relevant Stockholders Documents having a Fair Market Value of less than €5.0 million;

(vi) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(vii) a disposition that is made in connection with the establishment of a joint venture which is a Permitted Investment or sales, transfers and other dispositions of Investments in joint ventures to the extent required by or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding agreements;

(viii) the sale, lease, assignment, sublease, license, sublicense or other disposition of equipment, inventory, property (including restaurants and restaurant properties), stock-in-trade, goods, accounts receivable or other assets (including any real or personal property) in the ordinary course of business;

(ix) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" (or a transaction that would constitute a Restricted Payment but for the exclusions from the definition thereof) and the making of any Permitted Payment or Permitted Investment;

(x) foreclosure, condemnation, taking by eminent domain or similar action with respect to property or other assets;

(xi) any disposition of Capital Stock, Debt or other securities of any Unrestricted Subsidiary;

(xii) sales of assets received by the Issuer or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Issuer or any Restricted Subsidiary;

(xiii) the sale or other disposition of cash or Cash Equivalents;

(xiv) the grant of licenses to intellectual property rights to third parties on an arms' length basis in the ordinary course of business;

(xv) the disposition of assets to a Person that is providing services (the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person) related to such assets; provided, that the Board of Directors of the Issuer shall certify that in its opinion, the outsourcing transaction will be economically beneficial to the Issuer and the Restricted Subsidiaries (considered as a whole); provided further, that the Fair Market Value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (xv), does not exceed the €5.0 million;

(xvi) the granting of Liens not otherwise prohibited by the Indenture;

(xvii) the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims;

(xviii) the unwinding of any Hedging Obligations;

(xix) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture;

(xx) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(xxi) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable; and

(xxii) the disposition of Securitization Assets and related assets in connection with any Qualified Securitization Financing and any factoring transaction in the ordinary course of business.

"**Associate**" means (i) any Person engaged in a Permitted Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary of the Issuer.

"**BDBK**" means BDBK, a société par actions simplifiée organized under the laws of France with its registered office located at 1, avenue du Garigliano, 91600 Savigny-sur-Orge, France. It is registered with the Evry Trade and Companies Register under number 798 576 633.

"**BDBK Acquisition**" means the acquisition by BKRO of 100% of the issued share capital of BDBK.

"**BDBK Acquisition Completion Date**" means the date on which the BDBK Acquisition is consummated in accordance with the BDBK Acquisition Agreement.

"**BDBK and Investment Vehicle Transactions**" means, collectively, the Acquisitions and the Financing and the application of the proceeds therefrom as described under the "*Use of Proceeds*" section of this Listing Memorandum, including the repayment or extinguishment of any indebtedness, payment or reimbursement of any fees and expenses and any other transactions incidental to the above.

"**BH**" means BH, a *société par actions simplifiée* organized under the laws of France.

"**BH Account Pledge**" means the pledge agreement entered into on the Issue Date whereby BH granted a first priority security interest over all accounts to which are credited cash and property and assets held by BH on behalf of the Issuer pursuant to the terms of the BH Cash Management Agreement in order to secure the obligations of BH thereunder for the benefit of the Issuer.

"**BH Cash Management Agreement**" means the cash management agreement (*Convention de gestion de trésorerie*) entered into on June 21, 2016 by and between the Issuer and BH, as amended on the Issue Date, with respect to certain cash management services provided by BH to the Issuer.

"BKRO" means Burger King Restauration, a *société par actions simplifiée* organized under the laws of France and a direct wholly-owned subsidiary of the Issuer.

"**Board of Directors**" means (1) with respect to the Issuer or any corporation, the board of directors, supervisory board or management board, as applicable, of the Issuer or such corporation, as applicable, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision requires any action or determination to be made by, or any approval of, a board of directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"**Bund Rate**" means, as of any redemption date, the rate per annum equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(a) "**Comparable German Bund Issue**" means (i) with respect to the Fixed Rate Notes, the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to May 1, 2020, and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Fixed Rate Notes and of a maturity most nearly equal to May 1, 2020, *provided*, *however*, that, if the period from such redemption date to May 1, 2020, is less than one year, a fixed maturity of one year shall be used and (ii) with respect to the Floating Rate Notes, the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to May 1, 2018, and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Floating Rate Notes and of a maturity most nearly equal to May 1, 2018, *provided*, *however*, that, if the period from such redemption date to May 1, 2018 is less than one year, a fixed maturity of one year shall be used;

(b) "**Comparable German Bund Price**" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(c) "**Reference German Bund Dealer**" means any dealer of German *Bundesanleihe* securities appointed by the Issuer in good faith; and

(d) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany time on the third Business Day that is also a business day in Germany preceding the relevant date.

"**Business Day**" means a day of the year other than a Saturday or Sunday or other day on which banks are not required or authorized by law to close in Paris, New York City or London.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person's equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets of, such Person and any rights (including any Preferred Stock, but excluding debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for or convertible into or to acquire such Capital Stock, whether now outstanding or issued after the Issue Date.

"**Capitalized Lease Obligation**" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a finance lease obligation under IFRS, and, for purposes of the Indenture, the amount of such obligation at any date will be the capitalized amount thereof at such date, determined in accordance with IFRS and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**Cash Contributions**" means the aggregate amount of cash contributions made to the equity capital (other than through the issuance of Redeemable Capital Stock of the Issuer) of the Issuer or cash payments to the Issuer in the form of Deeply Subordinated Funding for purposes of enabling the Incurrence of Contribution Debt.

"**Cash Equivalents**" means any of the following:

(a) any evidence of Debt with a maturity of 24 months or less from the date of acquisition issued or directly and unconditionally guaranteed or insured by the government of a member state of the European Union, the United States of America, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union, the United States of America, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the Issuer's option; provided that such country (or agency or instrumentality) has a long-term government debt rating of at least "A−" by S&P or "A3" by Moody's or the equivalent rating category of another internationally recognized rating agency on the date of investment;

(b) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances, money market deposits, insurance products or similar instruments with a maturity of twelve months or less from the date of acquisition issued by (i) any lender under the Revolving Credit Facility or (ii) a bank, insurance company or trust company that is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the European Union as in effect on December 31, 2003 or of the United States of America or any state thereof, Switzerland or Canada; provided that such bank, insurance company or trust company has capital, surplus and undivided profits aggregating in excess of €250 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated at least "A" by S&P or "A2" by Moody's or the equivalent rating category of another internationally recognized rating agency on the date of investment;

(c) commercial paper rated at the time of acquisition thereof at least "P-2" or the equivalent thereof by Moody's or "A-2" or the equivalent thereof by S&P or carrying an equivalent rating by another internationally recognized rating agency and, in each case, maturing within one year after the date of acquisition;

(d) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) above entered into with any bank meeting the qualifications specified in clause (b) above;

(e) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member state of the European Union as in effect on December 31, 2003, or Switzerland or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(f) bills of exchange issued in the United States, Canada, a member state of the European Union as in effect on December 31, 2003 or Switzerland eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent); and

(g) investments in money market mutual funds at least 95% of the assets of which constitute Cash Equivalents of the kind described in clauses (a) through (f) above.

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Commodity Hedging Agreements**" means, in respect of a Person, any spot, forward, swap, option or other similar agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in commodity prices.

"**Commission**" means the U.S. Securities and Exchange Commission.

"**Consolidated Adjusted Net Income**" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person for such period, on a consolidated basis, as determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; provided that:

(a) the net income of any Person that is not a Restricted Subsidiary of such Person will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(b) solely for the purpose of determining the amount available for Restricted Payments under clause (2)(c)(i) of the "*—Limitation on Restricted Payments*" covenant, any net income (loss) of any Restricted Subsidiary (other than any Guarantor) will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (i) restrictions that have been waived or otherwise released, (ii) restrictions pursuant to the Notes, the Indenture and the Revolving Credit Facility Agreement, (iii) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the holders of the Notes than such restrictions in effect on the Issue Date and (iv) any other restriction listed under the "*—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*" covenant), except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Adjusted Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed (including by way of a loan) by such Restricted Subsidiary during such period to the Issuer or any Restricted Subsidiary as a loan, dividend or other distribution (subject, in the case of a loan, dividend or distribution to another Restricted Subsidiary, to the limitation contained in this clause);

(c) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any of its Restricted Subsidiaries (including pursuant to any sale leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or a member of senior management of the Issuer) or in connection with the sale or disposition of securities will be excluded;

(d) (i) any extraordinary, exceptional or unusual gain, loss or charge, (ii) any asset impairments charges or the financial impacts of natural disasters (including fire, flood and storm and related events), (iii) any non-cash charges or reserves in respect of any restructuring, redundancy, integration or severance or (iv) any expenses, charges, reserves or other costs related to the Transactions, in each case, will be excluded;

(e) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity-based awards will be excluded;

(f) all deferred financing costs written off and premium paid or other expenses incurred directly in connection with any early extinguishment of Debt and any net gain (loss) from any write-off or forgiveness of Debt will be excluded;

(g) any one-time non-cash charges or any increases in amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of another Person or business or resulting from any reorganization or restructuring involving such Person or its Subsidiaries will be excluded;

(h) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;

(i) any unrealized foreign currency transaction gains or losses in respect of Debt of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies will be excluded;

(j) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists a reasonable basis that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is in fact reimbursed within 365 days of the date of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so reimbursed within such 365-day period), expenses, charges or losses with respect to liability or casualty events or business interruption will be excluded;

(k) the cumulative effect of a change in accounting principles will be excluded;

(l) any unrealized foreign currency translation or transaction gains or losses in respect of Debt or other obligations of the Issuer or any of its Restricted Subsidiaries owing to the Issuer or any Restricted Subsidiary will be excluded; and

(m) any non-cash interest accrued, capitalized or paid in respect of Deeply Subordinated Funding will be excluded.

"**Consolidated EBITDA**" means, with respect to any specified Person for any period without duplication, the sum of Consolidated Adjusted Net Income of such Person, plus in each case to the extent deducted in computing Consolidated Adjusted Net Income for such period:

(a) tax expenses based on income, profits or capital and pursuant to the *Cotisation sur la valeur ajoutée des enterprises* of such Person and any of its Restricted Subsidiaries for such period (whether or not paid, estimated, accrued or required to be remitted to any governmental authority); *plus*

(b) the Fixed Charges of such Person and any of its Restricted Subsidiaries for such period; *plus*

(c) any expenses, charges or other costs related to any equity offering, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; provided that such payments are made at the time of such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), joint venture, disposition, recapitalization or Debt permitted to be incurred by the Indenture, or the refinancing of any other Debt of such Person or any of its Restricted Subsidiaries (whether or not successful) (including such fees, expenses or charges related to the Transactions); *plus*

(d) depreciation, amortization (including amortization of intangibles and deferred financing fees), and other non-cash expenses (including write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on such Person and any of its Restricted Subsidiaries for such period), but excluding any non-cash items for which a future cash payment will be required and for which an accrual or reserve is required by IFRS to be made or amortization of a prepaid cash charge or expense that was paid in a prior period for such period; *plus*

(e) the amount of any restructuring charges, accruals or reserves and integration costs, including any one-time costs incurred in connection with acquisitions after the Issue Date; *plus*

(f) any minority interest expense (whether paid or not) consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary in such period or any prior period, except to the extent of dividends or other distributions paid or declared on Capital Stock held by third parties; *plus*

(g) to the extent actually paid during such period, the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the "*—Limitation on Transactions with Affiliates*" covenant; *plus*

(h) gain (or loss) on sale of receivables, Securitization Assets and related assets in connection with a Qualified Securitization Financing; *plus*

(i) costs or expenses incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan, agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Issuer or net cash proceeds of an issuance of Qualified Capital Stock of the Issuer solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (2)(c) under "*—Certain Covenants—Limitation on Restricted Payments*;" *plus*

(j) any charge (or minus any income) attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme; *minus*

(k) (other than any non-cash items increasing such Consolidated Adjusted Net Income pursuant to clauses (a) to (m) of the definition thereof) non-cash items increasing such Consolidated Adjusted Net Income for such period other than the reversal of a reserve for cash charges in a future period in the ordinary course of business, in each case, on a consolidated basis and determined in accordance with IFRS.

When Consolidated EBITDA is being calculated for the purpose of any grower basket set forth in this Description of the Notes, it shall be calculated on a *pro forma* basis consistent with the calculation of Consolidated EBITDA for purposes of the Consolidated Fixed Charge Coverage Ratio

"**Consolidated Fixed Charge Coverage Ratio**" means, with respect to a specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any Restricted Subsidiary which is a Subsidiary of such specified Person incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Debt (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Consolidated Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Fixed Charge Coverage Ratio is made (for the purpose of this definition, the "***Calculation Date***") (but not giving effect to any additional Debt to be incurred on the Calculation Date as part of the same transaction or series of transactions pursuant to paragraph (2) under the caption "*—Certain Covenants—Limitation on Debt*"), then the Consolidated Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by an Officer or a responsible financial or accounting officer of the Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Debt, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period. In addition, for purposes of calculating the Consolidated Fixed Charge Coverage Ratio:

(a) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of business that have been made by such Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by such specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible financial or accounting officer of the Issuer and may include anticipated expense and cost reduction and cost saving synergies) as if they had occurred on the first day of the four-quarter reference period;

(b) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(c) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of such specified Person or any Restricted Subsidiary which is a Subsidiary of such specified Person following the Calculation Date;

(d) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(e) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(f) if any Debt bears a floating rate of interest and such Debt is to be given *pro forma* effect, the interest expense on such Debt will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Debt if such Hedging Obligation has a remaining term as at the Calculation Date in excess of twelve months, or, if shorter, at least equal to the remaining term of such Debt).

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Adjusted Net Income and Fixed Charges, calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer.

"**Consolidated Net Leverage**" means, with respect to a specified Person as of any date of determination, (x) the aggregate amount of Debt of such Person and its Restricted Subsidiaries (excluding Hedging Obligations entered into not for speculative purposes (as determined in good faith by the Board of Directors or a member of senior management of the Issuer)) on a consolidated basis *minus* (y) the aggregate amount of cash and Cash Equivalents (other than cash or Cash Equivalents received upon the incurrence of Debt by such Person or any of its Restricted Subsidiaries and not immediately or subsequently applied or used for any purpose not prohibited by the Indenture) that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date in accordance with IFRS (including, for the avoidance of doubt, cash and Cash Equivalents held by BH on behalf of the Issuer and its Restricted Subsidiaries pursuant to the BH Cash Management Agreement, but only if and to the extent recorded as cash and Cash Equivalents on the balance sheet of the Issuer and its Restricted Subsidiaries as of such date in accordance with IFRS).

"**Consolidated Net Leverage Ratio**" means, with respect to a specified Person, as of any date of determination, the ratio of (a) the Consolidated Net Leverage of such Person on such date to (b) the Consolidated EBITDA of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date. In the event that such Person or any Subsidiary of such Person which is a Restricted Subsidiary Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Debt (other than ordinary working capital borrowings) or issues, repurchases or redeems Redeemable Capital Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Net Leverage Ratio is made (for the purpose of this definition, the "**Calculation Date**") (but not giving effect to any additional Debt to be Incurred on the date of determination as part of the same transaction or series of transactions pursuant to paragraph (2) under the caption "*—Certain Covenants—Limitation on Debt*"), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Debt, or such issuance, repurchase or redemption of Redeemable Capital Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period. For purposes of calculating the Consolidated EBITDA for such period:

(a) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by such Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by such specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Net Leverage Ratio) will be given *pro forma* effect (as determined in good faith by a responsible financial or accounting officer of the Issuer and may include anticipated expense and cost reduction and cost saving synergies) as if they had occurred on the first day of the four-quarter reference period;

(b) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Net Leverage Ratio), will be excluded;

(c) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and

(d) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to an Asset Sale, Investment or acquisition, the amount of income or earnings relating thereto or the amount of Consolidated EBITDA associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of the Issuer. In determining the amount of Debt outstanding on any date of determination, *pro forma* effect will be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Debt on such date.

"**Consolidated Net Senior Secured Leverage**" means, with respect to a specified Person, as of any date of determination, (x) the aggregate outstanding Senior Secured Debt of such Person and its Restricted Subsidiaries *minus* (y) the aggregate amount of cash and Cash Equivalents (other than cash or Cash Equivalents received upon the incurrence of Indebtedness by such Person or any of its Restricted Subsidiaries and not immediately or subsequently applied or used for any purpose not prohibited by the Indenture) that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date in accordance with IFRS (including, for the avoidance of doubt, cash and Cash Equivalents held by BH on behalf of the Issuer and its Restricted Subsidiaries pursuant to the BH Cash Management Agreement, but only if and to the extent recorded as cash and Cash Equivalents on the balance sheet of the Issuer and its Restricted Subsidiaries as of such date in accordance with IFRS).

"**Consolidated Net Senior Secured Leverage Ratio**" means with respect to a specified Person, as of the date of determination, the ratio of (a) the Consolidated Net Senior Secured Leverage of such Person to (b) the aggregate Consolidated EBITDA of such Person for the period of the most recent four consecutive quarters for which internal consolidated financial statements of the Issuer are available, in each case, with such *pro forma* adjustments to Consolidated Net Senior Secured Leverage and Consolidated EBITDA as are appropriate and consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio (it being understood that the *pro forma* adjustments applicable to Consolidated Net Leverage in such definition shall be applicable to Consolidated Net Senior Secured Leverage for purposes of this definition).

"**continuing**" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"**Contribution Debt**" means Debt of the Issuer or any Guarantor in an aggregate principal amount, together with any Debt refinancing such Debt, not greater than the aggregate amount of Cash Contributions (other than Excluded Contributions) made to the equity capital of the Issuer (other than by a Subsidiary of the Issuer) after the Issue Date, to the extent such net cash proceeds or cash have not been utilized for Excluded Contribution or applied to make Restricted Payments pursuant to clause (3)(b) or (3)(k) and are excluded from clauses (2)(c)(ii) and (2)(c)(iii) of the "*—Limitation on Restricted Payments*" covenant; provided that such Contribution Debt:

(a) is Incurred within 180 days after the making of such Cash Contributions; and

(b) is designated as Contribution Debt pursuant to an Officer's Certificate of the Issuer no later than the date Incurred.

"**Credit Facility**" or "**Credit Facilities**" means one or more debt facilities (including, without limitation, under the Revolving Credit Facility), indentures, trust deeds, debentures, fiscal agency agreements, note purchase agreements, instruments or arrangements or commercial paper facilities, in each case with banks or other financial institutions or investors providing for revolving credit loans, term loans, receivables financings (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), bonds, notes, debentures, letters of credit or other forms of guarantees and assurances, or other corporate debt instruments, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise), restructured, repaid or refinanced (whether by means of sales of debt securities to institutional investors and whether in whole or in part and whether or not with the original administrative agent or lenders or another administrative agent or agents or other bank or institutions and whether provided under the Revolving Credit Facility Agreement and one or more other credit or other agreements) and, for the avoidance of doubt, includes any agreement increasing the amount loaned, issued or available to be loaned or issued thereunder, altering the maturity thereof, adding Subsidiaries of the Issuer as additional borrowers, issuers or guarantors thereunder, or otherwise restructuring or altering the terms and conditions of all or any portion of the indebtedness thereunder.

"**Currency Agreements**" means, in respect of a Person, any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in currency exchange rates.

"**Debt**" means, with respect to any Person, without duplication:

(a) the principal of any indebtedness of such Person in respect of borrowed money (including overdrafts) or for the deferred and unpaid purchase price of property or services due more than one year after such property is acquired or such services are completed, excluding any trade payables and other accrued current liabilities incurred in the ordinary course of business;

(b) the principal of any indebtedness of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all obligations, contingent or otherwise, of such Person representing reimbursement obligations in respect of any letters of credit, bankers' acceptances or other similar instruments (except to the extent such obligation relates to trade payables in the ordinary course of business); provided that any counter-indemnity or reimbursement obligation under a letter of credit shall be considered Debt only to the extent that the underlying obligation in respect of which the letter of credit has been issued would also be Debt;

(d) any indebtedness representing Capitalized Lease Obligations of such Person;

(e) all net obligations of such Person in respect of Hedging Obligations (the amount of any such obligation to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time);

(f) all Debt referred to in (but not excluded from) the preceding clauses (a) through (e) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such specified Person, even though such specified Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the fair market value of such property or asset at such date of determination (as determined in good faith by the Issuer) and the amount of the obligation so secured);

(g) all guarantees by such specified Person of Debt referred to in this definition of any other Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business);

(h) all Redeemable Capital Stock of such Person valued at the greater of its voluntary maximum fixed-repurchase price and involuntary maximum fixed repurchase price plus accrued and unpaid dividends;

(i) Preferred Stock of any Restricted Subsidiary (but excluding any accrued dividends); and

(j) Qualified Securitization Financing,

if and to the extent any of the preceding items (other than obligations under clauses (c) and (e) through (i)) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS; provided that the term "Debt" shall not include (i) non-interest bearing installment obligations and accrued liabilities incurred in the ordinary course of business that are not more than 90 days past due, (ii) Debt in respect of the incurrence by the Issuer or any Restricted Subsidiary of Debt in respect of standby letters of credit, performance bonds or surety bonds provided by the Issuer or any Restricted Subsidiary in the ordinary course of business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than 30 days following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond, (iii) any pension obligations of the Issuer or a Restricted Subsidiary, early retirement or termination obligations or similar claims, obligations or contributions or social security or wage Taxes or any obligations in respect of worker's compensation claims, (iv) any lease concession or license of property (or guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date, (v) Debt Incurred by the Issuer or a Restricted Subsidiary in connection with a transaction where (x) such Debt is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250 million, whose long-term debt has a rating immediately prior to the time such transaction is entered into, of at least "A" or the equivalent thereof by S&P or "A2" or the equivalent thereof by Moody's and (y) a substantially concurrent Investment is made by the Issuer or a Restricted Subsidiary in the form of cash deposited with the lender of such Debt, or a Subsidiary or Affiliate thereof, in amount equal to such Debt, (vi) contingent obligations incurred in the ordinary course of business, (vii) Deeply Subordinated Funding and (vii) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter.

For purposes hereof, the amount of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which the principal amount of Debt will be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the board of directors or a member of senior management of the issuer of such Redeemable Capital Stock; provided, that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

For purposes hereof, the amount of Debt of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding.

"**Deeply Subordinated Funding**" means any funding provided to the Issuer by any Parent Company or any Permitted Holder or Related Party pursuant to a note other than Capital Stock, together with any such note issued in payment of any obligation under any Deeply Subordinated Funding, that pursuant to its terms, (i) is subordinated in right of payment to the prior payment in full in cash of the Notes, (ii)(A) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal (other than through conversion or exchange of such funding into Qualified Capital Stock of the Issuer or any other funding meeting the requirements of this definition), (B) does not (including upon the happening of any event) require payment of any cash interest or any similar cash amounts, (C) contains no change of control or similar provisions and (D) does not (including upon the happening of any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (other than as a result of insolvency proceedings of the Issuer), in each case, prior to the first anniversary of the Stated Maturity of the Notes, (iii) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any Restricted Subsidiary and is not guaranteed by any Subsidiary of the Issuer, (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Issuer or any Guarantor, as applicable, with its obligations under the Notes, the Indenture, any Note Guarantee or any Proceeds Loan, (v) does not (including upon the happening of any event) constitute Voting Stock and (vi) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Qualified Capital Stock of the Issuer; provided, however, that upon the occurrence of any event or circumstance that results in such funds ceasing to qualify as Deeply Subordinated Funding, such funds shall constitute an incurrence of such Debt by the Issuer, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Debt since the date of the original issuance of such Deeply Subordinated Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Deeply Subordinated Funding.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**Designated Non-cash Consideration**" means the Fair Market Value of non-cash consideration received by the Issuer or any Restricted Subsidiary in connection with an Asset Sale that is so designated as "Designated Non-cash Consideration" pursuant to an Officer's Certificate, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"**Equity Offering**" means a public or private sale of Qualified Capital Stock of the Issuer (other than a public offering on Form S-8 under the Securities Act (or any successor form) or any similar offering in other jurisdictions or to the Issuer or any of its Subsidiaries) or the public or private sale of Capital Stock or other securities of any Parent Company, the proceeds of which are contributed as Deeply Subordinated Funding or to the equity of the Issuer; provided that the proceeds of such offering are not (i) utilized for Contribution Debt or Excluded Contributions or to make Restricted Payments pursuant to clause (3)(b) or (3)(l) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" or (ii) contributed to the equity of the Issuer through the issuance of Redeemable Capital Stock.

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Debt paid into escrow accounts with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts, upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"**European Government Obligations**" means direct obligations of, or obligations guaranteed by, a member state of the European Union (other than Greece), and the payment for which such member state of the European Union pledges its full faith and credit.

"**European Union**" means all members of the European Union as of January 1, 2004.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"**Excluded Contributions**" means the net cash proceeds received by the Issuer after the Issue Date from (i) contributions to its common equity capital, and (ii) the sale (other than to a Subsidiary) of its Capital Stock (other than Redeemable Capital Stock), in each case designated as "Excluded Contributions" pursuant to an Officer's Certificate (which shall be designated no later than the date on which such Excluded Contribution has been received), the net cash proceeds of which are excluded from the calculation set forth in clauses (2)(c)(ii) and (2)(c)(iii) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" and are not utilized for Contribution Debt.

"**Existing Fixed Rate Notes**" means the €315.0 million aggregate principal amount of the Issuer's 6.00% senior secured notes due 2024 issued under the Indenture.

"**Existing Floating Rate Notes**" means the €250.0 million aggregate principal amount of the Issuers, senior secured floating rate notes due 2023 issued under the Indenture.

"**Existing Notes**" means, collectively, the Existing Fixed Rate Notes and the Existing Floating Rate Notes.

"**Fair Market Value**" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors or a member of senior management of the Issuer.

"**Financing**" means, collectively, (i) the Offering and (ii) the offering by NewCo GB of the NewCo PIK Notes for the purpose of financing the Acquisitions.

"**Fixed Charges**" means, with respect to any specified Person for any period, without duplication and in each case determined on a consolidated basis in accordance with IFRS, the sum of:

(a) the total consolidated interest expense of such Person and its Subsidiaries that are Restricted Subsidiaries for such period, including, without limitation:

(A) amortization of debt discount, but excluding amortization of debt issuance costs, commissions, fees and expenses and the expensing of any bridge or other financing fees;

(B) the net payments (if any) of Hedging Obligations (excluding amortization of fees and discounts and unrealized gains and losses);

(C) the interest portion of any deferred payment obligation (classified as Debt under the Indenture); and

(D) commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(b) the interest component of Capitalized Lease Obligations accrued or scheduled to be paid or accrued during such periods, other than the interest component of Capitalized Lease Obligations between or among such Person and any of its Subsidiaries which are Restricted Subsidiaries or between or among its Subsidiaries which are Restricted Subsidiaries; *plus*

(c) non-cash interest expenses of such Person and its Subsidiaries that are Restricted Subsidiaries (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments) and interest that was capitalized during such period; *plus*

(d) the interest expense on Debt of another Person to the extent such Debt is guaranteed by the Issuer or any Restricted Subsidiary or secured by a Lien on the Issuer's or any Restricted Subsidiary's assets; *plus*

(e) net payments and receipts (if any) pursuant to Interest Rate Agreements (excluding amortization of fees) with respect to Debt; *plus*

(f) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary, other than dividends on Capital Stock payable to the Issuer or a Restricted Subsidiary, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a member of senior management of the Issuer; *minus*

(g) the interest income of such Person and its Subsidiaries which are Restricted Subsidiaries during such period.

Notwithstanding any of the foregoing, Fixed Charges shall not include (i) any interest accrued, capitalized or paid in respect of Deeply Subordinated Funding and (ii) any payments on any operating leases.

"**Fixed Rate Applicable Redemption Premium**" means, with respect to any Fixed Rate Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of such Fixed Rate Note; or

(2) the excess of:

(a) the present value at such redemption date of (x) the redemption price of such Fixed Rate Note at May 1, 2020 (such redemption price being set forth in the table appearing under the caption "*—Optional Redemption—Optional Redemption of Fixed Rate Notes*"), plus (y) all required interest payments due on such Fixed Rate Note through May 1, 2020 (excluding accrued but unpaid interest), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

(b) the outstanding principal amount of such Fixed Rate Note;

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Fixed Rate Redemption Premium shall not be an obligation or duty of the Trustee, Registrar, Transfer Agent, Calculation Agent or any Paying Agent.

"**Floating Rate Applicable Redemption Premium**" means, with respect to any Floating Rate Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of such Floating Rate Note; or

(2) the excess of:

(a) the present value at such redemption date of (x) the redemption price of such Floating Rate Note at May 1, 2018 (such redemption price being set forth in the table appearing under the caption *"—Optional Redemption—Optional Redemption of Floating Rate Notes*"), plus (y) all required interest payments due on such Floating Rate Note through May 1, 2018 (excluding accrued but unpaid interest), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points and assuming that the rate of interest on such Floating Rate Notes from the redemption date through May 1, 2018 will equal the rate of interest on such Floating Rate Notes on the date on which the applicable notice of redemption is given; over

(b) the outstanding principal amount of such Floating Rate Note;

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Floating Rate Premium shall not be an obligation or duty of the Trustee, Registrar, Transfer Agent, Calculation Agent or any Paying Agent.

"**Floating Rate Notes**" means, collectively, the Additional Notes and the Existing Floating Rate Notes.

"**guarantees**" means, as applied to any obligation,

(a) a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation; and

(b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

"**Guarantor**" means each of the Initial Guarantors and any other Restricted Subsidiary that guarantees the Notes.

"**Hedging Obligations**" means, with respect to any specified Person, the obligations of such Person from time to time under Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements.

"**Holdco Security Providers**" means each of NewCo GB and BK (UK) Company Ltd. and any other Person that provides a pledge of any Capital Stock of the Issuer or the Surviving Entity securing the obligations of the Issuer under the Notes (or parallel debt related thereto) to the Security Agent for the benefit of the Trustee and the holders of Notes.

"**IFRS**" means the International Financial Reporting standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union and in effect on the date hereof, or, with respect to the covenant described under the heading "*—Certain Covenants—Provision of Information*," as in effect from time to time.

"**Indenture**" means the indenture governing the Existing Notes dated April 21, 2017 by and among, *inter alios*, the Issuer, the Guarantors, the Trustee and the Security Agent.

"**Independent Financial Advisor**" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Board of Directors of the Issuer, qualified to perform the task for which it has been engaged.

"**Initial Investors**" means Mr. Olivier Bertrand and Burger King Corporation.

"**Initial Public Offering**" means the first Public Offering of Qualified Capital Stock of the Issuer or any Parent Company (the "**IPO Entity**") following which there is a Public Market and as a result of which such Qualified Capital Stock of the IPO Entity in such offering are listed on an internationally recognized stock exchange or traded on an internationally recognized market, including Euronext Paris.

"**Intercreditor Agreement**" means the intercreditor agreement dated April 21, 2017, by and among, *inter alios*, the Issuer, the Guarantors, the agent under the Revolving Credit Facility, the Trustee and Security Agent and the other parties named therein, as amended, restated or otherwise modified or varied from time to time.

"**Interest Rate Agreements**" means, in respect of a Person, any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect such Person against or manage exposure to fluctuations in interest rates.

"**Investment**" means, with respect to any Person, any direct or indirect advance, loan or other extension of credit (including guarantees but excluding bank deposits, accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers and employees, in each case, made in the ordinary course of business) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Debt issued or owned by, any other Person and all other items, in each case, that are required by IFRS to be classified on the balance sheet (excluding the footnotes) of the relevant Person in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time equal to the Fair Market Value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided for in clause (4) of the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*". In addition, the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary) of the Fair Market Value of the net assets of any Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary will be deemed to be an "Investment" that the Issuer made in such Unrestricted Subsidiary at such time. The portion (proportionate to the Issuer's equity interest in such Restricted Subsidiary) of the Fair Market Value of the net assets of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary will be considered a reduction in outstanding Investments. "Investments" excludes extensions of trade credit on commercially reasonable terms in accordance with normal trade practices.

"**Investment Grade Rating**" shall occur when the Notes are rated Baa3 or better, in the case of Moody's, and BBB− or better, in the case of S&P, as applicable (or the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer as a replacement agency).

"**Investment Vehicle Acquisitions**" means the acquisition by BKRO of interests in each of the Investment Vehicles.

"**Investment Vehicle Acquisition Completion Date**" means the date on which the Investment Vehicle Acquisitions are consummated.

"**Investment Vehicles**" means, collectively, to BK Croissance, BK Exploitation and the Majority-Held Investment Vehicles.

"**IPO Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"**Issue Date**" means April 21, 2017, the issue date of the Existing Notes.

"**Issuer Share Pledges**" means each pledge, dated the Issue Date, by each Holdco Security Provider of the financial securities account to which the shares of Capital Stock of the Issuer owned by such Holdco Security Provider are credited securing the obligations of the Issuer and the Guarantors under the Notes and the Indenture (or any related parallel debt) for the benefit of the Security Agent and the Trustee and the holders of Notes.

"**Lien**" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, call option, hypothecation, assignment for security, standard security, assignation in security claim, or preference or priority or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"**Limited Condition Acquisition**" means any acquisition, including by way of merger, amalgamation or consolidation, by the Issuer or one or more of its Restricted Subsidiaries the consummation of which is not conditioned upon the availability of, or on obtaining, third-party financing; *provided that* Consolidated EBITDA, other than for purposes of calculating any ratios or baskets in connection with the Limited Condition Acquisition and the related transactions, shall not include any Consolidated EBITDA of or attributable to the target company or assets involved in any such Limited Condition Acquisition unless and until the closing of such Limited Condition Acquisition shall have actually occurred.

"**Majority-Held Investment Vehicles**" means, collectively, to BK Développement, BK Expansion and Flagship Restauration.

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees, consultants or independent contractors of any Parent Company, the Issuer or any Restricted Subsidiary:

(a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (ii) for the purpose of funding any such Person's purchase of Capital Stock or Deeply Subordinated Funding of the Issuer or any Parent Company with the approval of the Board of Directors of the Issuer not exceeding €5.0 million in the aggregate outstanding at any time *less* any amounts outstanding under clause (3)(j) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*";

(b) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(c) not exceeding €2.0 million in the aggregate outstanding at any time.

"**Management Investment Company**" means an entity (other than the Issuer or a Subsidiary of the Issuer) whose sole purpose is investing in Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Company by Management Investors.

"**Management Investor**" means the officers, directors, employees and other members of the management of any Parent Company, the Issuer or any of their respective Subsidiaries, or family members or relatives of any of the foregoing (provided that, solely for purposes of the definition of "Permitted Holders," such relatives shall include only those Persons who are or become Management Investors in connection with estate planning for or inheritance from other Management Investors, as determined in good faith by the Issuer, which determination shall be conclusive), or trusts, partnerships, limited liability companies, *fonds commun de placement d'entreprise* or other entities for the benefit of any of the foregoing, or any of their heirs, executors, successors and legal representatives who, at any date, beneficially own or have the right to acquire, directly or indirectly, Qualified Capital Stock of the Issuer or any Restricted Subsidiary or any Parent Company or Capital Stock of any Management Investment Company.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock of the IPO Entity on the date of the declaration of the relevant dividend, multiplied by (ii) the arithmetic mean of the closing prices per share of such Capital Stock for the 30 consecutive trading days immediately preceding the date of the declaration of such dividend.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Net Cash Proceeds**" means, with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of:

(a) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants) related to such Asset Sale;

(b) provisions for all taxes paid or payable, or required to be accrued as a liability under IFRS as a result of such Asset Sale;

(c) all payments made on any Debt which is secured by any assets subject to such Asset Sale, in accordance with the terms of any Lien upon such assets, or which by the terms of such Liens or by applicable law are required to be repaid out of the proceeds from such Asset Sale; so long as the Issuer or such Restricted Subsidiary makes an offer on a *pro rata* basis to all holders of the Notes at a purchase price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to the extent the Notes are secured by such assets;

(d) all distributions and other payments required to be made to any Person (other than the Issuer or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and

(e) appropriate amounts required to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve in accordance with IFRS against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale.

"**NewCo GB**" means NewCo GB, a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France and the parent of the Issuer.

"**NewCo PIK Notes**" means the €200.0 million aggregate principal amount of 8.00% / 8.75% senior PIK toggle notes due 2022 issued by NewCo GB on the Temporary Notes Issue Date.

"**Officer**" means, with respect to any Person, the Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President, Vice President, the Treasurer, the Secretary, Director or member of the Board of Directors of such Person or any other person that the Board of Directors of such Person shall designate for such purpose.

"**Officer's Certificate**" means a certificate signed on behalf of the Issuer by an Officer and delivered to the Trustee.

"**Opinion of Counsel**" means a written opinion from legal counsel reasonably satisfactory to the Trustee, which opinion may be subject to customary qualifications and assumptions. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

"**Parent Company**" means, with respect to the Issuer, any other Person (other than a natural person) that (i) legally and beneficially owns more than 50% of the Voting Shares of the Issuer, either directly or through one or more Subsidiaries, or (ii) is a Subsidiary of any Person referred to in the preceding clause; provided, however, that in no event shall any Subsidiary of the Issuer constitute its Parent Company.

"**Pari Passu Debt**" means (a) any Debt of the Issuer that ranks equally in right of payment with the Notes or (b) any Debt of a Guarantor that ranks equally in right of payment to its Note Guarantee.

"**Permitted Business**" means (a)(i) the restaurant business and/or (ii) any businesses, services or activities (in the case of this clause (ii)) engaged in by the Issuer or any Restricted Subsidiary on the Issue Date or which are contemplated by the Issuer on the Issue Date and (b) any businesses, services and activities engaged in by the Issuer or any Restricted Subsidiary that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"**Permitted Collateral Liens**" means the following types of Liens:

(a) Liens on the Collateral securing the Notes or the Note Guarantees (including any Additional Notes or guarantees of Additional Notes) and any Permitted Refinancing Debt in respect thereof (and Permitted Refinancing Debt in respect of such Permitted Refinancing Debt) and the related Note Guarantees or guarantees of such Permitted Refinancing Debt; provided that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and provided further that the Collateral securing such Permitted Refinancing Debt secures the Notes or the Note Guarantees on a senior or *pari passu* basis;

(b) Liens on the Collateral to secure Debt permitted by clause (2)(a) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*;" provided that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and provided further that the Collateral securing such Debt secures the Notes or the Note Guarantees on a senior or *pari passu* basis but such Liens may have priority to the Notes and the Note Guarantees with respect to distributions of proceeds of any enforcement of Collateral;

(c) Liens on the Collateral to secure Debt of the Issuer or a Guarantor permitted by clause (1) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*" and Debt permitted by clause (2)(e)(i) (to the extent such guarantee is in respect of Debt otherwise permitted to be secured and is specified in this definition of "Permitted Collateral Liens"), (2)(k)(i) (covering only the shares and assets of the acquired Person the Debt of which is so secured), (2)(k)(ii) or (2)(p) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*" and Permitted Refinancing Debt in respect of the foregoing (and Permitted Refinancing Debt in respect of such Permitted Refinancing Debt); provided that (i) in the case of Debt of the Issuer or a Restricted Subsidiary that is permitted to be Incurred under clause (2)(k)(i) or (2)(k)(ii) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*", after giving *pro forma* effect to such Incurrence (including *pro forma* application of the proceeds thereof), the Consolidated Net Senior Secured Leverage Ratio of the Issuer would have been less than 4.8 to 1.0 or not greater than it was immediately prior to giving effect to the transaction and (ii) each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor

Agreement; and provided further that the Collateral securing such Debt secures the Notes and the Note Guarantees on a senior or *pari passu* basis;

(d) Liens on the Collateral to secure Hedging Obligations permitted by clause (2)(g) of the covenant described under the caption "—*Certain Covenants—Limitation on Debt*"; provided that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and provided further that the Collateral securing such Debt secures the Notes or the Note Guarantees on a senior or *pari passu* basis, except that such Liens securing Interest Rate Agreements in respect of (x) Debt permitted by clause (2)(a) of the covenant described under the caption "—*Certain Covenants—Limitation on Debt*" or (y) the Notes or Pari Passu Debt secured by Liens on the Collateral on a *pari passu* basis with the Notes or the Note Guarantees may have priority to the Notes and the Note Guarantees with respect to distributions of proceeds of any enforcement of Collateral;

(e) Liens on the Collateral that secure Debt on a basis junior to the Notes; *provided* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and provided further that the Collateral securing such Debt also secures the Notes and the Note Guarantees on a senior basis; and

(f) Liens described in clauses (d), (e), (f), (g), (h), (i), (j) (solely to the extent of the acquired property or assets that become Collateral), (k) (solely to the extent of the acquired property or assets that become Collateral), (n), (o), (p), (t), (u), (v) and (w) of the definition of "Permitted Liens".

"**Permitted Holders**" means, collectively, (1) the Initial Investors and any Related Parties of such Initial Investors, (2) Management Investors and (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of the Issuer or any Parent Company, acting in such capacity. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"**Permitted Investments**" means any of the following:

(a) Investments in cash or Cash Equivalents;

(b) intercompany Debt to the extent permitted under clause (c) of the definition of "Permitted Debt;"

(c) Investments in (i) the Issuer other than a Restricted Payment of the type described in clause (1)(b) of the definition thereof, (ii) a Restricted Subsidiary or (iii) another Person if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated or otherwise combined with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary;

(d) Investments made by the Issuer or any Restricted Subsidiary as a result of or retained in connection with an Asset Sale permitted under or made in compliance with the covenant described under "—*Certain Covenants—Limitation on Sale of Certain Assets*" to the extent such Investments are non-cash proceeds permitted thereunder;

(e) expenses or advances to cover payroll, travel, entertainment, moving, other relocation and similar matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS;

(f) Investments in the Notes and any Debt of the Issuer or any Restricted Subsidiary;

(g) Investments existing on the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; provided that the amount of any such

Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(h) Investments in Hedging Obligations permitted under clause (2)(g) under "*—Certain Covenants—Limitation on Debt*;"

(i) any Investments received in settlement, compromise or resolution of debts, litigation, arbitration or other disputes or as a result of foreclosure, perfection or enforcement of any Lien;

(j) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(k) investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Sale, in each case, that was made in compliance with "*—Certain Covenants—Limitation on Sale of Certain Assets*";

(l) any Investment to the extent made using Qualified Capital Stock or Deeply Subordinated Funding of the Issuer or any Parent Company as consideration;

(m) any guarantee of Debt permitted to be incurred by the covenant entitled "*—Certain Covenants—Limitation on Debt*", performance guarantees and contingent obligations Incurred in the ordinary course of business and the creation of Liens on the assets of the Issuer or any Restricted Subsidiary, in compliance with the covenant described under "*—Certain Covenants—Limitation on Liens*;"

(n) Management Advances;

(o) guarantees, keepwells and similar arrangements not prohibited by the covenant described under "*—Certain Covenants—Limitation on Debt;*"

(p) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (p) that are at the time outstanding (net of any dividends, repayments or other monetary return on such investments (other than in the form of loans or other credit)) not to exceed the greater of (i) €15.0 million and (ii) 2.0% of Total Assets; provided that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (c)(i) or (c)(ii) of the definition of "Permitted Investments" and not this clause;

(q) Investments resulting from the acquisition of a Person that at the time of such acquisition held instruments constituting Investments that were not acquired in contemplation of the acquisition of such Person;

(r) (i) stock, obligations or securities received in satisfaction of judgments, foreclosure of Liens or settlement of debts and (ii) any Investments received in compromise of obligations of trade creditors or customers that were Incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(s) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "*—Limitation on Transactions with Affiliates*" (except transactions described in clause (b), (g) or (k) of the second paragraph thereof);

(t) Investments consisting of purchases and acquisitions of inventory, supplies, materials, equipment or services or the licensing of intellectual property in the ordinary course of business;

(u) advances, loans or extensions of trade credit in the ordinary course of business by the Issuer or any Restricted Subsidiary;

(v) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business; and

(w) Investments in joint ventures in a Permitted Business or in Unrestricted Subsidiaries having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (w) that are at the time outstanding (net of any dividends, repayments or other monetary return on such investments (other than in the form of loans or other credit)) not to exceed the greater of (i) €20.0 million and (ii) 2.5% of Total Assets; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (c)(i) or (c)(iii) of the definition of "Permitted Investments" and not this clause.

"**Permitted Liens**" means the following types of Liens:

(a) Liens existing on the Issue Date;

(b) Liens in favor of the Issuer or any Restricted Subsidiary;

(c) Liens created for the benefit of (or to secure) the Notes and the Note Guarantees;

(d) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(e) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, employees, pension plan administrators or other like Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith or Liens arising solely by virtue of any statutory or common law provisions relating to attorney's liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;

(f) Liens for taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS, shall have been made;

(g) Liens incurred or deposits made to secure the performance of tenders, bids or trade or government contracts, or to secure leases, statutory or regulatory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business (other than obligations for the payment of money);

(h) zoning restrictions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions, encroachments and other similar charges, encumbrances or title defects and incurred in the ordinary course of business that do not in the aggregate interfere in any material respect with the ordinary conduct of the business of the Issuer and the Restricted Subsidiaries on the properties subject thereto, taken as a whole;

(i) Liens arising by reason of any judgment, decree or order of any court not constituting an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(j) Liens on property or assets of, or on shares of Capital Stock or on Debt of, any Person existing at the time such Person becomes a Restricted Subsidiary or is merged with, or into, or consolidated with, the Issuer or any Restricted Subsidiary; provided that such Liens (i) do not extend to or cover any property or assets of the Issuer or any Restricted Subsidiary other than the original property or assets of, or shares of Capital Stock or Debt of, such Person that is acquired by or merged with, or into, or consolidated with, the Issuer or any Restricted Subsidiary and (ii) were not created in connection with or in contemplation of such acquisition, merger or consolidation;

(k) Liens on property or assets existing at the time such property or assets are acquired, including any acquisition by means of a merger with or into or consolidation with, the Issuer or any Restricted Subsidiary; provided that such Liens (i) do not extend to or cover any property or assets of the Issuer or any Restricted Subsidiary other than (A) the property or assets acquired or (B) the property or assets of the Person merged with or into or consolidated with the Issuer or Restricted Subsidiary and (ii) were not in connection with or in contemplation of such acquisition, merger or consolidation;

(l) Permitted Collateral Liens;

(m) Liens securing the Issuer's or any Restricted Subsidiary's Hedging Obligations permitted under clause (2)(g) under "*—Certain Covenants—Limitation on Debt*;"

(n) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or other insurance (including unemployment insurance) or deposits to secure public or statutory obligations of such Person or deposits of cash or government bonds to secure performance, bid, surety or appeal bonds and completion bonds and guarantees to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent or amounts owed to utilities, in each case incurred in the ordinary course of business;

(o) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(p) Liens incurred in connection with a cash management program or cash pooling established in the ordinary course of business;

(q) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Debt of any Restricted Subsidiary that is not a Guarantor;

(r) Liens on any property or assets of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations, Purchase Money Obligations, mortgage financings or other Debt, in each case, incurred in connection with the financing of all or any part of the purchase price, lease expense, rental payment or cost of design, construction, installation or improvement of assets or property (including Capital Stock of a Person); provided, that any such Lien may not extend to any assets or property owned by the Issuer or any Restricted Subsidiary at the time the Lien is incurred other than the assets and property acquired, improved, constructed, leased or financed and any improvements or accessions to such assets and property (provided that to the extent that any such Capitalized Lease Obligations, Purchase Money Obligations, mortgage financings or other Debt relates to multiple assets or properties, then all such assets or properties may secure any such Capitalized Lease Obligation, Purchase Money Obligations, mortgage financings or other Debt); provided, further, that the aggregate principal amount of Debt secured by such Liens is otherwise permitted to be incurred under the Indenture;

(s) Liens incurred to secure Permitted Refinancing Debt permitted to be incurred under the Indenture; provided that the new Lien shall be limited to all or part of the same property and assets that secured the original Lien (plus improvements and accessions to such property and assets and proceeds or distributions thereof);

(t) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(u) leases, licenses, franchises, subleases and sublicenses of assets in the ordinary course of business;

(v) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(w) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(x) any interest or title of a lessor under any operating lease;

(y) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Issuer or a Restricted Subsidiary on condition that the cash paid into such escrow account in relation to a disposal does not represent more than 15% of the net cash proceeds of such disposal;

(z) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures that are not Restricted Subsidiaries securing obligations of such joint ventures;

(aa) Liens over treasury stock of the Issuer or a Restricted Subsidiary purchased or otherwise acquired for value by the Issuer or such Restricted Subsidiary pursuant to a stock buy-back scheme or other similar plan or arrangement;

(bb) other Liens securing obligations in an aggregate amount at any one time outstanding not to exceed the greater of €25.0 million and 30% of Consolidated EBITDA;

(cc) Liens (including put and call arrangements) on the Capital Stock or other securities of an Unrestricted Subsidiary that secure Debt or other obligations of such Unrestricted Subsidiary;

(dd) deposits constituting retainers for legal fees;

(ee) Liens Incurred on Securitization Assets and related assets in connection with a Qualified Securitization Financing;

(ff) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Debt (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Debt or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Debt and are held in escrow accounts or similar arrangement to be applied for such purpose;

(gg) Liens securing Debt of the Issuer or any Restricted Subsidiary permitted to be Incurred pursuant to clause (2)(a) under "*—Certain Covenants—Limitation on Debt*" in an aggregate principal amount at any one time outstanding not to exceed €20.0 million; and

(hh) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (hh); provided that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets.

"**Permitted Refinancing Debt**" means any renewals, extensions, substitutions, refinancings or replacements of any Debt of the Issuer or a Restricted Subsidiary incurred pursuant to this definition, including any successive renewals, extensions, substitutions, refinancings or replacements, so long as:

(a) such Debt is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value and in the case of pay-in-kind Debt, the value of such Debt including any interest paid in the form of additional Debt) then outstanding of the Debt being renewed, extended, substituted, refinanced or replaced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such renewal, extension, substitution, refinancing or replacement);

(b) if the Debt being renewed, extended, substituted, refinanced or replaced is expressly or contractually subordinated in right of payment to the obligations of the Notes or any Note Guarantee, such Permitted Refinancing Debt is subordinated in right of payment to such obligations on terms at least as favorable to the holders of the Notes or relevant Note Guarantee, as those contained in the documentation governing the Debt being renewed, extended, substituted, refinanced or replaced;

(c) such Permitted Refinancing Debt has (x) a final maturity date that is either (i) no earlier than the final maturity date of the Debt being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the Notes and (y) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Debt being renewed, refunded, refinanced, replaced, defeased or discharged; and

(d) such Debt does not include (x) Debt of a Restricted Subsidiary of the Issuer that is not a Guarantor that refinances Debt of the Issuer or a Guarantor or (y) Debt of the Issuer or a Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary.

"**Permitted Reorganization**" means (1) any consolidation or merger of Quick Restaurants SA with or into Financière Quick SAS or of Financière Quick with or into the Issuer (provided that the Issuer is the surviving Person) or (2) any amalgamation, demerger, merger, sale, contribution, or other disposition, voluntary liquidation, consolidation, reorganization, winding up, corporate reconstruction or other reorganization involving the Issuer or any of its Restricted Subsidiaries and the assignment, transfer or assumption of intragroup receivables and payables, among or between the Issuer and its Restricted Subsidiaries in connection therewith (a "**Reorganization**") that is made on a solvent basis; provided that, in the case of this clause (2), immediately after giving effect to such Reorganization: (a) all of the business and property or assets of the Issuer or such Restricted Subsidiary are owned by the Issuer or its Restricted Subsidiaries (and if such Restricted Subsidiary was a Guarantor immediately prior to such Reorganization, (x) all the business and property or assets of such Restricted Subsidiary are retained by one or more Guarantors or (y) the condition in clause (c) of this definition is satisfied), (b) any payments or property or assets distributed, sold, contributed or disposed of in connection with such Reorganization remain within the Issuer and its Restricted Subsidiaries, (c) if any shares or property or other assets that are subject to such Reorganization form part of the Collateral, substantially equivalent (as determined in good faith by the Board of Directors of the Issuer) Liens must be granted over such shares or property or assets of the recipient such that they form part of the Collateral, subject to the Agreed Security Principles, and (d) the Issuer will provide to the Trustee and the Security Agent an Officer's Certificate confirming that such Reorganization is permitted under the Indenture and that no Default is continuing or would arise as a result of such Reorganization.

"**Person**" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Preferred Stock**” means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person whether now outstanding or issued after the Issue Date, and including, without limitation, all classes and series of preferred or preference stock of such Person; provided that accrued non-cash dividends with respect to any Preferred Stock shall not constitute Preferred Stock for the purposes of “*—Certain Covenants—Limitation on Debt*”.

“**Proceeds Loans**” means the proceeds loan agreements pursuant to which the Issuer loaned to each Proceeds Loan Borrower the amounts from the gross proceeds from the issuance of each of the Existing Fixed Rate Notes and the Existing Floating Rate Notes, as described in “*Certain Financing Arrangements—The Proceeds Loans*”.

“**Proceeds Loan Borrower**” means each subsidiary of the Issuer which received a Proceeds Loan from the Issuer as described in “*Certain Financing Arrangements—The Proceeds Loans*”.

“**Public Market**” means any time after:

(a) a Public Offering of the IPO Entity has been consummated; and

(b) at least 20% of the total issued and outstanding ordinary shares or common equity of the IPO Entity has been distributed to investors other than the Permitted Holders or any other direct or indirect shareholders of the Issuer as of the Issue Date.

“**Public Offering**” means (1) any offering of Qualified Capital Stock of the Issuer that is listed on an exchange or that is publicly offered (which shall include any offering pursuant to Rule 144A or Regulation S under the Securities Act) or (2) any offering of Capital Stock of any Parent Company that is listed on an exchange or that is publicly offered (which shall include any offering pursuant to Rule 144A or Regulation S under the Securities Act), provided that (i) in the case of this clause (2), the proceeds of such offering are contributed as Deeply Subordinated Funding or to the equity of the Issuer and (ii) in the case of (1) and (2), the proceeds of such offering or contribution are not utilized for Contribution Debt or Excluded Contributions or to make Restricted Payments pursuant to clauses (3)(b) or 3(k) of the covenant described under “*—Certain Covenants—Limitation on Restricted Payments*”.

“**Purchase Money Obligations**” means any Debt Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“**Qualified Capital Stock**” of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

“**Qualified Securitization Financing**” means any financing pursuant to which the Issuer or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person or grant a security interest in any accounts receivable (and related assets) in any aggregate principal amount at least equal to the Fair Market Value of such accounts receivable (and related assets) of the Issuer or any Restricted Subsidiary; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Board of Directors or a member of senior management of the Issuer) at the time such financing is entered into and (b) such financing shall be non-recourse to the Issuer and the Restricted Subsidiaries, except to a limited extent customary for such transactions.

“**Qualifying IPO**” means an Initial Public Offering, upon the consummation of which (including the application of the proceeds therefrom) either (a) the Consolidated Net Leverage Ratio of the Issuer and its subsidiaries is less than 3.0 to 1.0 or (b) the Notes shall have achieved Investment Grade Rating.

“**Rating Agencies**” means Moody’s and S&P or, in the event that Moody’s or S&P no longer assigns a rating to the Notes, any other “nationally recognized statistical rating organization” within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer as a replacement agency.

"**Redeemable Capital Stock**" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable, or by contract or otherwise, matures or is, or upon the happening of an event or passage of time would, mature or be, required to be redeemed, pursuant to a sinking fund obligation or otherwise, in whole or in part, prior to the six-month anniversary of the final Stated Maturity of the Notes or is redeemable at the option of the holder thereof at any time prior to the six-month anniversary of such final Stated Maturity, or is convertible into or exchangeable for debt securities at any time prior to the six-month anniversary of such final Stated Maturity; provided that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "asset sale" or "change of control" occurring prior to the six-month anniversary of the Stated Maturity of the Notes will not constitute Redeemable Capital Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described under the caption "*—Certain Covenants—Restricted Payments*".

"**Related Parties**" with respect to any Permitted Holder, means:

(a) any controlling equity holder or majority or wholly owned Subsidiary of such Person; or

(b) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(c) any trust, corporation, partnership or other Person for whom the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a 50.1% or more controlling interest therein, consist of such individuals or such other Persons referred to in the immediately preceding clauses (a) and (b); or

(d) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Subsidiary**" means any Subsidiary of the Issuer that is not an Unrestricted Subsidiary; provided that, solely for the purposes of the definitions of each of Consolidated Adjusted Net Income, Consolidated EBITDA, Consolidated Fixed Charge Coverage Ratio, Consolidated Net Leverage, Consolidated Net Leverage Ratio, Consolidated Net Senior Secured Leverage, Consolidated Net Senior Secured Leverage Ratio, Senior Secured Debt and Fixed Charges, the term "Restricted Subsidiary" shall be deemed to include Agaquick SAS if (i) the Issuer owns directly or indirectly no less than 49% of the Capital Stock of Agaquick SAS, (ii) the Issuer fully consolidates Agaquick SAS in accordance with IFRS and otherwise controls Agaquick SAS and (iii) the combination of all distributions, fees or contracts made, paid or entered into by Agaquick SAS deliver the majority of the economic benefits (in monetary terms) of its operations to the Issuer and its Restricted Subsidiaries.

"**Revolving Credit Facility**" means the revolving credit facility expected to be available pursuant to the Revolving Credit Facility Agreement.

"**Revolving Credit Facility Agreement**" means the credit agreement entered into on April 21, 2017 among the Issuer, certain Subsidiaries of the Issuer, as borrowers and guarantors, certain financial institutions, as mandated lead arrangers, BNP Paribas, as security agent, and BNP Paribas, as agent, and as amended and restated (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Debt under such agreement or agreements or any successor or replacement agreement or agreements or increasing the amount loaned thereunder (subject to compliance with the covenant described under "*—Certain Covenants—Limitation on Debt*") or altering the maturity thereof.

"**S&P**" means S&P Global Ratings.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"**Securitization Assets**" means any accounts receivable subject to a Qualified Securitization Financing.

"**Securitization Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Issuer or a Restricted Subsidiary in connection with, any Qualified Securitization Financing.

"**Securitization Repurchase Obligation**" means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or a portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Senior Secured Debt**" means, as of any date of determination, (i) Debt of the Issuer or any Restricted Subsidiary (other than Debt Incurred pursuant to clauses (2)(c), (2)(f), (2)(g), (2)(i), (2)(j) and (2)(n) of the "*—Limitation on Debt*" covenant) that is secured by a Lien (other than Debt secured by a Lien on the Collateral on a junior priority basis to the Notes and the Note Guarantees) and (ii) Debt of a Restricted Subsidiary that is not a Guarantor.

"**Significant Subsidiary**" means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries that are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 5% of the consolidated revenues of the Issuer or (ii) as of the end of the most recent fiscal quarter, was the owner of more than 5% of the Total Assets.

"**Stated Maturity**" means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which the principal of such note or such installment of interest, respectively, is due and payable, and, when used with respect to any other debt, means the date specified in the instrument governing such debt as the fixed date on which the principal of such debt, or any installment of interest thereon, is due and payable.

"**Subordinated Debt**" means Debt of the Issuer or any Guarantor that is expressly subordinated in right of payment to the Notes or the Note Guarantees of, or Proceeds Loans owed by, such Guarantor pursuant to a written agreement, as the case may be; provided, that no Debt will be deemed to be subordinated in right of payment to any other Debt solely by virtue of being unsecured or by virtue of being secured on a junior Lien basis.

"**Subsidiary**" means, with respect to any specified Person:

(a) any corporation, association or other business entity of which more than 50% of the total voting power of Voting Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(b) any partnership or limited liability company (other than entities covered by clause (a) of this definition) of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Successor Parent**" with respect to any Person means any other Person more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially owned" has a meaning correlative to the term "beneficial owner," as such term is defined in Rule 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"**Targets**" means, collectively, BDBK and the Investment Vehicles.

"**Tax**" means any tax, duty, levy, impost, assessment or other similar governmental charge (including penalties, interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "**Taxes**" and "**Taxation**" shall be construed to have corresponding meanings.

"**Temporary Indenture**" means the indenture governing the Temporary Notes entered into on the Temporary Notes Issue Date, among, *inter alios*, the Issuer and Citibank, N.A., London Branch, as trustee.

"**Temporary Notes**" means the €60.0 million aggregate principal amount of the Issuer's temporary floating rate senior secured notes due 2023 which, pursuant to the terms of the Temporary Indenture, were exchanged for an equal aggregate principal amount of Additional Notes issued by the Issuer under the Indenture on the BDBK Acquisition Completion Date.

"**Temporary Notes Issue Date**" means December 19, 2017, the issue date of the Temporary Notes.

"**Total Assets**" means the consolidated total assets of the Issuer and the Restricted Subsidiaries as shown on the most recent consolidated balance sheet of the Issuer.

"**Transactions**" means the offering of the Existing Notes, the entering into of the Revolving Credit Facility, the entering into of the Security Documents and the Intercreditor Agreement, the incurrence of the Proceeds Loans by each Proceeds Loan Borrower, the entry into any agreement by the Issuer or any Affiliate in connection with the offering and the application of proceeds therefrom as described under "*Use of Proceeds*" section of the offering memorandum dated April 12, 2017, including the repayment or extinguishment of any indebtedness, payment or reimbursement of any fees and expenses and any other transactions incidental to the above.

"**Unrestricted Subsidiary**" means:

(a) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer's Board of Directors pursuant to the "—*Designation of Unrestricted and Restricted Subsidiaries*" covenant); and

(b) any Subsidiary of an Unrestricted Subsidiary.

"**Voting Stock**" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"**Weighted Average Life to Maturity**" means, when applied to any Debt at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (1) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Debt (not including, for the avoidance of doubt, any additional principal amount arising from interest payments in respect of pay-in-kind Debt), by (2) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal.

BOOK-ENTRY, DELIVERY AND FORM

The Additional Notes issued in exchange for the Temporary Notes on the BDBK Acquisition Completion Date are held in the same manner and subject to the same conditions as the Temporary Notes discussed below.

General

The Temporary Notes sold within the United States to QIBs pursuant to Rule 144A were represented by one or more global notes in registered form without interest coupons attached (the "**Rule 144A Global Temporary Notes**"). The Temporary Notes sold outside the United States pursuant to Regulation S were represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Global Temporary Notes**" and, together with the Rule 144A Global Notes, the "**Global Temporary Notes**"). The Global Temporary Notes were deposited, on the Temporary Notes Issue Date, with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.

The Additional Notes issued in exchange for the Rule 144A Global Temporary Notes on the BDBK Acquisition Completion Date were represented by a global note in registered form without interest coupons attached (the "**Additional Rule 144A Global Note**"). The Additional Notes issued in exchange for the Regulation S Global Temporary Note on the BDBK Acquisition Completion Date were represented by a global note in registered form without interest coupons attached (the "**Additional Regulation S Global Note**" and, together with the Additional Rule 144A Global Note, the "**Additional Global Notes**" and together with the global notes for the Existing Notes, the "**Global Notes**"). The Global Notes were deposited, on the BDBK Acquisition Completion Date, with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Temporary Notes ("**Rule 144A Temporary Book-Entry Interests**") and ownership of interests in the Regulation S Global Temporary Notes (the "**Regulation S Temporary Book-Entry Interests**" and, together with the Rule 144A Temporary Book-Entry Interests, the "**Temporary Book-Entry Interests**") was limited to persons who have accounts with Euroclear and/or Clearstream or persons who may hold interests through such participants. Temporary Book-Entry Interests were shown on, and transfers thereof were effected only through records maintained in book-entry form by Euroclear and Clearstream and their participants. The Temporary Book-Entry Interests in Global Temporary Notes were issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Ownership of interests in the Additional Rule 144A Global Note (the "**Additional Rule 144A Book Entry Interests**") and ownership of interests in the Additional Regulation S Global Note (the "**Additional Regulation S Book Entry Interests**" and, together with the Additional Rule 144A Book Entry Interests, the "**Additional Book Entry Interests**") were limited to persons that had accounts with Euroclear and/or Clearstream or persons that held interests through such participants.

Following the completion of the Exchange, Additional Rule 144A Book Entry Interests are now fungible with book entry interests in the Rule 144A Global Note for the Existing Notes (together, the "**Rule 144A Book Entry Interests**") and Additional Regulation S Book Entry Interests are fungible with the book entry interests in the Regulation S Global Note for the Existing Notes (together, the "**Regulation S Book Entry Interests**" and together with the Rule 144A Book Entry Interests, the "**Book Entry Interests**"). Euroclear and Clearstream hold interests in the Additional Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories.

Except under the limited circumstances described below, the Book-Entry Interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Additional Notes are in global form, owners of interests in the Global Temporary Notes Additional Global Notes did not have the Temporary Notes or the Additional Notes registered in their names, did not receive physical delivery of the Temporary Notes in certificated form and were not considered the registered owners or "holder" of the Temporary Notes under the Indenture for any purpose.

So long as the Temporary Notes or the Additional Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or their or its respective nominee), will be considered the sole holder of Global Temporary Notes or the Additional Global Notes for all purposes under the Indenture. As such, participants must rely on the procedures of Euroclear and/or Clearstream and indirect participants must rely on the procedures of Euroclear and/or Clearstream and the participants through which they own Temporary Book-Entry Interests or Additional Book-Entry Interests in order to exercise any rights of holders of the Temporary Notes or Additional Notes under the Indenture.

None of the Issuer, the Trustee under the Indenture, the Agents nor any of the Issuer's respective agents will have any responsibility or be liable for any aspect of the records relating to the Temporary Book-Entry Interests or the Book-Entry Interests.

Definitive Registered Notes

Under the terms of the Indenture, owners of Temporary Book-Entry Interests and Book-Entry Interests received definitive Temporary Notes or Additional Notes, as applicable, in registered form (the "**Definitive Registered Notes**"):

- if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depository for the Global Temporary Notes or Global Notes and a successor depository is not appointed by the Issuer within 120 days;

- if Euroclear or Clearstream so requests following an event of default under the Indenture; or

- if the owner of a Temporary Book-Entry Interest or a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an event of default under the Indenture and enforcement action is being taken in respect thereof under the Indenture.

In such an event, the Issuer will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Temporary Book-Entry Interests or Book-Entry Interests, as applicable), and such Definitive Registered Notes will bear the restrictive legend referred to in "*Transfer Restrictions*" unless that legend is not required by the Indenture or applicable law.

Redemption of Global Notes

In the event any Global Temporary Note or Global Note, or any portion thereof, is redeemed, Euroclear and/or Clearstream, as applicable, will distribute the amount received by them or it in respect of the Global Temporary Note or Global Note, as applicable, so redeemed to the holders of the Book-Entry Interests in such Global Temporary Note or Global Note from the amount received by them or it in respect of the redemption of such Global Temporary Note or Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Temporary Note or Global Note (or any portion thereof). The Issuer understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no Book-Entry Interest of less than €100,000 principal amount at maturity may be redeemed in part.

Payments on Global Notes

Payments of amounts owing in respect of the Global Temporary Notes or the Global Notes (including principal, premium, interest, additional interest and additional amounts) will be made by the Issuer to the Paying Agent. In turn, the Paying Agent will make such payments to Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Notes—Additional Amounts*". If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the Notes—Additional Amounts*", we will pay additional amounts as may be necessary in order for the net amounts received after such deduction or withholding to equal the net amounts that would have otherwise been received, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Temporary Book-Entry Interests or Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Trustee and the Agents will treat the registered holder of the Global Temporary Notes and the Global Notes (*i.e.*, the common depositary for Euroclear or Clearstream (or its nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee or the Agents or any of their respective agents has or will have any responsibility or liability for:

- any aspects of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Temporary Book-Entry Interest or a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Temporary Book-Entry Interest or a Book-Entry Interest;

- payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Temporary Book-Entry Interest or Book-Entry Interest;

- Euroclear, Clearstream or any participant or indirect participant; or

- any other matters relating to the actions and practices of Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Temporary Book-Entry Interests or Book-Entry Interests held through participants are the responsibility of such participants.

Currency and Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Temporary Notes or Global Notes, will be paid to holders of interests in such Temporary Notes or Additional Notes through Euroclear and/or Clearstream in Euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Temporary Notes or Additional Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Temporary Notes or Global Notes are credited and only in respect of such portion of the aggregate principal amount of Temporary Notes or Additional Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Temporary Notes or the Global Notes. However, if there is an event of default under the Temporary Notes or the Additional Notes, each of Euroclear and Clearstream reserves the right to exchange the Global Temporary Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear's and Clearstream's rules and will be settled in immediately available funds. If a holder of Temporary Notes or Additional Notes requires the physical delivery of Definitive Registered Notes for any reason, including to sell the Temporary Notes or the Additional Notes to persons in states that require the physical delivery of such securities or to pledge such securities, such holder of Temporary Notes or Additional Notes must transfer its interests in the Global Temporary Notes or the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Global Temporary Notes and the Global Notes will bear a legend to the effect set forth under "*Transfer Restrictions*". Book-Entry Interests in the Global Temporary Notes or the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*".

Transfers of Rule 144A Temporary Book-Entry Interests and Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Temporary Book-Entry Interests and Rule 144A Book-Entry Interests, respectively, will at all times be subject to such transfer restrictions.

Rule 144A Temporary Book-Entry Interests and Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Temporary Book-Entry Interest or Regulation S Book-Entry Interests, as applicable, only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144A or any other exemption (if available under the U.S. Securities Act).

Regulation S Temporary Book-Entry Interests or Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Temporary Book-Entry Interest or Rule 144A Book-Entry Interest, as applicable, only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and the securities laws of any applicable jurisdiction.

In connection with transfers involving an exchange of a Regulation S Temporary Book-Entry Interest or a Regulation S Book-Entry Interest for a Rule 144A Temporary Book-Entry Interest or a Rule 144A Book-Entry Interest, as applicable, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Temporary Note or the Regulation S Global Notes and a corresponding increase in the principal amount of the Rule 144A Global Temporary Note or the Rule 144A Global Notes.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Temporary Note only as described under "*Description of the Notes—Transfer and Exchange*", and, if required, only if the transferor first delivers to the Trustee, a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Temporary Notes or Additional Notes. See "*Transfer Restrictions*".

Any Book-Entry Interest in one of the Global Temporary Notes or the Global Notes that is transferred to a person who takes delivery in the form of a Temporary Book-Entry Interest or a Book-Entry Interest in any other Global Temporary Note or Global Note, as applicable, will, upon transfer, cease to be a Temporary Book-Entry Interest or a Book-Entry Interest, as applicable, in the first mentioned Global Temporary Note or Global Note and become a Temporary Book-Entry Interest or a Book-Entry Interest in such other Global Temporary Note or Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Temporary Book-Entry Interests and Book-Entry Interests in such other Global Temporary Note or Global Note, as applicable, for as long as it remains such a Temporary Book-Entry Interest or a Book-Entry Interest.

Information Concerning Euroclear and Clearstream

All Temporary Book-Entry Interests and Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Issuer nor any of the Initial Purchasers or the Trustee or any of the Agents is responsible for those operations or procedures.

Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Euroclear and Clearstream have no record of or relationship with persons holding through their account holders. Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such person may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Temporary Notes or the Additional Rule 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Temporary Notes and the Additional Notes represented by the Global Temporary Notes and the Additional Global Notes are admitted to trading on the Euro MTF Market and are listed on the official list of the Luxembourg Stock Exchange. The Issuer expects that secondary trading in any Temporary Notes and any Additional Notes will be settled in accordance with rules and operating procedures of Euroclear, Clearstream and/or the Luxembourg Stock Exchange.

Although Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Temporary Notes and the Additional Global Notes among participants in Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of us, the Trustee or the Agents will have any responsibility for the performance by Euroclear, Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Temporary Notes was made in Euro. Temporary Book-Entry Interests and Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Temporary Book-Entry Interests and Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Temporary Book-Entry Interests and Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Temporary Book-Entry Interests and

Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

CERTAIN TAX CONSIDERATIONS

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences, under the tax laws of the country in which they are resident, of a purchase of Notes including, without limitation, the consequences of receipt of interest and premium, if any, on and sale or redemption of, the Notes or any interest therein.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax considerations of the purchase, ownership and disposition of the Temporary Notes and the Additional Notes into which such Temporary Notes were exchanged (collectively, for the purposes of this discussion, the "**Notes**"), but does not purport to be a complete analysis of all potential tax effects. This discussion is based upon the United States Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder (the "**Treasury Regulations**"), and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. This discussion is limited to consequences relevant to a U.S. holder (as defined below), except for the discussion on FATCA (as defined under "*—Foreign Account Tax Compliance Act*"). This discussion does not address the impact of the U.S. federal Medicare tax on net investment income or the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. No rulings from the U.S. Internal Revenue Service (the "**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances or to holders subject to special rules, such as financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. holders whose functional currency is not the U.S. dollar, tax-exempt organizations, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities (or investors in such entities), persons liable for alternative minimum tax and persons holding the Notes as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons who purchase the Temporary Notes pursuant to the offering at the offering price indicated on the cover page hereof, who receive such Additional Notes in exchange for such Temporary Notes, and who hold the Notes as capital assets within the meaning of section 1221 of the Code.

For purposes of this discussion, a "**U.S. holder**" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Temporary Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal estate and gift tax laws, the U.S. federal Medicare tax on net investment income, and state, local, non-U.S. or other tax laws.

Pre-Issuance Accrued Interest

A portion of the purchase price paid for a Temporary Note will be allocable to unpaid stated interest that has accrued prior to the date the Temporary Note is purchased (the "**pre-issuance**

accrued interest"). As a result, a portion of the first interest payment on a Temporary Note (or on the Additional Note issued in exchange for such Temporary Note) equal to the amount of such pre-issuance accrued interest may be treated as a nontaxable return of such pre-issuance accrued interest (except that a U.S. holder generally would be required to recognize exchange gain or loss, as discussed below, in an amount equal to the difference, if any, between the U.S. dollar value of the pre-issuance accrued interest at the time of purchase and at the time the payment of such pre-issuance accrued interest is received, as determined at the spot rate in effect on each such date). Amounts treated as a return of pre-issuance accrued interest should reduce a U.S. holder's adjusted tax basis in the Note by a corresponding amount (in the same manner as would a payment of principal).

Amortizable Bond Premium

If a U.S. holder purchases a Temporary Note for an amount (not including any amount paid for pre-issuance accrued interest, as discussed above) in excess of its principal amount, such U.S. holder will be considered to have purchased the Note with "amortizable bond premium" in an amount equal to the excess.

Subject to certain exceptions and the limitation discussed in the following paragraph, a U.S. holder may elect to amortize any amortizable bond premium as an offset to stated interest over the remaining term of a Note on a constant yield method. A U.S. holder making this election must generally use any amortizable bond premium allocable to an accrual period to offset stated interest required to be included in income with respect to the Note in such accrual period. U.S. holders are urged to consult their own tax advisors regarding the availability of the deduction for amortizable bond premium. A U.S. holder that elects to amortize bond premium with respect to a Note must reduce its adjusted tax basis in the Note by the U.S. dollar amount of the premium amortized. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by such U.S. holder and such election may be revoked only with the consent of the IRS. Amortizable bond premium will be computed in foreign currency. A U.S. holder making the election to amortize bond premium may recognize exchange gain or loss each period equal to the difference between the U.S. dollar value of bond premium with respect to such period determined on the date the interest attributable to such period is received and the U.S. dollar value of such amortized bond premium determined on the date of the acquisition of the Notes.

The Notes are subject to call provisions at our option at various times. As a result, a U.S. holder will calculate the amount of amortizable bond premium based on the amount payable on an applicable call date if the use of the call price and the call date results in a smaller amortizable bond premium for the period ending on the call date. The foregoing rule may eliminate, reduce or defer any amortization deductions.

Payments of Stated Interest

Except as noted above with respect to pre-issuance accrued interest payments, payments of stated interest on a Note (including additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be includible in the gross income of a U.S. holder as ordinary interest income at the time the interest is received or accrued, in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes. Interest generally will be income from sources outside the United States and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income or, in certain cases, general category income.

A U.S. holder that uses the cash method of accounting for tax purposes will recognize interest income equal to the U.S. dollar value of the interest payment, based on the spot rate on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

A U.S. holder that uses the accrual method of accounting for tax purposes, or who otherwise is required to accrue interest prior to receipt, may determine the amount recognized with respect to such interest in accordance with either of two methods. Under the first method, such holder will recognize income for each taxable year equal to the U.S. dollar value of the foreign currency accrued for such year determined by translating such amount into U.S. dollars at the average spot rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the U.S. holder's taxable year). Alternatively, an accrual basis U.S. holder may make an election (which must be applied consistently to all debt instruments held by the electing U.S. holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and cannot be changed without the consent of the IRS) to translate accrued interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year in the case of a partial accrual period), or at the spot rate on the date of receipt, if that date is within five business days of the last day of the accrual period. A U.S. holder of Notes that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss, on the date such interest is received, equal to the difference between the U.S. dollar value of such payment, determined at the spot rate on the date the payment is received, and the U.S. dollar value of the interest income previously included in respect of such payment. This exchange gain or loss will be treated as ordinary income or loss, generally will be treated as U.S.-source and generally will not be treated as an adjustment to interest income or expense.

Any non-U.S. withholding tax paid by, or on behalf of, a U.S. holder at the rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their tax advisors regarding the availability of foreign tax credits.

Sale, Exchange, Retirement or Other Taxable Disposition of Notes

A U.S. holder's adjusted tax basis in a Note generally will equal the cost of the Note to the U.S. holder, decreased by (1) any amount attributable to pre-issuance accrued interest received by such U.S. holder and (2) any amortizable bond premium previously amortized by such U.S. holder with respect to the Note. The cost of a Note purchased with foreign currency will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, calculated at the exchange rate in effect on that date. If the Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the cost of the Note at the spot rate on the settlement date of the purchase.

Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued and unpaid stated interest, which, unless it represents pre-issuance accrued interest, will be taxable as ordinary interest income in accordance with the U.S. holder's method of tax accounting as described above) and the U.S. holder's adjusted tax basis in the Note. The amount realized on the sale, exchange, retirement or other taxable disposition of a Note for an amount of foreign currency will generally be the U.S. dollar value of that amount based on the spot rate on the date of taxable disposition. If the Note is traded on an established securities market, a cash basis taxpayer (and, if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the amount realized on the settlement date of the disposition. If an accrual method taxpayer makes the election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. An accrual basis U.S. holder that does not make the special election will recognize exchange gain or loss to the extent that there are exchange rate fluctuations between the sale date and the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss.

Gain or loss recognized by a U.S. holder upon the sale, exchange, retirement or other taxable disposition of a Note that is attributable to changes in currency exchange rates will be ordinary income or loss and, with respect to the principal thereof, will generally be equal to the difference between the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency (decreased by any amortizable bond premium amortized by the U.S. holder and the amount of any pre-issuance accrued interest to the extent that payment of such interest is treated as a nontaxable return of such pre-issuance accrued interest), determined on the date of the sale, exchange, retirement or other taxable disposition, and the U.S. dollar value of the U.S. holder's purchase price of the Note (decreased by any amortizable bond premium amortized by the U.S. holder and the amount of any pre-issuance accrued interest to the extent that payment of such interest is treated as a nontaxable return of such pre-issuance accrued interest), in foreign currency determined on the date the U.S. holder acquired the Note. The exchange gain or loss with respect to principal and with respect to accrued and unpaid stated interest (which will be treated as discussed above under "—Payments of Stated Interest") will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange, retirement or other taxable disposition of the Note, and will be treated as ordinary income generally from sources within the United States for U.S. foreign tax credit limitation purposes.

Any gain or loss recognized by a U.S. holder in excess of foreign currency gain or loss recognized on the sale, exchange, retirement or other taxable disposition of a Note will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if the U.S. holder has held the Note for more than one year at the time of the sale, exchange, retirement or other taxable disposition. In the case of an individual U.S. holder, any such gain may be eligible for preferential U.S. federal income tax rates if the U.S. holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to limitations.

U.S. holders should consult their tax advisors regarding how to account for payments made in a foreign currency with respect to the acquisition, sale, exchange, retirement or other taxable disposition of a Note and the foreign currency received upon a sale, exchange, retirement or other taxable disposition of a Note.

Tax Return Disclosure Requirement

Treasury Regulations issued under the Code meant to require the reporting of certain tax shelter transactions cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Note or foreign currency received in respect of a Note to the extent that any such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of an applicable threshold amount. U.S. holders should consult their tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Information Reporting and Backup Withholding

In general, payments of interest and the proceeds from sales or other dispositions (including retirements or redemptions) of Notes held by a U.S. holder may be required to be reported to the IRS unless the U.S. holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. holders who hold an interest in "specified foreign financial assets" (as defined in section 6038D of the Code) are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

Foreign Account Tax Compliance Act

Pursuant to sections 1471 through 1474 of the Code (provisions commonly known as "**FATCA**"), a "foreign financial institution" may be required to withhold U.S. tax on certain passthru payments made after December 31, 2018 to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are filed generally would be "grandfathered" unless materially modified after such date. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA would apply to payments on the Notes only if there is a significant modification of the Notes for U.S. federal income tax purposes after the expiration of this grandfathering period. France and other non-U.S. governments have entered into agreements with the United States to implement FATCA in a manner that alters the rules described herein. Holders should consult their own tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

Certain French tax considerations

The following is a summary of certain of the material French withholding tax considerations relating to the purchase, ownership and disposal of the Notes by a holder of the Notes that: (i) is not a French resident for French tax purposes; (ii) is not a shareholder of the Issuer; (iii) is not related to the Issuer within the meaning of 39.12 of the French Tax Code; and (iv) does not hold the Notes in connection with a permanent establishment or a fixed base in France. This summary is based on the tax laws and regulations of France, as currently in effect and applied by the French tax authorities, and all of which are subject to change or to different interpretation. This summary is for general information only and does not address all of the French tax considerations that may be relevant to specific holders in light of their particular circumstances. Furthermore, this summary does not address any French estate or gift tax considerations.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS AS TO FRENCH TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSAL OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

Article 1649 AC of the French Tax Code imposes on financial institutions within the meaning of Article 1 of the Decree n°2016-1683 to review and collect information on their clients and investors, in order to identify their tax residence, as well as to provide certain account information to relevant foreign tax authorities (via the French tax authorities) on an annual basis.

Payments of interest and other revenue in respect of the Notes (including those paid upon redemption of the Notes)

Payments of interest and assimilated revenue made by the Issuer with respect to the Notes will not be subject to withholding tax set out under Article 125 A III of the French Tax Code unless such payments are made outside France in a non-cooperative State or territory (*État ou territoire non coopératif*) within the meaning of Article 238-0 A of the French Tax Code (a "**Non-Cooperative State**"), irrespective of the holder's residence for tax purposes or registered headquarters. Pursuant to Article 125 A III of the French Tax Code, if such payments under the Notes are made in a Non-Cooperative State, a 75% mandatory withholding tax will be due (subject to certain exceptions certain of which are set forth below and to the more favorable provisions of any applicable double tax treaty). The list of Non-Cooperative States is published by a ministerial executive order, which is updated at least on a yearly basis. This list was last updated on April 8, 2016.

Furthermore, according to Article 238 A of the French Tax Code, interest and other assimilated revenue on the Notes may not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenue may be recharacterized as constructive dividends pursuant to Article 109 *et seq.* of the French Tax Code, in which case such non-deductible interest and other assimilated revenue may be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code at a rate of 30% (provided, however, that the French Finance Bill for 2018 currently discussed before the French Parliament provides for the implementation of a 12.8% withholding tax for individuals who are not French tax residents for payments characterized as dividends or constructive dividends made as of January 1, 2018, while the withholding tax rate for legal persons which are non-French tax residents would decrease progressively as from January 1, 2020 to reach 25% by 2022, in line with the ordinary French corporate income tax rate) or 75%, subject to the more favorable provisions of any applicable tax treaty. Holders of Notes who are non-French tax residents are urged to consult their own tax advisors as to the tax consequences of the French Finance Bill for 2018.

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A-III of the French Tax Code nor, to the extent the relevant interest relate to genuine transactions and is not in an abnormal or exaggerated amount, the non-deductibility set out under Article 238 A of the French Tax Code and the related withholding tax set out under Article 119 *bis* 2 of the French Tax Code that may be levied as a result of such non deductibility, will apply in respect of a particular issue of notes, if the Issuer can prove that the main purpose and effect of such issue were not to enable payments of interest or other similar revenue to be made in a Non-Cooperative State (the "**Exception**").

In addition, pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* (French administrative guidelines) referenced as BOI-INT-DG-20-50-20140211 n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 n°70 and BOI-IR-DOMIC-10-20-20-60-20150320 n°10 (the "**Administrative Guidelines**"), an issue of notes will benefit from the Exception without the debtor having to provide any proof of the main purpose and effect of such issue of notes, and accordingly will be able to benefit from the Exception (the "**Safe Harbor**"), if such notes are:

1. offered by means of a public offer within the meaning of Article L.411-1 of the *Code monétaire et financier* ("**French Monetary and Financial Code**") or this purpose, an "**equivalent offer**" means any offer requiring the registration or submission of an offer document by /or with a foreign securities market authority; or

2. admitted to trading on a French or foreign regulated market or a multilateral securities trading system *provided* that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, *provided* further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

3. admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators, *provided* that such depositary or operator is not located in a Non-Cooperative State.

The Notes issued under this Listing Memorandum qualify as debt securities under French commercial law. Considering that: (i) as of the date of their admission to trading, the Notes will be admitted to trading on the Luxembourg Stock Exchange in Luxembourg which does not qualify as a Non-Cooperative State, and that such market is operated by a market operator which is not located in a Non-Cooperative State and/or (ii) the Notes will be admitted, at the time of their issue, to the operations of Euroclear and Clearstream, both securities clearing and delivery and payments systems operators within the meaning of Article L. 561-2 of the French Monetary and Financial Code which are not located in a Non Cooperative State, payments of interest and other revenue in respect of the notes made by or on behalf of the Issuer to the holders of the Notes will fall under the Exception.

Accordingly, such payments made by or on behalf of the Issuer to the holders of the Notes will be exempt from the withholding tax set forth under Article 125 A III of the French Tax Code.

Moreover, under the same conditions and to the extent that the relevant interest and other assimilated revenue are considered as relating to genuine transactions and are not in an abnormal or exaggerated amount, interest and other assimilated revenue in respect of the Notes paid by or on behalf of the Issuer to the holders of the Notes will not be subject, pursuant to the Administrative Guidelines, to the related non-deductibility rule set forth under Article 238 A of the French Tax Code and, as a result, also not be subject to the withholding tax set forth under Article 119 *bis* 2 of the French Tax Code solely on account of their being paid or accrued to a person domiciled or established in a Non Cooperative State or paid on an account opened in a financial institution established in such a Non-Cooperative State.

In addition, if a French Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of principal under the Notes) it is possible that such payments may be subject to French withholding tax, subject to such relief as may be available under the provisions of any applicable tax treaty, or to any other exemption which may apply.

Sale, disposal or redemption of the Notes

A holder of Notes, who is not a resident of France for French tax purposes and who does not hold its Notes in connection with a permanent establishment or a fixed place of business in France, will not be subject to any income or withholding taxes in France in respect of the gains realized on the sale, exchange or other disposal of such Notes.

In addition, no stamp or registration fee or duty or similar transfer taxes will be payable in France in connection with the sale, disposal or redemption of Notes, except in the case of filing with the French tax authorities on a voluntary basis, or except to the extent that the FTT would become applicable. See "*Risk Factors—Risks related to our business—Transactions in the Notes could be subject to the European financial transaction tax, if adopted*".

CERTAIN INSOLVENCY LAW CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE SECURITY INTERESTS

European Union

The Issuer and certain of the Guarantors are organized under the laws of Member States of the European Union.

Pursuant to Council Regulation (EU) 2015/848 of May 20, 2015 on insolvency proceedings (recast) (the "**EU Insolvency Regulation**"), which became fully effective on June 26, 2017 and applies within the European Union (other than Denmark), the courts of the Member State in which a debtor's "**center of main interests**" or "**COMI**" (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated have jurisdiction to commence main insolvency proceedings relating to such debtor. The determination of where a debtor has its center of main interests is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Article 3(1) of the EU Insolvency Regulation provides that the COMI of a "debtor shall be the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties". It sets forth, as explained by Recital (30), a rebuttable presumption that a debtor has its COMI in the Member State in which it has its registered office in the absence of proof to the contrary. This presumption shall only apply if the registered office of the legal person has not been moved to another Member State within the three-month period prior to the request for the opening of insolvency proceedings. Recital (30) provides that it should be possible to rebut this presumption if a debtor's central administration is located in a Member State other than that of its registered office and a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the debtor's actual center of management and supervision and the management of its interests is located in that other Member State Under the previous EU insolvency regulation (Council Regulation (EC) 1346/2000 of May 29, 2000, which defined the COMI in similar terms, the courts have taken into consideration a number of factors in determining a debtor's COMI, including in particular where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are established. A debtor's COMI is not a static concept and may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to commence insolvency proceedings at the time of the filing of the insolvency petition.

If a debtor's COMI is and will remain located in the Member State (other than Denmark) in which it has its registered office, the main insolvency proceedings in respect of the debtor under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings commenced in one Member State under the EU Insolvency Regulation are to be recognized in the other EU Member States (other than Denmark), although secondary proceedings may be commenced in another Member State.

If a debtor's COMI is in a Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to commence secondary (territorial) insolvency proceedings against that debtor only if such debtor has an "establishment" (within the meaning and as defined in Article 2(10) of the EU Insolvency Regulation) in the territory of such other Member State or had an establishment in such EU Member State in the 3-month period prior to the request for commencement of main insolvency proceedings. An "**establishment**" is defined to mean "any place of operations where the debtor carries out or has carried out in the 3-month period prior to the request to commence main insolvency proceedings a non-transitory economic activity with human means and assets."

Where main proceedings have been commenced in the Member State in which the debtor has its COMI, any proceedings commenced subsequently in another Member State in which the debtor has an establishment shall be secondary insolvency proceedings. The effects of such proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. Where main proceedings in the Member State in which the debtor has its COMI have not yet been commenced, secondary insolvency proceedings may only be commenced in another Member State where the debtor has an establishment where either (a) insolvency proceedings cannot be commenced in the Member State in which the debtor's COMI is situated under that Member State's law; or (b) the secondary insolvency proceedings are commenced at the request of (i) a creditor which is domiciled, habitually resident or has its registered office in the other Member State or whose claim arises from the operation of the establishment or (ii) a public authority that has the right to make such a request under the law of the Member State in which the establishment is located. Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, i.e., the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor.

The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings without any additional formality, which will be given the same effect in the other Member States so long as no secondary proceedings have been commenced there. The insolvency practitioner appointed by a court in a Member State which has jurisdiction to commence main proceedings (because the debtor's COMI is located there) may exercise the powers conferred on it by the laws of that Member State in another Member State (such as to remove assets of the debtor from that other Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other Member State or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other Member State where the debtor has assets.

The EU Insolvency Regulation provides for cooperation between (i) insolvency practitioners of the main insolvency proceedings and of the secondary insolvency proceedings, (ii) jurisdictions and (iii) jurisdictions and insolvency practitioners. It also provides for specific cooperation, communication and coordination measures in order to ensure the efficient administration of insolvency proceedings relating to different companies forming part of the same group. As from June 26, 2018, the Member States shall establish and maintain a register of insolvency proceedings and, as from June 26, 2019, the European Commission shall establish a decentralized system for the interconnection of such insolvency registers.

France

Insolvency

We conduct part of our business activity in France and, to the extent that the registered office of the Issuer or any of the Guarantors is deemed to be in France, they could be subject to French court-assisted proceedings affecting creditors, i.e. *mandat ad hoc* or *conciliation* proceedings (which do not fall within the scope of the EU Insolvency Regulation). In addition, to the extent that their COMI or, in cases where the EU Insolvency Regulation does not apply, their main center of interests within the meaning of article R. 600-1 of the French Commercial Code, of the Issuer or any of the Guarantors is deemed to be in France, or they have an establishment in France, they could also be subject to French court-administered proceedings affecting creditors, i.e. either safeguard proceedings, accelerated safeguard proceedings or accelerated financial safeguard proceedings (*sauvegarde*, *sauvegarde accélérée* or *sauvegarde financière accélérée*), judicial reorganization proceedings (*redressement judiciaire*) or judicial liquidation proceedings (*liquidation judiciaire*).

Specialized courts exist for conciliation or insolvency proceedings with respect to (i) debtors that exceed (directly or through the companies under their control) (y) €20 million in turnover and 250 employees or (z) €40 million in turnover, (ii) commencement of proceedings with respect to which the court's international jurisdiction results from the application of the EU Insolvency Regulation or, (iii) in cases where the EU Insolvency Regulation does not apply, from the debtor having its main center of interests therein.

In addition, the French court that commences insolvency proceedings with respect to the member of a corporate group has jurisdiction over all the other members of the group (subject to French courts having international jurisdiction with respect to such entities, in accordance with the rules outlined above); accordingly, a court can supervise the insolvency proceedings of the whole group and may, for this purpose, appoint the same administrator and creditors' representative (*mandataire judiciaire*) for all proceedings in respect of members of the group.

In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes and/or the Guarantees granted by the French Guarantors and corresponding security interests in the Collateral.

Annex A of the EU Insolvency Regulation lists safeguard, accelerated safeguard, accelerated financial safeguard, judicial reorganization and judicial liquidation proceedings as insolvency proceedings within the meaning of the EU Insolvency Regulation. Any company of our group having its COMI in France would be subject to French main insolvency proceedings and any company of our group having an establishment in France and its COMI in another EU Member State (other than Denmark) could be subject to French secondary insolvency proceedings. The following is a general discussion of insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

Grace periods

In addition to insolvency laws discussed below, you could, like any other creditors, be subject to Article 1343-5 of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil or commercial proceedings involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's needs, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate, as published semi-annually by the French government) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1343-5 of the French Civil Code will suspend any pending enforcement measures, and any contractual default interest or penalty for late payment will not accrue or be due during the grace periods ordered by the relevant judge.

If the debtor is engaged in conciliation proceedings or has reached a conciliation agreement that is in the course of being executed, special rules apply to the grant of grace periods (see *"—Court-assisted Proceedings*" below).

Insolvency test

Under French law, a debtor is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its due debts with its immediately available assets (*actif disponible*) taking into account available credit lines, existing debt rescheduling agreements and moratoria.

The date of insolvency (*état de cessation des paiements*) is generally deemed to be the date of the court ruling commencing the judicial reorganization or judicial liquidation proceedings, unless the court sets an earlier date, which may be carried back up to 18 months before the date of such court ruling. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings. The date of insolvency marks the beginning of the hardening period (see below).

Court-assisted Proceedings

A French debtor facing difficulties may in certain conditions request the commencement of court-assisted proceedings (*mandat ad hoc* or *conciliation*), the aim of which is to reach an agreement with the debtor's main creditors and stakeholders e.g. an agreement to reduce or reschedule its indebtedness.

Mandat ad hoc proceedings may only be initiated by the debtor itself, in its sole discretion. In practice, *mandat ad hoc* proceedings are used by debtors that are facing any type of difficulties but are not insolvent (see "—*Insolvency test*" above). The proceedings are informal and confidential by law (save for the disclosure of the court decision appointing the *mandataire ad hoc* to the statutory auditors if any). They are carried out under the aegis of a court-appointed officer (*mandataire ad hoc*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings are not limited in time. The duties of the *mandataire ad hoc* are determined by the competent court (usually the commercial court) that appoints him or her, usually to facilitate negotiations with creditors. Any agreement between the debtor and its creditors will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. *Mandat ad hoc* proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so for their duration. In any event, the debtor retains the right to petition the relevant judge for a grace period under Article 1343-5 of the French Civil Code (see "—*Grace periods*" above). The agreement reached is reported to the president of the court but is not formally approved by it.

Conciliation proceedings may only be initiated by the debtor itself if it faces actual or foreseeable difficulties of a legal, economic or financial nature and is not insolvent (see "—*Insolvency test*" above) or has not been insolvent for more than 45 calendar days. The proceedings are confidential by law (save for the disclosure of the court decision commencing the proceedings to the statutory auditors, if any). They are carried out under the aegis of a court-appointed conciliator (*conciliateur*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings may last up to five months (with the *conciliateur* being able to request an extension of their initial duration which cannot be greater than four months). The duties of the *conciliateur* are to assist the debtor in negotiating an agreement with all or part of its creditors and/or trade partners that puts an end to its difficulties, *e.g.* providing for the restructuring of its indebtedness. Any agreement between the debtor and its creditors will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. *Conciliation* proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so for their duration and creditors may not request the opening of insolvency proceedings (*redressement judiciaire* or *liquidation judiciaire*) against the debtor. Pursuant to article L. 611-7 of the French Commercial Code, during the proceedings, the debtor retains the right to petition the judge that commenced them for a grace period in accordance with Article 1343-5 of the French Civil Code (see "—*Grace periods*" above) provided that the debtor has received a formal notice requesting payment or faces enforcement action by the relevant creditor; the judge will take its decision after having heard the conciliator and may condition the duration of the measures it orders to reaching an agreement in the conciliation proceedings.

Additionally, pursuant to Article L. 611-10-1 of the French Commercial Code, the judge having commenced conciliation proceedings may, during the execution period of a conciliation agreement (whether it is acknowledged or approved as described below), impose grace periods on creditors who were asked to participate in the conciliation proceedings (other than the tax and social security administrations) for their claims that were not dealt with in the conciliation agreement, such decision being taken after hearing the *conciliateur* if he/she has been appointed to monitor the implementation of the agreement.

The conciliation agreement reached between the parties may be acknowledged (*constaté*) by the president of the Civil or Commercial Court at the request of the parties, which makes the agreement binding upon them (in particular, performance of the conciliation agreement prevents any action by the creditors party thereto against the debtor to obtain payment of claims governed by the conciliation agreement) and enforceable without further recourse to a judge (*force exécutoire)*, but the conciliation proceedings remain confidential.

Alternatively, the conciliation agreement may be approved (*homologué*) by the Civil or Commercial Court at the request of the debtor following a hearing held for that purpose which will have to be attended by the works council or employee representatives, as the case may be, if (i) the debtor is not insolvent or the conciliation agreement has the effect of putting an end to the debtor's insolvency, (ii) the conciliation agreement effectively ensures that the company will survive as a going concern and (iii) the conciliation agreement does not impair the rights of the non-signatory creditors. Such approval will have the same effect as its acknowledgement (*constatation*) as described above, except that in addition:

- creditors that, in the context of the conciliation proceedings, provide new money, goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity in the context of a capital increase) will enjoy a priority of payment over all pre-commencement and post-commencement claims (except with respect to certain pre-commencement employment claims and procedural costs) (the "**New Money Lien**"), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings;

- in the event of subsequent safeguard proceedings, judicial reorganization or judicial liquidation proceedings, the claims benefiting from the New Money Lien may not, without their holders' consent, be written off and their payment date may not be rescheduled to a date later than the date on which the safeguard or reorganization plan is adopted, not even by the creditors' committees or the bondholder general meeting;

- the works council or employee representatives are informed of the content of the conciliation agreement and may have access to the full conciliation agreement at the clerk's office (*greffe*) of the court. The publicly available court decision approving such agreement should however only disclose the amount of any New Money Lien and the guarantees and security interests granted to secure the same;

- when the debtor is submitted to statutory auditing, the conciliation agreement is communicated to its statutory auditors; and

- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of insolvency (see "*—Insolvency test*" above), and therefore the starting date of the hardening period (as defined below - see the "*—hardening period (période suspecte) in judicial reorganization and liquidation proceedings*"), cannot be set by the court as of a date earlier than the date of the approval (*homologation*) of the agreement by the court (except in case of fraud).

Whether the conciliation agreement is acknowledged or approved, the court may, at the request of the debtor, appoint the *conciliateur* to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution and, while the agreement is in force:

- interest accruing on the claims that are the subject to the conciliation agreement may not be compounded;

- the debtor retains the right to petition the judge that commenced the conciliation proceedings for a grace period in accordance with Article 611-10-1 of the French Commercial Code as explained above; and

- a third party which had previously granted credit support (a guarantee or security interest) with respect to the debtor's obligations may benefit from the provisions of the conciliation agreement as well as from grace periods granted in the context of conciliation proceedings.

If the debtor breaches the terms of the conciliation agreement, any party to it may petition the president of the court or the court (depending on whether the agreement was acknowledged or approved) for its termination. If such termination is granted, grace periods granted in relation to the conciliation proceedings may be revoked. Conversely, provided the conciliation agreement is duly performed, any individual proceedings by creditors with respect to obtaining payment of the claims dealt with by the conciliation agreement are suspended and/or prohibited. The commencement of subsequent insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims (decreased by the payments already received) and pre-existing security interests or guarantees.

Conciliation proceedings in which a draft plan is supported by a large majority of creditors which is likely to meet the threshold requirements for creditors' consent in safeguard, is a mandatory preliminary step of accelerated safeguard proceedings or accelerated financial safeguard proceedings, as described below.

At the request of the debtor and after the creditors taking part in the proceedings have been consulted on the matter, *mandat ad hoc* and conciliation proceedings may also be used to organize the partial or total sale of the debtor, in particular through a "plan for the disposal of the business" (*plan de cession*) which could be implemented in the context of subsequent safeguard, judicial reorganization or liquidation proceedings. Provided that they comply with certain requirements, any offers received in this context by the *mandataire ad hoc* or the *conciliateur* may be directly considered by the court in the context of safeguard, reorganization or liquidation proceedings after consultation of the State prosecutor.

As a matter of law, any contractual provision that (i) modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the designation of a *mandataire ad hoc* or of the commencement of conciliation proceedings or of a request submitted to this end or (ii) requires the debtor to bear, by reason only of the appointment of a *mandataire ad hoc* or of the commencement of conciliation proceedings, more than three-quarters of the fees of the professional advisers retained by creditors in connection with these proceedings, is deemed null and void.

Where the maximum time period allotted to court-assisted proceedings expires without an agreement being reached, the proceedings will end. The termination of such proceedings does not, in and of itself entail any specific legal consequences for the debtor, in particular it does not result in the automatic commencement of insolvency proceedings. New conciliation proceedings cannot be commenced before 3 months have elapsed as from the end of the previous ones.

Court-administered Proceedings—Safeguard

A debtor which experiences difficulties that it is not able to overcome may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, *provided* that it is not insolvent (see "—*Insolvency test*" above). Creditors of the debtor are not notified of, nor invited to attend the hearing before the court at which the commencement of safeguard proceedings is requested. Following the commencement of safeguard proceedings, a court-appointed administrator (*administrateur judiciaire*) is appointed (except for small companies where the court considers that such appointment is not necessary) to investigate the business of the debtor during an "observation period" (being the period starting on the date of the court decision commencing the proceedings and ending on the date on which the court takes a decision on the outcome of the proceedings), which may last up to 18 months. The role of the court-appointed administrator is also to assist the debtor in preparing a draft safeguard plan (*projet de plan de sauvegarde*) that it will circularize to its creditors. Creditors do not have effective control over the proceedings, which remain in the hands of the debtor assisted by the court-appointed administrator. The court-appointed administrator will, in accordance with the terms of the judgment appointing him or her, exercise *ex post facto* control over decisions made by the debtor (*mission de surveillance*) or assist the debtor to make all or some of the management decisions (*mission d'assistance*), all under the supervision of the court.

If, after commencement of the proceedings, it appears that the debtor was insolvent (*en état de cessation des paiements*) before their commencement, at the request of the debtor, the administrator, the creditors' representative or the Public Prosecutor but, in any event, after having heard the debtor, the court may convert the safeguard proceedings into judicial reorganization proceedings.

In addition, the court may convert safeguard proceedings into (i) judicial reorganization proceedings (a) at any time during the observation period if the debtor is insolvent or (b) in case no plan has been adopted by the relevant creditors' committee and, if any, the bondholders' assembly (as described below), if the approval of a safeguard plan is manifestly impossible and if the company would shortly become insolvent should safeguard proceedings end or (ii) judicial liquidation proceedings at any time during the observation period if the debtor is insolvent and its recovery is manifestly impossible. In all such cases:

- the court may decide at the request of the debtor, the court-appointed administrator, the creditors' representative or the Public Prosecutor and in all such cases with the exception of (i) (b), the court may act upon its own initiative; and
- the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the State prosecutor and the workers' representatives (if any).

As soon as safeguard proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

During the safeguard proceedings, payment by the debtor of any debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor, is prohibited, subject to very limited exceptions. For example, the court can authorize payments for prior debts in order to discharge a lien on property needed for the continued operation of the debtor's business or to recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*).

Creditors must be consulted on the manner in which the debtor's liabilities will be settled under the safeguard plan (debt forgiveness, payment terms or debt-for-equity swaps) prior to the plan being approved by the court. The rules governing consultation will vary depending on the size of the business.

Standard consultation: this applies in respect of debtors whose accounts are not certified by a statutory auditor or prepared by a chartered accountant or, if they are, who have 150 employees or less or a turnover of €20 million or less.

In such case, the administrator notifies the proposals for the settlement of debts to the court-appointed creditors' representative, who seeks the agreement of each creditor who filed a claim, regarding the debt remissions and payment schedules proposed. Creditors are consulted individually or collectively.

French law does not state whether the debt settlement proposals can vary according to the creditor and whether the principle of equal treatment of creditors is applicable at this consultation stage. According to legal commentaries and established practice, differing treatment as between creditors is possible, *provided* that it is justified by the difference in situation of the creditors and approved by the court-appointed creditors' representative. In practice, it is also possible at the consultation stage to make a proposal for a partial payment of claims over a shorter time period instead of a full payment of such claims over the length of the plan (ten years maximum except for agricultural businesses where the maximum is fifteen years).

Creditors whose payment terms are not affected by the plan or who are paid in cash in full as soon as the plan is approved are not required to be consulted.

Creditors that do not respond within 30 days of their receipt of the debt settlement proposal (other than debt-for-equity swap) made to them are deemed to have accepted it. The creditors' representative keeps a list of the responses from creditors, which is notified to the debtor, the court-appointed administrator and the controllers.

Within the framework of a standard consultation, the court that approves the safeguard plan (*plan de sauvegarde*) can impose a uniform rescheduling of the claims of creditors having refused the proposals that were submitted to them (subject to specific regimes such as the one applicable to claims benefiting from the New Money Lien) over a maximum period of ten years (except for maximum except for agricultural businesses where the maximum is fifteen years and claims with maturity dates of more than the deferral period set by the court, in which case the maturity date shall remain the same), but no waiver of any claim or debt-for-equity swap may be imposed without the relevant creditor's individual acceptance.

Following a court imposed rescheduling, the first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual instalment must be of at least 5% of the amount of each debt claim (except for agricultural businesses)) or on the first payment date following the initial maturity of the claim if it is later than the first payment date provided for by the plan, in which case the amount of such first payment is equal to what the creditor would have received had he been paid in accordance with the uniform payment rescheduling applying to the other creditors.

Committee-based consultation: This applies to large companies, whose accounts are certified by a statutory auditor (*commissaire aux comptes)* or established by a chartered-accountant (*expert-comptable)* and with more than 150 employees or a turnover greater than €20 million), or upon the debtor's or the administrator's request and with the consent of the court in the case of debtors that do not meet the aforementioned thresholds.

The consultation involves the submission of a proposed safeguard plan for consideration by two creditors' committees which are established by the court-appointed administrator on the basis of the claims that arose prior to the judgment commencing the proceedings:

- one for credit institutions or assimilated institutions and entities having granted credit or advances in favor of the debtor (the "**credit institutions committee**"); and

- the other one for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers and other suppliers invited to participate in such committee by the court-appointed administrator (the "major suppliers committee").

If there are any outstanding debt securities in the form of *obligations* (such as bonds or notes and including capital market debt instruments such as the Notes), a single general meeting of all holders of such debt securities will be established (the "**bondholders general meeting**"), in which all such holders are to take part irrespective of whether or not there are different issuances or of the governing law(s) of those *obligations*.

As a general matter, only the legal owner of the debt claim will be invited onto the committee or general meeting. Accordingly, a person holding only an economic interest therein will not itself be a member of the committee or general meeting.

The proposed plan:

- must "take into account" subordination agreements entered into by the creditors before the commencement of the proceedings;

- may treat creditors differently if it is justified by their differences in situation; and

- may, *inter alia*, include a rescheduling or cancellation of debts (subject to the specific regime of claims benefiting from the New Money Lien), and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent).

If the plan provides for a share capital increase, the shareholders may subscribe to such share capital increase by way of a set-off against their claims against the debtor (as reduced according to the provisions of the plan, where applicable).

Creditors that are members of the credit institutions committee or of the major suppliers committee may also prepare alternative safeguard plans in accordance with the above principles that will also be put to the vote of the committees and of the general bondholders meeting, it being specified that approval of any such alternative plan is subject to the same two-thirds majority vote in each committee and in the bondholders general meeting and gives rise to a report by the court-appointed administrator (*administrateur judiciaire*). Bondholders are not permitted to present their own alternative plan.

The committees must approve or reject the safeguard plan within 20 to 30 days of its submission. The period may be extended or shortened but may never be shorter than 15 days. The plan must be approved by a majority vote of each committee (two-thirds of the outstanding claims of the creditors casting a vote).

Each member of a creditors committee or of the bondholders general meeting must, if applicable, inform the court-appointed administrator of the existence of any agreement relating to (i) the exercise of its vote or (ii) the full or total payment of its claim by a third party as well as of any subordination agreement. The court-appointed administrator shall then submit to such person a proposal for the computation of its voting rights in the creditors committee/bondholders general meeting. In the event of disagreement, the matter may be ruled upon by the president of the Commercial Court in summary proceedings at the request of the creditor or of the court-appointed administrator.

The amounts of claims secured by a trust (*fiducie*) granted by the debtor do not give rise to voting rights. In addition, creditors whose repayment schedule is not modified by the plan, or for which the plan provides for a payment of their claims in cash in full as soon as the plan is adopted or as soon as their claims are admitted, do not need to be consulted on the plan nor take part in the vote.

Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the bondholders general meeting at the same two-thirds majority vote. Following approval by the creditors' committees and the bondholders general meeting, and determination of the rescheduling of the claims of creditors that are not members of the committees or bondholders in accordance with the standard consultation process referred to above, the plan has to be approved (*arrêté*) by the court. The court must verify that the interests of all creditors are "sufficiently protected" and that required shareholder consent (if applicable) has been obtained. Once so approved by the relevant court, the safeguard plan will be binding on all the members of the committees and all bondholders (including those who did not vote or voted against the adoption of the plan).

If the debtor's proposed plan is not approved by both committees and the bondholders general meeting within the first six months of the observation period (either because they do not vote on the plan or because they reject it), this six month period may be extended by the court at the request of the court-appointed administrator for a period not exceeding the duration of the observation period, in order for the plan to be approved through the committee-based consultation process. Absent such extension, the court can still adopt a safeguard plan within the time remaining until the end of the observation period. In such a case, the rules are the same as the ones applicable for the standard consultation process described above.

If the draft plan provides for a modification of the share capital or the by-laws, the court may decide that the shareholders general meeting and, as the case may be, the general meetings of the holders of securities giving access to the share capital of the company shall vote, the first time the relevant meeting is convened, at a simple majority of the votes of the shareholders attending, or represented at, the meeting, provided that they hold at least half of the shares with voting rights. The second time the meeting is convened, the usual provisions relating to quorum and majority shall apply.

If no proposed safeguard plan whatsoever is adopted by the committees and, if applicable, the general bondholders meeting, at the request of the debtor, the court-appointed administrator, the *mandataire judiciaire* or the State prosecutor, the court may convert the safeguard proceedings into judicial reorganization proceedings if it appears that the adoption of a safeguard plan is impossible and if the end of the safeguard proceedings would certainly lead to the debtor shortly becoming insolvent.

Specific case- Creditors that are public institutions: public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt remissions under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors examine possible remissions within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax administrations may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

Court-administered Proceedings—Accelerated Safeguard and Accelerated Financial Safeguard

A debtor that is the subject of conciliation proceedings may request the commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) or accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*).

The accelerated safeguard proceedings and accelerated financial safeguard proceedings have been designed to "fast-track" difficulties faced by large companies, *i.e.* those:

- which publish consolidated accounts in accordance with Article L. 233-16 of the French Commercial Code; or
- which publish accounts certified by a statutory auditor or established by a certified public accountant and have (i) more than 20 employees or (ii) a turnover greater than €3 million (excluding VAT) or (iii) whose total balance sheet exceeds €1.5 million.

If the debtor does not exceed the thresholds provided for to constitute creditors' committee (see above), the court shall authorize such constitution in the opening decision.

To be eligible to accelerated safeguard proceedings or accelerated financial safeguard proceedings, the debtor must fulfil the following conditions:

- the debtor must not have been insolvent for more than 45 days when it initially applies for commencement of conciliation proceedings;

- the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of the proceedings;

- as is the case for regular safeguard proceedings, the debtor must face difficulties which it is not in a position to overcome; and

- the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern which is supported by enough of its creditors involved in the proceedings to render likely its adoption by the relevant committees (credit institutions' committee only for financial accelerated safeguard proceedings) and bondholders general assembly, if any, within a maximum of three months following the commencement of accelerated safeguard proceedings, or within a maximum of two months following the commencement of accelerated financial safeguard proceedings.

While accelerated safeguard proceedings apply to all creditors (except employees), accelerated financial safeguard proceedings apply only to "financial creditors" (*i.e.*, creditors that belong to the credit institutions committee and bondholders general meeting), the payment of whose debt is suspended until adoption of a plan through accelerated financial safeguard proceedings. The debtor will be prohibited from paying, to any creditor to whom the accelerated safeguard or accelerated financial safeguard proceedings (as the case may be) apply, any amounts (including interest) in respect of debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor (post-commencement non-privileged debts). Such amounts may be paid only after the judgment of the court approving the safeguard plan and in accordance with its terms. Creditors other than financial creditors (such as public creditors, the tax or social security administration and suppliers) are not directly impacted by accelerated financial safeguard proceedings. Their debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms.

The regime applicable to standard safeguard proceedings is broadly applicable to accelerated safeguard or accelerated financial safeguard proceedings (for example, creditors will be consulted by way of a committee-based consultation on, as the case may be, a draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) or a draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) and creditors that are members of the credit institutions committee or the major suppliers committee, but not bondholders, may also prepare alternative draft plans as described above (see "*—committee-based consultation*")), to the extent compatible with the accelerated timing, since the maximum duration of accelerated safeguard proceedings is three months and the maximum duration of accelerated financial safeguard proceedings is two months (provided the court has decided to extend the initial one month period. However, certain provisions relating to ongoing contracts and provisions relating to the recovery of assets by their owners do not apply in accelerated safeguard or accelerated financial safeguard proceedings.

In particular, the creditors' committees and the bondholders general meeting are required to vote on the proposed safeguard plan within a minimum period of 15 days of its being notified to them in the case of accelerated safeguard proceedings, or within eight days in the case of accelerated financial safeguard proceedings.

The plan in the context of accelerated safeguard proceedings or accelerated financial safeguard proceedings is adopted following the same majority rules as in standard safeguard proceedings and may notably provide for rescheduling, debt cancellation and conversion of debt into equity capital of the debtor (debt-for-equity swaps requiring relevant shareholder consent). No debt rescheduling or cancellation may be imposed, without their consent, on creditors that do not belong to one of the committees or are not bondholders.

If a plan is not adopted by the creditors and approved by the court within the applicable deadline, the court shall terminate the proceedings. The court cannot reschedule amounts owed to the creditors outside of the committee process.

The list of claims of creditors party to the conciliation proceedings certified by the statutory auditor shall be deemed to constitute the filing of such claims for the purpose of accelerated safeguard proceedings or, as applicable, accelerated financial safeguard proceedings (see below) unless the creditors otherwise elect to make such a filing (see below).

Court-administered Proceedings—Judicial Reorganization or Liquidation Proceedings

Judicial reorganization (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) proceedings may be initiated against or by a debtor only if it is insolvent and, in the case of liquidation proceedings only, if the debtor's recovery is manifestly impossible. Within 45 days of becoming insolvent, the debtor, if it does not file for conciliation proceedings (as discussed above), is required to petition for judicial reorganization or liquidation proceedings; *de jure* managers (including directors) and, as the case may be, *de facto* managers that would have deliberately failed to file such a petition within the deadline are exposed to civil liability in the event that judicial liquidation proceedings should be subsequently commenced against the debtor.

Where the debtor requested the commencement of judicial reorganization proceedings and the court, after having heard the debtor, considers that judicial liquidation proceedings would be more appropriate, it may order the commencement of the proceedings which it determines to be most appropriate. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considered that judicial reorganization proceedings would be more appropriate. In addition, at any time during the observation period, upon request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), a controller, the State prosecutor or upon its own initiative, the court may convert the judicial reorganization proceedings into judicial liquidation proceedings if it appears that the debtor's recovery is manifestly impossible. The court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the controllers, the State prosecutor and the workers' representatives (if any).

The objectives of judicial reorganization proceedings are the sustainability of the business, the preservation of employment and the payment of creditors, in that order.

As soon as judicial reorganization or judicial liquidation proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

In the event of judicial reorganization proceedings, an administrator (*administrateur judiciaire*) is usually appointed by the court to investigate the business of the debtor during an observation period, which may last up to 18 months, and make proposals either for the reorganization of the debtor (by helping the debtor to elaborate a draft judicial reorganization plan, which is similar to a draft safeguard plan), or the sale of the business or the liquidation of the debtor. The court-appointed administrator will assist the debtor in making management decisions (*mission d'assistance*) or may be empowered by the court to take over the management and control of the debtor (*mission d'administration*). Judicial reorganization proceedings broadly take place in a manner that is similar to safeguard proceedings (see above), subject to certain specificities.

In particular, the rules relating to creditor consultation, especially the powers of the court adopting the judicial reorganization plan (*plan de redressement*) in the event of rejection by the creditors of proposals made to them, are the same (see above). At any time during the observation period, the court can, at the request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), the State prosecutor or at its own initiative, order the partial stop of the activity (*cessation partielle de l'activité*) or order the liquidation of the debtor if its recovery is manifestly impossible. At the end of the observation period, the outcome of the proceedings is decided by the court.

In judicial reorganization proceedings, in case a shareholders' meeting needs to vote to bring the shareholders' equity to a level equal to at least one half of the share capital as required by Article L. 626-3 of the French Commercial Code, the administrator may appoint a trustee (*mandataire de justice*) to convene a shareholders' meeting and to vote on behalf of the shareholders that refuse to vote in favor of such a resolution if the draft restructuring plan provides for a modification of the equity to the benefit of a third party(ies) undertaking to comply with the reorganization plan.

If the proposed reorganization plans are manifestly not likely to ensure that the debtor will recover or if no reorganization plan is proposed, the court, upon the request of the court-appointed administrator, can order the total or partial transfer of the business as described below. Any third party can present a bid on all or part of the debtor's business.

In judicial reorganization proceedings if (i) the company has at least 150 employees, or if it controls (within the meaning of the French Labor Code) one or more companies having together at least 150 employees, (ii) the disappearance of the company is likely to cause serious harm to the national or regional economy and to local employment, (iii) the modification of the company's share capital appears to be the only credible way to avoid harm to the national or regional economy and to allow the continued operation of the business as a going concern, then, at the request of the court-appointed administrator or of the state prosecutor (x) after the review of the options for a total or partial sale of the business and (y) if at least 3 months have elapsed as from the court decision commencing the proceedings, provided that the shareholders meetings required to approve the modification of the company's share capital required for adoption of the reorganization plan have refused such modification, the insolvency court may either:

- appoint a court officer (*mandataire*) in order to convene the shareholders meeting and vote the share capital increase in lieu of the shareholders having refused to do so, up to the amount provided for in the reorganization plan; or

- order, in favor of the persons who have undertaken to perform the reorganization plan, the sale of all or part of the share capital held by the shareholders having refused the share capital modification and holding, directly or indirectly a portion of the share capital providing them with a majority of the voting rights (including as a result of an agreement with other shareholders) or a blocking minority in the company's shareholder meetings, any consent clause being deemed unwritten; the other shareholders have the right to withdraw from the company and request that their shares be purchased simultaneously by the transferees.

In the event of a sale ordered by the court, the price of the shares shall, failing agreement between the parties, be set by an expert designated by the court in summary proceedings.

In either of the above cases, the reorganization plan shall be subject to the undertaking of the new shareholders to hold their shares for a certain time period set by the court which may not exceed the duration of the reorganization plan.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, which is generally the former creditors' representative (*mandataire judiciaire*). There is no observation period in judicial liquidation proceedings nor does the law limit their duration. The liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order of payment). The liquidator will take over the management and control of the debtor and the managers of the debtor are no longer in charge of its management.

Concerning the liquidation of the assets of the debtor, there are two possible outcomes:

- a sale of the business (*cession d'entreprise*) (in which case a court-appointed administrator (*administrateur judiciaire*) will usually be appointed to manage the debtor during a temporary period of continuation of the business operations ordered by the court (three months, renewable once) and organize such sale of the business as a going-concern via an asset sale, a.k.a. a "sale plan" (*plan de cession*)), any third party being entitled to present a bid on all or part of the debtor's business; or

- a sale of the individual assets of the debtor, in which case the liquidator may decide to:

    - launch auction sales (*vente aux enchères* (or *adjudication amiable* for real estate assets only));

- sell on an amicable basis (*vente de gré à gré*) each asset for which spontaneous purchase offers have been received, (the formal authorization of the bankruptcy judge being necessary to conclude the sale agreement with the bidder); or

- request, under the supervision of the bankruptcy judge, all potential interested purchasers to bid on each asset, as the case may be, by way of a private competitive process whereby the bidders submit their offers only at the hearing without the proposed prices being disclosed before such hearing (*procédure des plis cachetés*). However the possibility to implement such process is questioned by certain legal authors and case-law in this respect has varied.

If the court adopts a sale plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent.

The court will end the proceedings when either no due liabilities remain, the liquidator has sufficient funds to pay off the creditors (*extinction du passif*), or continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*).

The court may also terminate the proceedings:

- when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets;

- in the event where there are insufficient funds to pay off the creditors, by appointing a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

The "hardening period" (période suspecte) in judicial reorganization and judicial liquidation proceedings

The date of insolvency (*cessation des paiements*) of a debtor is deemed to be the date of the court order commencing the proceedings, unless the court sets an earlier date, which may be no earlier than 18 months before the date of such court order. Also, except in the case of fraud, the insolvency date may not be set at a date earlier than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings (see above). The insolvency date is important because it marks the beginning of the hardening period (*période suspecte*), being the period from the insolvency date of the debtor to the court decision commencing the judicial reorganization or liquidation proceedings affecting it.

Certain transactions entered into during the hardening period are automatically void or voidable by the court.

- Automatically void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration or for a nominal consideration, contracts under which the obligations of the debtor significantly exceed the reciprocal obligations of the other party, payments of debts not due at the time of payment, payments of debts that are due made in a manner which is not commonly used in the ordinary course of business and security granted for debts previously incurred, provisional attachment or seizure measures (*mesures conservatoires*) (unless the attachment or seizure predates the date of insolvency), operations relating to stock options, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as security for a debt simultaneously incurred), any amendment to a trust arrangement (*fiducie*) that affects assets or rights already transferred in the trust as security for debt incurred prior to such amendment, and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*).

- Transactions which are voidable by the court include payments made on debts that are due, transactions for consideration and notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the hardening period, in each case if the court determines that the party dealing with the debtor knew that the debtor was insolvent at the relevant time. Transactions relating to the transfer of assets for no consideration are also voidable when entered into during the six-month period prior to the beginning of the hardening period.

There is no hardening period prior to the opening of safeguard, accelerated safeguard or accelerated financial safeguard proceedings.

Status of Creditors during Safeguard, Accelerated Safeguard, Accelerated Financial Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings

Contractual provisions pursuant to which the commencement of the proceedings triggers the acceleration of the debt (except with respect to judicial liquidation proceedings in which the court does not order the continued operation of the business) or the termination or cancellation of an ongoing contract are not enforceable against the debtor. Nor are "*contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of judicial reorganization proceedings*" (in accordance with a decision of the French Supreme Court dated January 14, 2014, n° 12-22.909, which case law is likely to be extended to safeguard, accelerated safeguard or accelerated financial safeguard proceedings). However, the court-appointed administrator can unilaterally decide to terminate ongoing contracts (*contrats en cours*) which it believes the debtor will not be able to continue to perform. Conversely, the court-appointed administrator can require that other parties to a contract continue to perform their obligations even though the debtor may have been in default, but on the condition that the debtor fully performs its post-commencement contractual obligations (and provided that, in the case of judicial reorganization or judicial liquidation proceedings, absent consent to other terms of payment, the debtor pays cash on delivery). The commencement of liquidation proceedings, however, automatically accelerates the maturity of all of a debtor's obligations unless the court orders the continued operation of the business with a view to the adoption of a "sale plan" (*plan de cession*) as described above; in such case, the acceleration of the obligations will only occur on the date of the court decision adopting the "sale plan" (*plan de cession*) or on the date on which the continued operation of the business ends.

As from the court decision commencing the proceedings:

- accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment which is deferred by at least one year (however, accrued interest can no longer be compounded);

- the debtor is prohibited from paying debts incurred prior to the commencement of the proceedings, subject to specified exceptions (which essentially cover the set-off of related (*connexes*) debts and payments authorized by the insolvency judge (*juge commissaire*) to recover assets required for the continued operation of the business);

- the debtor is prohibited from paying debts having arisen after the commencement of the proceedings unless they were incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/goods provided to the debtor;

- debts duly arising after the commencement of the proceedings and which were incurred for the purposes of the proceedings or of the observation period, or in consideration of services rendered/goods provided to the debtor during this period, must be paid as and when they fall due and, if not, will be given priority over debts incurred prior to the commencement of the proceedings (with certain limited exceptions, such as claims secured by a New Money Lien), provided that they are duly filed within one year of the end of the observation period;

- creditors may not initiate or pursue any individual legal action against the debtor (or a guarantor of the debtor where such guarantor is a natural person and the proceedings are safeguard, accelerated safeguard or accelerated financial safeguard proceedings) with respect to any claim arising prior to the court decision commencing the proceedings, if the objective of such legal action is:

- to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due in order to file a proof of claim, as described below);

- to terminate a contract for non-payment of amounts owed by the creditor; or

- to enforce the creditor's rights against any assets of the debtor except (i) in judicial liquidation proceedings, by way of the applicable specific process for judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) where such asset - whether tangible or intangible, movable or immovable - is located in another Member State within the European Union, in which case the rights in rem of creditors thereon would not be affected by the insolvency proceedings commenced in France, in accordance with the terms of Article 8 of the EU Insolvency Regulation;

- in the context of reorganization or liquidation proceedings only, absent consent to other terms of payment, immediate cash payment for services rendered pursuant to an ongoing contract (*contrat en cours*), will be required.

In accelerated financial safeguard proceedings, the above rules only apply to the creditors that fall within the scope of the proceedings (see above). Debts owed to other creditors, such as suppliers, continue to be payable in the ordinary course of business.

As a general rule, creditors domiciled in metropolitan France whose debts arose prior to the commencement of proceedings must file a claim with the court-appointed creditors' representative within two months of the publication of the court decision in an official gazette (*Bulletin Officiel des annonces civiles et commerciales*); this period is extended to four months for creditors domiciled outside metropolitan France. Creditors must also file a claim for the post-commencement non-privileged debts, with respect to which the two or four month period referred to above starts to run as from their maturity date. Creditors whose claims have not been submitted during the relevant period are, except for limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees are not subject to such limitations and are preferred creditors under French law.

At the beginning of the proceedings, the debtor must provide the court-appointed administrator and the creditors' representative with the list of all its creditors and all of their claims. Where the debtor has informed the creditors' representative of the existence of a claim, the claim as reported by the debtor is deemed to be a filing of the claim with the creditors' representative on behalf of the creditor. Creditors are allowed to ratify or amend a proof of claim so made on their behalf until the insolvency judge rules on the admissibility of the claim. They may also file their own proof of claim within the deadlines described above.

In accelerated safeguard and accelerated financial safeguard proceedings however, the debtor draws a list of the claims of its creditors having taken part in the conciliation proceedings, which is certified by its statutory auditors or accountant. Although such creditors may file proofs of claim as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust if necessary the amounts of their claims as set forth in the list prepared by the debtor (within the above two or four months' time limit). Creditors that did not take part in the conciliation proceedings must file their proofs of claim within the aforementioned deadlines.

If the court adopts a safeguard plan, accelerated safeguard plan, accelerated financial safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan.

If the court adopts a sale plan (*plan de cession*) of the debtor in judicial reorganization or judicial liquidation proceedings (see above), the proceeds of the sale will be allocated towards the repayment of its creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the liquidator appointed by the court will be in charge of settling the debtor's debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, post-commencement legal costs (essentially, court officials fees), creditors who benefit from a New Money Lien (see above), post-commencement privileged creditors and the French State (taxes and social charges). In the event of judicial liquidation proceedings only, certain pre-commencement secured creditors whose claim is secured by real estate are paid prior to post-commencement privileged creditors. This order of priority does not apply to all creditors, for example it does not apply to creditors benefiting from a retention right over assets with respect to their claim related to such asset.

Creditors' Liability

Pursuant to Article L. 650-1 of the French Commercial Code (as interpreted by case law), where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may only be held liable for the losses suffered as a result of facilities granted to the debtor, if the granting of such facilities was wrongful and if the relevant creditor (i) committed a fraud, (ii) interfered with the management of the debtor or (iii) obtained security or guarantees which are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

Belgium

Insolvency

Quick Restaurants SA (as "**Belgian Guarantor**") will be a Guarantor of the Notes and its shares will be pledged to secure the obligations of Financière Quick under the Indenture; in addition, Quick Restaurant SA will grant a pledge as a security provider over the shares it owns in France Quick SAS. Quick Restaurants SA is organized under the laws of Belgium and it is likely that it has its center of main interests there. Accordingly, main insolvency proceedings with respect to Quick Restaurants SA may proceed under, and be governed by, Belgian insolvency laws.

Belgian insolvency laws provide for two court controlled insolvency proceedings: judicial reorganization proceedings (*gerechtelijke reorganisatie*/*réeorganisation judiciaire*) and bankruptcy proceedings (*faillissement*/*faillite*). The following is a brief description of certain aspects thereof. Note that in addition to the judicial reorganization proceedings and bankruptcy proceedings, Belgian law allows for liquidation in deficit (*deficitaire vereffening*/*liquidation déficitaire*). The latter proceedings will not be further discussed.

As from May 1, 2018, the current Belgian insolvency laws will be abolished and replaced by the law of August 11, 2017 (the "**New Insolvency Law**") which will insert a new book into the Belgian Code of Economics Law. Unless stated otherwise, the insolvency regime described hereunder remains applicable under the New Insolvency Law.

Judicial reorganization

Judicial reorganizations are reorganization proceedings for companies whose continuity is threatened. They aim to preserve the continuity of a company as a going concern, and offer a stay for an initial duration of maximum six months, extendable in certain circumstances.

Voluntary procedure

The proceedings are voluntary and the debtor is, as a rule, the only person who can apply for judicial reorganization. A debtor may file a petition for judicial reorganization if the continuity of the business is at risk, whether in the short or longer term. The continuity of the business is in any case (without limitation) deemed to be threatened when its net assets have fallen (as a result of losses) below 50% of the company's registered capital, but this presumption does not trigger an obligation for the debtor to file for judicial reorganization.

Objectives of the proceedings

Judicial reorganization proceedings give a debtor the framework to pursue one of the following objectives, which it has to choose from in its petition to the competent commercial court: (i) an amiable in-court agreement with two or more creditors; (ii) a collective reorganization plan applying to all creditors; or (iii) a court-organized auction leading to the transfer of part or all of the assets of the undertaking as a going concern. The debtor has some flexibility to change the objective so chosen in the course of the proceeding, or to choose different objectives for the various activities of the company. In certain circumstances, the public prosecutor, a creditor or any third party having an interest in acquiring, in whole or in part, the debtor's enterprise, may apply to the court to change the objective to a court organized transfer. The objective may also depend on the position of the court and/or third parties.

Debtor in possession

During the judicial reorganization proceedings, the board of directors and management of the debtor remain as a rule in charge of the company while the proceedings are ongoing. However, upon request of the debtor or any other interested party and to the extent it is deemed useful for reaching the aims of the restructuring, the court may appoint, in its decision to open the judicial reorganization proceedings or at any other point in time during the course of the procedure, a judicial administrator (*ondernemingsbemiddelaar/médiateur d'entreprise*) to assist the board of directors or management of the debtor during the reorganization. In addition, in the event it can be shown that the debtor or its directors have been grossly negligent (*kennlijk grove tekortkoming/manquement grave et caractérisé*), the court can appoint a judicial administrator with a specific mandate (the scope of which can be determined by the court). In exceptional circumstances, and to the extent it can be shown that the debtor or its directors have either committed a serious error (*kennelijk grove fout/faute grave et caractérisée*) or clearly acted in bad faith (*kennelijke kwade trouw/mauvaise foi manifeste*) (the bad faith trigger is no longer included under the New Insolvency Law) the court may replace, in certain exceptional circumstances, the board of directors or management of the debtor by an interim manager appointed by the court (*voorlopig bestuurder/administrateur provisoire*).

Filing for judicial reorganization

As long as the court overseeing a judicial reorganization has not issued a ruling on the judicial reorganization petition, the debtor cannot be declared bankrupt or wound up by court order. In addition, subject to certain exceptions set out in the New Insolvency Law, for example where an enforced public sale has already been scheduled, during the period between the filing of the petition and the court's decision on the opening of the judicial reorganization procedure, none of the debtor's assets may be disposed of by any of its creditors as a result of the enforcement of any security interests that such creditors may hold with respect to such assets.

Opening of judicial reorganization—Duration of stay

Within a period of fourteen days (under the New Insolvency Law, fifteen days) as from the filing of the petition and subject to the satisfaction of the filing conditions, the court will declare the judicial reorganization proceedings open, and will set the duration of the stay for a period of up to six months, extendable in certain circumstances of up to 18 months (extendable with another six months in case the judicial reorganization does not culminate in a collective reorganization plan but leads to a transfer of all or part of the undertaking).

Creditors' rights during the stay

During the stay, as a rule, the debtor cannot be judicially wound up or declared bankrupt, and, generally, no enforcement measures (*e.g.*, attachment or foreclosure) can be taken or continued for claims that pre-date the opening of the judicial reorganization proceeding. Conservatory attachments made prior to the opening of the judicial reorganization retain their conservatory character, but the court may order their release, provided that such release does not have a material adverse effect on the situation of the creditor concerned.

The stay affects secured and unsecured creditors alike, with the exception of secured creditors benefiting from a (i) specific receivables pledge or (ii) financial collateral falling within the scope of the Belgian Collateral Act (including cash collateral, title transfer collateral, repo's and pledges in respect of financial instruments), which, subject to certain exceptions, are entitled to foreclose during the stay.

In the absence of contractual netting clauses, netting between claims that arose prior to the opening of the judicial reorganization proceeding and claims that arose after the opening of the judicial reorganization proceeding will only be allowed between "closely tied" reciprocal claims.

The stay will not suspend third party guarantees or third party security. It will further have no impact on co debtors' obligations.

The stay further does not prevent voluntary payment by the debtor of its debts, including those preceding the judicial reorganization, provided that such payment is needed to secure the continuity of the enterprise.

(Cross) default clauses

The reorganization proceedings aim to preserve the continuity of a company as a going concern. Consequently, the initiation of the proceedings does not terminate any contracts, and contractual provisions which provide for the early termination or acceleration of the contract by the fact of the judicial reorganization itself are null and void (with the exception of close out netting clauses within the meaning of the Belgian Collateral Act).

Other types of (cross) default clauses are valid and enforceable (*e.g.*, termination for non-payment of principal sum), even if triggered after the opening of the judicial reorganization. In the event that a creditor would exercise its right to terminate an agreement following the opening of the judicial reorganization on the basis of such type of (cross) default clause which has been triggered before the opening of the judicial reorganization, the debtor would by law benefit from a 15 day cure period of its receiving notice of termination to remedy the (cross) default situation.

Fixed indemnity clauses (*i.e.*, clauses pursuant to which a pre-agreed lump sum indemnity is paid to a debtor to cover the potential damages resulting from a default), including clauses to increase the interest rate upon default, are unenforceable during the stay and cannot be entered in a reorganization plan. The creditor is, however, entitled to claim its actual damages in the reorganization plan, in which case such creditor is deemed to have definitively waived its fixed indemnity, and such waiver will remain in force even after the full execution of the reorganization plan. Under the current insolvency regime, certain authoritative scholars have argued that, as from the full execution of the reorganization plan, the debtor is freed from all fixed indemnities that arose before that time, even if the creditor of such fixed indemnity has not opted to claim actual damages instead of its fixed indemnity. This position has not yet been settled under the New Insolvency Law.

Ongoing contracts

As an exception to the general rule of continuity of contracts, the debtor may elect, within two weeks (under the New Insolvency Law, eight days) of the court's decision to open the reorganization proceeding, not to perform a contract (other than an employment contract) during the entire period of the stay provided that such non-performance is necessary for the reorganization plan or the transfer of the enterprise under court supervision. This possibility is not available in the "in court agreement" option. Should the debtor so elect not to perform the contract, Belgian contract law would allow the creditor not to perform the contract either, even in the absence of specific contractual clauses to this effect.

Continuing the contract despite the judicial reorganization

If a creditor continues to perform a contract despite the debtor's judicial reorganization, its claims that come to exist as a result thereof in the period following the opening of the judicial reorganization will not be suspended and will be enforceable. In case of a subsequent bankruptcy, such claims will have priority over the claims of unsecured creditors, subject to certain conditions.

Objectives of the proceeding—In court agreement

The debtor can propose an "in court agreement" to (i) all its creditors or (ii) two or more creditors (instead of all its creditors). The agreement requires unanimity among the creditors concerned by such agreement. The debtor may petition the court to grant a grace period in respect of its payment obligations, *e.g.*, in relation to interest payments, pending the negotiation of the agreement. Once agreement is reached, the court will record it (under the New Insolvency Law, the court will certify it (*homologeren/homolguer*)). The agreement will be publicly available, but its contents will not, and its terms will only be binding upon the creditors that have agreed to it.

Objectives of the proceedings—Reorganization plan

In the case of a judicial reorganization by collective agreement, the creditors agree to a reorganization plan during the reorganization proceedings.

Proceedings. Within a period of fourteen days (under the New Insolvency Law, eight days) following the opening of the judicial reorganization proceedings, the debtor must inform each of its creditors individually of the amount of their claims against the debtor as recorded in the books of the debtor, as well as of details regarding security interests, if applicable. Creditors with pre-existing claims, as well as any other interested party that claims to be a creditor, can challenge the amounts and the ranking of the secured claims declared by the debtor. The court will determine either on a preliminary basis for the purpose of the reorganization procedure (if the court has no jurisdiction over such claims) or definitely (if the court has jurisdiction over such claims), the disputed amounts and the ranking of such claims.

Measures. The reorganization plan may include, without limitation, (i) a rescheduling of debts, (ii) debt waivers (principal sum and/or interest), (iii) the conversion of debt into equity, and (iv) a differentiated treatment for certain categories of claims (*e.g.*, based on nature or size). The performance period of the plan may not exceed five years from the date of court approval. The plan cannot impose any of these measures to secured creditors (unless they individually agree) or reduce the claims of its employees resulting from work performed prior to the opening of the reorganization proceeding. In addition, the reorganization plan may not impose a waiver of more than 85% of the outstanding claim of a creditor (under the New Insolvency Law, 80%), except if a more substantial reduction is motivated by compelling reasons related to the continuity of the enterprise. Public creditors that benefit from a general lien, such as the social security administration or the tax administration, will, in principle, benefit from the same regime as the best treated creditors under the reorganization plan.

Vote. The reorganization plan must be approved by the majority of the creditors participating in the vote (including the secured creditors) and such majority must represent at least half of the outstanding debt in principal sum. The court must also approve the plan, and can only refuse it in limited circumstances. The court approved reorganization plan is binding for all creditors in the stay including those who voted against it or did not vote and whether secured or not. The plan must be filed at least twenty days before the date on which the creditors will vote on the approval of the reorganization plan.

Secured creditors. The plan may provide for a suspension of the enforcement rights of secured creditors but such suspension may not exceed 24 months (extendable with twelve months if the debtor can prove that it will be able to fully reimburse the secured creditors) from the initial filing for judicial reorganization, and the company must in any event continue to pay interest on the secured obligations during the period of the reorganization plan. In the absence of their individual agreement, the plan cannot contain any other measure affecting the rights of the secured creditors.

Objectives of the proceedings—Court ordered transfer

The court ordered transfer of all or part of the debtor's enterprise can be requested by the debtor in its petition or at a later stage in the procedure. It can be requested by the public prosecutor, by a creditor or by any party who has an interest in acquiring, in whole or in part, the debtor's enterprise, and the court can order such transfer in specific circumstances.

In case the judicial reorganization procedure would culminate in a transfer of the undertaking, the proceeds of the sale of the pledged assets will be paid in priority to the relevant secured creditors. The judicial administrator leading the auction may only accept offers if the proposed purchase price at least equals the expected proceeds of a forced sale of such assets in a bankruptcy or liquidation. The assets will be transferred free from any existing security, subject to exceptions applying to foreign collateral or security.

Bankruptcy

Initiative

Bankruptcy proceedings may be initiated by the bankrupt debtor, unpaid creditors or upon the initiative of the public prosecutor or by the liquidator of the "main insolvency proceeding" in another EU

Member State according to the EU Insolvency Regulation. In certain circumstances the proceedings may also be initiated by a provisional administrator appointed by the court when there are strong indications that the conditions of bankruptcy are met.

Grounds

A company can be declared bankrupt if (i) it is in a situation of cessation of payments (*staking van betaling*/*cessation de paiements*)—*i.e.*, it is persistently unable to make payments when they become due; and (ii) it is unable to obtain further credit at normal commercial terms (*geschokt krediet/ébranlement de crédit*). The directors of the debtor company are under an obligation to file for bankruptcy within one month of the date of cessation of payments, and failure to do so is a criminal offence.

Appointment of bankruptcy trustee and continuation of business

In bankruptcy, the debtor loses all authority and decision rights concerning the management of the bankrupt business. The court appointed bankruptcy trustee (*curator/curateur*) is responsible for the operation of the business and for implementing the sale of the debtor's assets, the distribution of the sale proceeds to creditors and, ultimately, the liquidation of the bankrupt debtor. The rights of creditors in the process are limited to being informed of the course of the bankruptcy proceedings on a regular basis by the receiver. Creditors may oppose the sale of assets by bringing an action before the court, or may request the temporary continued operation of the business. The bankruptcy trustee may elect to continue the business of the debtor, provided the bankruptcy trustee obtains the authorization of the court and such continuation does not cause any prejudice to the creditors.

Ongoing contracts

The bankruptcy trustee must decide whether or not to continue performance under ongoing contracts.

Two exceptions to the decision to continue contracts apply:

- the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an early termination or acceleration event; and
- *intuitu personae* contracts (*i.e.*, contracts whereby the identity of the other party constitutes an essential element upon the signing of the contract) are automatically terminated as of the date of the judgment opening the bankruptcy since the debtor is no longer responsible for the management of its business as of that date. Parties can agree to continue to perform under such contracts.

The bankruptcy trustee may elect not to perform the obligations of the bankrupt party which are still to be performed after the bankruptcy under any agreement validly entered into by the bankrupt party prior to the bankruptcy if such decision is necessary for the management and liquidation of the bankrupt estate. The counterparty to that agreement may file a claim for damages in the bankruptcy proceedings—such claim will rank *pari passu* with claims of all other unsecured creditors—and/or seek a court order to have the relevant contract terminated. The counterparty is not entitled to seek injunctive relief or require specific performance of the contract.

If the bankruptcy trustee decides to continue to perform the obligations of the bankrupt party under an agreement, claims of the counterparty will have priority over the claims of unsecured creditors, to the extent that such claims relate to obligations under the agreement performed after the opening of the bankruptcy.

Creditors' rights

Save for secured creditors benefiting from financial collateral falling within the scope of the Belgian Collateral Act (including cash collateral, title transfer collateral, repo's and pledges in respect of financial instruments), which are entitled to enforce their rights notwithstanding the opening of bankruptcy proceedings, the enforcement rights of individual creditors are suspended upon the opening of the bankruptcy proceedings.

For secured creditors benefitting from a pledge over movable assets (other than financial collateral), such suspension would normally be limited to the period required for the verification of the claims. At the request of the bankruptcy trustee, the suspension period may, however, be extended for up to one year from the bankruptcy judgment. Such extension requires a specific order of the court which can only be made if the further suspension will allow for a realization of the assets without prejudicing the secured creditors and provided that those secured creditors have been given the opportunity to be heard by the court.

For secured creditors benefitting from a mortgage over the debtor's immovable assets, the intervention of the bankruptcy trustee is necessary to pursue the sale of the assets. The bankruptcy trustee will do so upon an order of the court, given either at its request or at the request of a mortgagee. A first ranking mortgagee will generally be entitled to pursue the enforcement of its mortgage as soon as the report of verification of claims has been filed; the court may suspend such enforcement for a period of not more than one year from the date of the bankruptcy provided that the mortgagee has been given the opportunity to be heard by the court and if the suspension will allow for a realization of the assets without prejudicing the mortgagee. As from the date of the bankruptcy judgment, no further interest accrues against the bankrupt debtor on its unsecured debt.

Priority order

Ranking of claims against the bankrupt estate are subject to an elaborate set of rules. The following is a general overview of certain of these rules:

- *Estate debt*: Costs and indebtedness incurred by the bankruptcy trustee during the bankruptcy proceedings, so called "estate debts", have senior priority. In addition, if the bankruptcy trustee has contributed to the realization and enforcement of secured assets (including charges for (i) assessing the value of the secured asset(s) and (ii) realizing the secured asset(s)), such costs will be paid to the receiver in priority out of the proceeds of the realized assets before distributing the remainder to the secured creditors;

- *Security interests*: Creditors that hold security interests have a priority right over the proceeds resulting from the enforcement (whether by means of appropriation or sale) of the collateral assets;

- *Legal liens*: Certain creditors may have liens on certain or all assets (*e.g.*, tax claims, claims for social security contributions, etc.). Liens on specific assets rank before liens on the entirety of the debtor's assets;

- *Pari passu*: Once all estate debts and creditors' claims benefitting from security interests and/or legal liens have been satisfied, the proceeds of the remaining assets will be distributed by the bankruptcy trustee amongst the unsecured creditors who rank *pari passu* (unless a creditor agreed to be subordinated).

Hardening periods and fraudulent transfer

Certain transactions deemed detrimental to the bankrupt estate's creditors may be declared ineffective against third parties if concluded or performed during a so called "hardening period" (*verdachte periode/période suspecte*). This hardening period starts from the date as of which the debtor is deemed to have been in a situation of cessation of payments, as may be determined ex post by the commercial court in charge of the bankruptcy proceedings. While, as a rule, the cessation of payments is deemed to have occurred as of the date on which the company is declared bankrupt by the court, the court may determine, based on serious and objective indications, that the cessation of payments occurred on an earlier date, which, in principle, may not be earlier than six months before the date of the bankruptcy order, except in cases where the bankruptcy order relates to a company that was dissolved more than six months before the date of the bankruptcy order in circumstances suggesting an intent to defraud its creditors. In the latter case, the date of cessation of payments may be determined as being the date of such decision to dissolve the company. The period from the date of cessation of payments up to the declaration of bankruptcy is referred to as the "hardening period".

At the request of the bankruptcy trustee, the court shall declare void the following type of transactions if entered into by the bankrupt company during the hardening period:

- contracts made without consideration or where the consideration is manifestly inadequate;
- the granting of security for preexisting debt;
- payments made other than in cash (unless that was contemplated at the outset); or
- the prepayment of debt.

In addition, the court may, at the request of the trustee and in its discretion, declare void any other transaction made after the company became insolvent, when the contracting party knew of such insolvency when entering into the transaction and the court determines that voiding the transaction would benefit the bankruptcy estate. Finally, any transaction or payment made with fraudulent intent can be declared void irrespective of its date. The proceeds of an unenforceable or void transaction will benefit the creditors as a whole (through the bankrupt estate) rather than the creditor next in rank.

Limitations on Guarantees

France

The liabilities and obligations of BK E SAS, BK IDF SAS, BK N SAS, BK OU SAS BK SE SAS, Burger King Restauration, Financière Quick and France Quick SAS (the "**French Guarantors**") are subject to:

- certain exceptions, including to the extent of any obligations which would constitute prohibited financial assistance within the meaning of Article L. 225-216 of the French Commercial Code or infringement of the provisions of Articles L. 241-3, L. 242-6 or L. 244-1 of the French Commercial Code; and
- French corporate benefit rules.

Under French financial assistance rules, a company is prohibited from guaranteeing indebtedness of another company that is used, directly or indirectly, for the purpose of its acquisition.

Under French corporate benefit rules, a guarantor must receive an actual and adequate benefit from the transaction involving the granting by it of the guarantee, taken as a whole. A court could declare any guarantee unenforceable and, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if it found that these criteria were not fulfilled. The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

Accordingly, the guarantees by the French Guarantors and the amounts recoverable thereunder will be limited, at any time, to an amount equal to the aggregate of the proceeds of the Notes to the extent directly or indirectly on-lent by the Issuer, or used to refinance any indebtedness previously directly or indirectly on-lent, to that French Guarantor or any of its subsidiaries under intercompany loans or similar arrangements and outstanding on the date a payment is requested to be made by the French Guarantors under their Guarantees. Any payment made by a French Guarantor under its Guarantee in respect of the obligations of any other obligor shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such French Guarantor or its subsidiaries under the intercompany loan arrangements referred to above. By virtue of this limitation, the French Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or the French Guarantors may have effectively no obligation under the Guarantees.

In addition, if the French Guarantors receive, in return for issuing the Guarantees, an economic return that is less than the economic benefit the French Guarantors would obtain in a transaction entered into on an arm's-length basis, the difference between the actual economic benefit and that in a comparable arm's-length transaction could be taxable under certain circumstances.

Rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under French law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we or the Security Agent fail or are unable to take the actions required to perfect any of these liens. Furthermore, it should be noted that neither the Trustee nor the Security Agent shall have any obligation to take any steps or action to perfect any of these liens. In particular, pledges over the securities of French subsidiaries incorporated as *société par actions* that are governed by French law consist of pledges over a securities account (*nantissement de compte de titres*) in which the relevant securities are registered. The securities account pledges will be validly established after execution of a statement of pledge (*déclaration de nantissement de compte titres financiers*) by each security provider in favor of the Security Agent. Each statement of pledge will have to be registered in the relevant shareholder's account (*compte d'actionnaire*) and shares registry (*registre de mouvement de titres*) of the French Guarantors. In France, no lien searches are available for security interests which are not publicly registered, with the result that no assurance can be given on the priority of a security interest if it is not publicly registered.

Limitations on enforcement of security interests and cash amount ("soulte")

Security interests governed by French law may only secure a creditor up to the secured amount that is due and unpaid to it. Pledges over securities (whether in the form of a pledge over securities account or in the form of a pledge over shareholding interests (*parts sociales*) may generally be enforced at the option of the secured creditors either (i) by way of a sale of the pledged securities in a public auction (the proceeds of the sale being paid to the secured creditors) or (ii) by way of judicial foreclosure (*attribution judiciaire*) or contractual foreclosure (*pacte commissoire*) of the pledged securities to the secured creditors, following which the secured creditors become the legal owner of the pledged securities. If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or contractual foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed securities. Such value is determined either by the court in the context of a judicial attribution or by a pre-contractually agreed expert in the context of a contractual foreclosure. If the value of the Collateral exceeds the amount of secured debt, the secured creditor may be required to pay the pledgor a cash amount (*soulte*) equal to the difference between the value of the securities as so determined and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent on-sale of the Collateral.

If the value of such securities is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such securities, and the remaining amount owed to such creditors will be unsecured in that respect.

An enforcement of the pledged securities could be undertaken through a public auction in accordance with applicable law. If enforcement is implemented through a public auction procedure, it is possible that the sale price received in any such auction might not reflect the value of the securities since the latter will not be sold pursuant to a competitive bid process and/or a private sale organized by an investment bank and controlled by the vendor on the basis of a value determined pursuant to the methods usually used for the purpose of the acquisition of companies or groups of companies.

Parallel Debt—Trust

Under French law, the pledgee of a French law security interest and the creditor of the claim secured by such security interest are required to be the same person. Such security interest cannot be held on behalf of third parties who do not hold the secured claim, unless they act as fiduciary (*fiduciaire*) under Article 2011 of the French Civil Code. The beneficial holders of interests in the Notes from time to time will not be parties to the Security Documents. In order to permit the beneficial holders of the Notes to benefit from a secured claim, there will be provided for the creation of "parallel debt" obligations in favor of the Security Agent (the "**Parallel Debt**") mirroring the obligations of the Issuer and the French Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the Indenture (the "**Principal Obligations**").

The Parallel Debt will at all times be in the same amount and payable at the same time as the Principal Obligations. Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Pursuant to the Parallel Debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by French law will directly secure the Parallel Debt, and may not directly secure the obligations under the Notes and the other indebtedness secured by the Collateral. The holders of the Notes will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent (even if they are in some instances direct beneficiaries of the security interests in the Collateral).

There is one published decision of the French Supreme Court (*Cour de cassation*) on Parallel Debt mechanisms (Cass. com. September 13, 2011 n°10-25533 *Belvédère*) relating to a bond documentation governed by New York law. Such a decision recognized the enforceability in France of certain rights (especially the filing of claims in safeguard proceedings) of a security agent benefiting from a Parallel Debt. In particular, the French Supreme Court upheld the proof of claim of the legal holders of a Parallel Debt claim, considering that it did not contravene French international public policy *(ordre public international*) rules. The ruling was made on the basis that the French debtor was not exposed to double payment or artificial liability as a result of the Parallel Debt mechanism. Although this court decision is generally viewed by legal practitioners and academics as a recognition by French courts of Parallel Debt structures in such circumstances, there can be no assurance that such a structure will be effective in all cases before French courts. Indeed, it should be noted that the legal issue addressed by it is limited to the proof of claims. The French court was not asked to generally uphold French security interests securing a Parallel Debt. It is also fair to say that case law on this matter is scarce and based on a case-by-case analysis. Such a decision should not be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a Parallel Debt claim. There is no certainty that the Parallel Debt construction will eliminate the risk of unenforceability under French law.

The Collateral is granted to the benefit of the Security Agent as *inter alia* Parallel Debt Creditor. If the Collateral created to the benefit of the Security Agent as Parallel Debt Creditor under the Parallel Debt construction are successfully challenged by other parties, holders of the Notes will not be entitled to receive on this basis any proceeds from an enforcement of the security interests in the Collateral. The holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent as the beneficiary of the Parallel Debt.

The Trustee has certain assigned duties and rights under the Indenture that become particularly important following Defaults or Events of Default, and acts as trustee in a fiduciary capacity in the best interests of the holders of the Notes.

The concept of “trust” has been recognized by the French Tax Code and the French Supreme Court (*Cour de cassation*), which has held, in the same published decision referred to above (Cass. com. September 13, 2011 n°10-25533 Belvedere) that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings commenced in France. However, while substantial comfort may be derived from the above, France has not ratified the Hague Convention of July 1, 1985 on the law applicable to trusts and on their recognition, so that the concept of “trust” has not been generally recognized under French law.

Fraudulent conveyance

French law contains specific, “*action paulienne*” provisions dealing with fraudulent conveyance both in and outside insolvency proceedings. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such debtor’s or a third party’s obligations, enters into additional agreements benefiting from existing security or any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant debtor by the creditors’ representative (*mandataire judiciaire*), the commissioner of the safeguard or reorganization plan (*commissaire à l’exécution du plan*) insolvency proceedings of the relevant debtor, or by any of the creditors of the relevant debtor outside the insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings. Any such legal act may be declared unenforceable against third parties if: (i) the debtor performed such act without an obligation to do so; (ii) the relevant creditor or (in the case of the debtor's insolvency proceedings) any creditor was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the legal act was performed, both the debtor and the counterparty to the transaction knew or should have known that one or more of such debtor's creditors (existing or future) would be prejudiced in their means of recovery (where the legal act was entered into for no consideration (*à titre gratuit*), no such knowledge of the counterparty is necessary). If a court found that the issuance of the Notes, the grant of the security interests in the Collateral, or the granting of a Guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes, the granting of the security interests in the Collateral or the granting of such Guarantee could be declared unenforceable against third parties or declared unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the Guarantees or the security interests in the Collateral and the value of any consideration that holders of the Notes received with respect to the Notes, the security interests in the Collateral or the Guarantees could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer or the French Guarantors as a result of the fraudulent conveyance.

Recognition of intercreditor arrangements by French courts

There is no law or published decision of the French courts of appeal or of the French Supreme Court (*Cour de cassation*) on the validity or enforceability of the obligations of an agreement such as the Intercreditor Agreement, except for Article L. 626-30-2 of the French Commercial Code which states that, in the context of safeguard proceedings, the safeguard plan which is put to the vote of the creditors' committees takes into consideration (*prend en compte*) the provisions of subordination agreements between creditors which were entered into prior to the commencement of the safeguard proceedings. As a consequence, except to the extent referred to above (which, as at the date of this Listing Memorandum, has received no judicial interpretation), we cannot rule out that a French court would not give effect to certain provisions of the Intercreditor Agreement.

Belgium

Limitations on guarantees and security interests

The Belgian Company Code (*Wetboek van Vennootschappen/Code des Sociétés*) ("**BCC**") limits the ability for companies organized under Belgian law to grant guarantees or provide security interests for the performance of third parties' obligations:

- a Belgian company may not grant guarantees or security interests with the view to the acquisition of its shares by a third party.
- The granting of a guarantee or security interests over its assets may not violate a company's corporate purpose, as set out in its articles of association, or its statutory purpose.

The sanction of acting outside the scope of the corporate purpose clause as set out in the articles of association is joint and several directors' liability, and, if the beneficiary acted in bad faith, the guarantee or security could be declared void. Bad faith is found when the beneficiary knew or should have known that the company was acting outside of the scope of its corporate purpose.

- Granting security or providing a guarantee without deriving or having a possibility to derive any direct or indirect personal profit could be considered a gratuitous act contrary to a profit corporation's legal and essential mission to pursue profit.

Under Belgian law, if found gratuitous, the granting of security or guarantee can be considered contrary to public policy and potentially voidable. Each party with a valid interest, including the security provider or guarantor, can request the security or guarantee to be declared void, even if such party contributed to the gratuitous nature of the security interest or guarantee. Case law and legal writing give a narrow interpretation of a "gratuitous act" in this context and a remote and indirect benefit should satisfy this test. In addition to nullity, the sanction for acting against the legal "profit pursuit" requirement is joint and several directors' liability.

- The granting of a guarantee or security interests must serve the company's corporate interest, which is to be assessed on a case-by-case basis and taking into account any direct and/or indirect benefit that the company would derive from the transaction as a whole. Compliance with corporate benefit is a factual assessment to be made by the board of directors of the company and is ultimately subject to the appreciation of the court.

The sanction of acting outside of the corporate benefit is individual directors' liability. A guarantee contrary to the corporate benefit can be declared void or considered unenforceable in specific circumstances (*e.g.*, illicit cause, abuse of majority in the vote, fraudulent conveyance, co-contractor's knowledge). Some authors have pleaded for a decrease of the amount of the guarantee.

In practice, limitation language is often included in order to provide that the obligations of a guarantor are limited by reference to:

- the amounts lent or on-lent to that obligor; and/or

- a certain percentage of the net assets of the guarantor.

Specifically, the obligations and liabilities of any Guarantor incorporated in Belgium (a "**Belgian Guarantor**") under its Note Guarantee shall be limited to a maximum amount equal to the highest of: (i) the aggregate amount of all relevant Intra-Group Indebtedness outstanding at the time a demand is made on that Belgian Guarantor with respect to its Note Guarantee; and (ii) the higher of: (A) an amount equal to 90% of the net assets of that Belgian Guarantor (as determined in accordance with the Belgian Company Code and generally accepted accounting principles in Belgium, but not taking intra-group debt into account as debt) as calculated on the basis of its most recent audited annual financial statements at the Issue Date; and (B) an amount equal to 90% of the net assets of that Belgian Guarantor (as determined in accordance with the Belgian Company Code and generally accepted accounting principles in Belgium, but not taking intra-group debt into account as debt) as calculated on the basis of its most recent audited annual financial statements at the time a demand is made on that Belgian Guarantor with respect to its Note Guarantee; provided, however, that (i) notwithstanding the foregoing provisions of this clause, the obligations and liabilities of any Belgian Guarantor under its Note Guarantee shall in all cases be limited to a maximum amount equal to the aggregate of the proceeds of the Notes to the extent (but without double counting) directly or indirectly on-lent by the Issuer to that Belgian Guarantor and outstanding at the time the relevant payment is made and (ii) any payment made by a Belgian Guarantor under its Note Guarantee shall reduce *pro tanto* the maximum liability of that Belgian Guarantor under its Note Guarantee by an amount equal to the amount of such payment.

Parallel debt

As a general principle of Belgian law:

- security can only be vested in favor of a creditor and each original beneficiary of the security must in principle be party to the security agreement;

- there is no established concept of "trust" or "trustee" under the present Belgian legal system, so that the precise nature, effect and enforceability of the duties, rights and powers of a security agent as agent or trustee for note holders under security interests such as pledges is debated under Belgian law; and

- there is no concept of "beneficial ownership" or "beneficial owner" under the present Belgian legal system, so that the rights, claims and effects resulting from such a concept are not enforceable.

The Law of December 15, 2004 on financial collateral (*Wet Financiële Zekerheden*/*Loi Sûretés Financières*) (the "**Financial Collateral Law**") makes an exception on this general principle with respect to the security interests granted over financial securities (including shares), cash, bank accounts and bank receivables. In respect of such security interests, trust-like agreements governed by foreign law (to the extent that such agreements are valid under their governing law) and the holding of such security interests by a security agent as the representative (*vertegenwoordiger*/*représentant*) of the secured creditors (*provided that* the identity of the ultimate secured creditors is determined or determinable in such agreement) is accepted under Belgian law.

For this reason practice often resorts to parallel debt structures outside a financial collateral scenario to enable security agents to hold security for lenders.

A parallel debt clause creates a separate claim by the agent/trustee for an amount equal to the sum of the amounts due by the obligors to the various creditors. This independent claim is secured by all obligors. This structure is intended to mitigate the costs and security enforceability risks linked to the transfer by creditor(s) of their interest in the aggregate total debt.

The parallel debt provision usually provides that any payment made directly by the obligors to the lenders, automatically reduces the obligations of such obligors to the security agent under the parallel debt, and vice versa.

Parallel debt has not yet been tested by Belgian courts and may be held unenforceable under Belgian law. Although there is little doctrine on this topic, Belgian scholars argue that such parallel debt structure should be valid and enforceable, in accordance with the principle of contractual freedom, as it is not contrary to public order.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the Purchase Agreement dated as of December 8, 2017, the Issuer agreed to sell to the Initial Purchasers, and the Initial Purchasers agreed, severally and not jointly, to purchase the Temporary Notes from the Issuer.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Temporary Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The Initial Purchasers proposed to offer the Temporary Notes initially at the price indicated on the cover page hereof. After the initial offering of the Temporary Notes, the offering price and other selling terms of the Temporary Notes may from time to time be varied by the Initial Purchasers without notice. Sales of the Temporary Notes by the Initial Purchasers in the United States may be made through affiliates of the Initial Purchasers who are qualified broker-dealers under applicable law.

We agreed to provide the Initial Purchasers certain customary fees for their services in connection with the Offering and to reimburse them for certain out-of-pocket expenses. Persons who purchase Temporary Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

Set forth below are the registered addresses of the Initial Purchasers:

Goldman Sachs International	**Credit Suisse Securities (Europe) Limited**	**J.P. Morgan Securities PLC**
Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom	One Cabot Square London E14 4QJ United Kingdom	25 Bank Street Canary Wharf London E14 5JP United Kingdom

The Purchase Agreement provides that the Issuer and the Guarantors will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. The Issuer and the Guarantors have agreed, subject to certain limited exceptions, not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any securities of, or guaranteed by, the Issuer that are substantially similar to the Temporary Notes (other than the Additional Notes issued in exchange for the Temporary Notes) during the period from the date of the Purchase Agreement through and including the date that is 90 days after the date of the Purchase Agreement, without the prior written consent of the representatives of the Initial Purchasers.

In the Purchase Agreement, the Initial Purchasers have, severally and not jointly, represented, warranted and agreed that they:

- have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by them in connection with the issuance or sale of any Temporary Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Temporary Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States, France and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Temporary Notes or the Additional Notes or the possession, circulation or distribution of this Listing Memorandum or any other material relating to us or the Temporary Notes or the Additional Notes in any jurisdiction where action for this purpose is required. Accordingly, the Temporary Notes, the Additional Notes and the Guarantees may not be offered or sold, directly or indirectly, and neither this Listing Memorandum nor any other offering material or advertisements in connection with the Temporary Notes, the Additional Notes and the Guarantees may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Listing Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase the Temporary Notes or Additional Notes in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Listing Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Listing Memorandum and resale of the Temporary Notes and the Additional Notes. See "*Important Information about this Listing Memorandum*" and "*Notice to Investors*".

The Initial Purchasers have advised us that they intend to make a market in the Temporary Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Temporary Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market-making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Securities Exchange Act. Accordingly, we cannot assure you that any market for the Temporary Notes will develop, that it will be liquid if it does develop or that you will be able to sell any Temporary Notes at a particular time or at a price which will be favorable to you.

The Initial Purchasers or their respective affiliates from time to time have provided, and may in the future provide, commercial lending, investment banking, hedging, consulting and financial advisory services to the Issuer, the Guarantors and their subsidiaries and affiliates for which they have received, and in the future may receive, customary fees and expenses. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. The Initial Purchasers or their affiliates have a lending relationship with us and may hedge their credit exposure to us consistent with their customary risk management policies. Moreover, the Initial Purchasers and their affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments. Affiliates of the Initial Purchasers are mandated lead arrangers and lenders under the Revolving Credit Facility Agreement. Furthermore, certain of the Initial Purchasers or their affiliates may hold Existing Notes.

Any offer or sale in the United States was made by affiliates of the Initial Purchasers who are broker-dealers registered under the U.S. Securities Exchange Act of 1934, as amended. To the extent that any Initial Purchaser intends to effect any sales of the Notes in the United States, it will do so through one or more U.S. registered broker-dealers as permitted by FINRA regulations. In addition, until 40 days after the commencement of the Offering, an offer or sale of Notes within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A of the U.S. Securities Act and in connection with any applicable state securities laws.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act, or securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any other jurisdiction. Accordingly, the Notes and the Guarantees were offered and sold only to QIBs in accordance with Rule 144A under the U.S. Securities Act and outside the United States in offshore transactions in reliance on Regulation S.

We have not registered and will not register the Notes or the Guarantees under the U.S. Securities Act, and therefore the Notes and the Guarantees may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Issuer is offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- in the United States, to QIBs; and
- outside the United States, in offshore transactions in accordance with Regulation S.

We use the terms "**offshore transaction**" and "**United States**" with the meanings given to them in Regulation S.

You, by your acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(1) You understand that the Notes and the Guarantees are being offered for resale in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Notes have not been and will not be registered under the U.S. Securities Act and that (i) if in the future you decide to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (a) in the United States to a person whom you reasonably believe is a QIB in a transaction meeting the requirements of Rule 144A, (b) outside the United States in a transaction complying with Regulation S or (c) in compliance with the registration requirements of the U.S. Securities Act or pursuant to an exemption therefrom or in any transaction not subject thereto, and in each case in compliance with the conditions for transfer set out in paragraph (5) below in each case in accordance with any applicable securities laws of any state of the United States, and that (ii) you will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from you of the resale restrictions referred to in (a) above.

(2) You are neither the Issuer's "**affiliate**" (as defined in Rule 144A), nor acting on its behalf, and that you are either:

(i) a QIB, and are aware that any sale of Notes to you will be made in reliance on Rule 144A and such acquisition of Notes will be for your own account or for the account of another QIB; or

(ii) purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither we nor the Initial Purchasers, nor any person representing us or the Initial Purchasers, has made any representation to you with respect to the offer or sale of any Notes, other than the information contained in this Listing Memorandum, such Listing Memorandum having been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor any person representing the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of this Listing Memorandum. You have had access to such financial and other information concerning us, and the Notes as you have deemed necessary in connection with your decision to

purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Additional Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

(5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by the acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes only (i) to the Issuer, the Guarantors or any subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, an exemption from the registration requirements of the U.S. Securities Act or in any transaction not subject thereto, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S or (v) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and in compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to our and the Trustee's rights prior to any such offer, sale or transfer, to require that a certificate of transfer in the form appearing in the Indenture is completed and delivered by the transferor to the Trustee.

(6) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OR IN ANY TRANSACTION NOT SUBJECT THERETO (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER'S AND THE REGISTRAR'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION

OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

(7) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes, as the case may be.

(8) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth therein have been complied with.

(9) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

(10) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, you shall promptly notify the Initial Purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(11) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Listing Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of Distribution*".

LEGAL MATTERS

Certain legal matters in connection with the Offering were passed upon for us by Latham & Watkins AARPI as to matters of French law and by Latham & Watkins (London) LLP as to matters of U.S. federal, New York state and English law. Certain legal matters in connection with the Offering were passed upon for the Initial Purchasers by White & Case LLP as to matters of U.S. federal, New York state, French, Belgian and English law.

INDEPENDENT AUDITORS

The consolidated financial statements of the Issuer as of and for the years ended December 31, 2014 and 2015 appearing in this Listing Memorandum have been prepared in accordance with French GAAP and have been audited by Exelmans Audit et Conseil, independent auditors, as stated in their reports appearing herein. The consolidated financial statements of the Issuer as of and for the year ended December 31, 2016 appearing in this Listing Memorandum have been prepared in accordance with IFRS and have been audited by KPMG SA and Exelmans Audit et Conseil, independent auditors, as stated in their reports appearing herein. The consolidated financial statements of Financière Quick as of and for the years ended December 31, 2014 and 2015 appearing in this Listing Memorandum have been prepared in accordance with IFRS and have been audited by KPMG SA, independent auditors, as stated in their reports appearing herein. The unaudited interim condensed consolidated financial statements of the Issuer as of and for the nine months ended September 30, 2017 appearing in this Listing Memorandum have been prepared in accordance with IFRS and have been subject to a limited review by KPMG SA and Exelmans Audit et Conseil, as stated in their report appearing herein.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is an entity organized under the laws of France with its registered office and principal place of business located in France. The Guarantors, except for Quick Restaurants SA, are organized under the laws of France with their registered offices and principal places of business located in France (the "**French Entities**"). Quick Restaurants SA is an entity organized under the laws of Belgium and is a guarantor and security provider under the Indenture.

The majority of the directors, officers and other executives of the French Entities are neither residents nor citizens of the United States (the "**French Individuals**"). Furthermore, most of the assets of the French Entities or the French Individuals are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons and entities, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws within the United States. However, it may be possible for investors to effect service of process within France upon those persons or entities, provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

France

The following is a summary of certain legal aspects of French law regarding the enforcement of civil law claims connected with the Notes against French Entities and/or French Individuals.

The United States and France are not parties to a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de Grande Instance*) that has exclusive jurisdiction over such matter.

Enforcement in France of such U.S. judgment could be obtained following proper (*i.e.*, *non ex parte*) proceedings if such U.S. Judgment is enforceable in the United States and if the French civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French civil court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter because the dispute is clearly connected to the jurisdiction of such court (*i.e.*, there was no international forum shopping), the choice of the U.S. court was not fraudulent and the French courts did not have exclusive jurisdiction over the matter;

- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case, including fair trial rights; and

- such U.S. judgment is not tainted with fraud under French law.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (*i.e.*, those having *a res judicata* effect) can benefit from an exequatur under French law, that such U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France, and there is no proceedings pending before French courts at the time enforcement of the U.S. judgment is sought and having the same or similar subject matter as such U.S. judgment.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res judicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France. However, the decision granting the exequatur is subject to appeal.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68 678 of July 26, 1968, as modified by French law No. 80 538 of July 16, 1980 and French Ordinance No. 2000 916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (law No. 78 17 of January 6, 1978 on data processing, data files and individual liberties, as modified) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case by case basis by French courts). Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Article 14 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with French Individuals. Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant (Article 15). For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. In addition, a French national may waive its rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by way of conduct by voluntarily appearing before the foreign court.

It must be noted that under Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of December 12, 2012, as regards legal actions falling within the scope of said Regulation, the privileges granted to French nationals pursuant to Articles 14 and 15 of the French Civil Code may not be invoked against a person domiciled in an EU Member State. Conversely, pursuant to Article 6.2 of Regulation (EU) No. 1215/2012, the privilege granted by Article 14 of the French Civil Code may be invoked by a claimant domiciled in France, regardless of the claimant's nationality, to sue before French courts a defendant domiciled outside the EU. The French Supreme Court (*Cour de cassation*) has recently held that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction was invalid. Accordingly, any provisions to the same effect in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action before the French courts.

Belgium

The U.S. and Belgium do not have a treaty providing for the reciprocal recognition and enforcement of court judgments in civil and commercial matters. Therefore, the enforcement in Belgium of a judgment obtained in any U.S. Federal or State court will be subject to Belgian rules of civil procedure and will be only granted in accordance with Articles 23 and 24 of the Belgian Code of Private International Law and subject to the conditions set forth in Article 25 thereof. Article 25 of the Belgian Code of Private International Law prohibits the enforcement of a foreign judgment if, among others:

- the consequences of the enforcement of the judgment would be manifestly incompatible with Belgian public order;

- the rights of defense have been breached;

- the judgment has been obtained in respect of a matter where the parties could not freely dispose of their rights and in order only to frustrate jurisdiction rules included in the Belgian Code of Private International Law;
- the judgment is not final;
- the judgment is not compatible with a prior judgment rendered in Belgium or rendered abroad if such judgment may be recognized in Belgium;
- the case was filed abroad after a case, between the same parties and in respect of the same claim, was filed in Belgium and such case is still pending before the Belgian courts;
- the Belgian courts were the only courts competent to hear the claim; or
- the foreign court was only competent to hear the case on the basis of the presence of the defendant in the state where such foreign court is located or on the basis of the presence of assets with no direct connection to the claim in such state.

Belgian courts will not carry out a new review of the merits of the foreign judgment.

LISTING AND GENERAL INFORMATION

Admission to Trading and Listing

The Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, in accordance with the rules and regulations of the Luxembourg Stock Exchange.

Listing Information

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, copies of the following documents in English may be inspected and obtained free of charge at the offices of the Listing Agent during normal business hours on any weekday (excluding holidays):

- the organizational documents of the Issuer and the Guarantors;
- the bylaws of the Issuer and the Guarantors;
- the financial statements including in this Listing Memorandum;
- any annual and interim condensed consolidated financial statements or accounts of the Issuer dated subsequent to the date of this Listing Memorandum, to the extent available;
- the Indenture;
- the Security Documents (in each case, following the execution thereof); and
- the Intercreditor Agreement.

The Issuer has appointed Banque Internationale à Luxembourg SA as Listing Agent, Citibank, N.A., London Branch as Registrar and Transfer Agent, Citibank, N.A., London Branch as Paying Agent, Citibank, N.A., London Branch as Trustee and BNP Paribas as Security Agent. The Issuer reserves the right to vary such appointments in accordance with the terms of the Indenture and, if so required by the internal rules and regulations of the Luxembourg Stock Exchange, will publish a notice of such change of appointment in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxembourg Wort*) or on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) or by any other means considered equivalent by the Luxembourg Stock Exchange.

The Issuer accepts responsibility for the information contained in this Listing Memorandum. To the Issuer's best knowledge, except as otherwise noted, the information contained in this Listing Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Listing Memorandum. This Listing Memorandum may only be used for the purposes for which it has been published.

Clearing Information

The Additional Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

The Additional Notes sold pursuant to Regulation S are fungible with the Existing Notes held in book entry form as part of the Existing Regulation S Global Note and accepted for clearance through the facilities of Euroclear and Clearstream under common code 160048182 and ISIN number XS1600481821. The Additional Notes sold pursuant to Rule 144A are fungible with the Existing Notes held in book entry form as part of the Existing Rule 144A Global Note and accepted for clearance through the facilities of Euroclear and Clearstream under common code 160051264 and ISIN number XS1600512641.

Legal Information

The Issuer

Burger King France is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 50, avenue du Président Wilson, Parc des Portes de Paris, Building 123, 93214 La Plaine Saint-Denis CEDEX, France. It was established on October 13, 2013 for a period of 99 years and is registered under number 797 882 867 R.C.S. Bobigny. As of September 30, 2017, the share capital of the Issuer (which has been paid up in full) amounted to €11,503 divided into 11,503 shares, of which 5,836 shares and ordinary shares and 5,667 are category A preferred shares. All shares have a par value of €1.00. There has been no change in the share capital since such date. The corporate purpose of the Issuer includes, among others things, the providing services, developing or operating activities within the restaurant segment, carrying out any operation that may have a similar or accessory connection to the restaurant segment, purchasing or acquiring any interest in companies with activities related to the restaurant segment.

Financial Year and Accounts

The Issuer's financial year begins on January 1 and ends on December 31 of each year. Pursuant to the reporting covenant in the Indenture, the Issuer prepares interim quarterly financial statements. See "*Description of the Notes—Certain Covenants—Provision of Information*".

The Guarantors

BK E SAS is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. Its registered office is located at 50, avenue du President Wilson, Parc des Portes de Paris—Building 123, 93214 La Plaine Saint-Denis CEDEX, France. It was established on April 29, 2016 for a period of 99 years and is registered with the Bobigny Trade and Companies Register under number 820 067 528. As of September 30, 2017, the share capital of BK E SAS amounted to €1,000 divided into 100 ordinary shares, each with a par value of €10. The corporate purpose of BK E SAS includes among others things, the providing services, developing or operating activities within the restaurant segment, carrying out any operation that may have a similar or accessory connection to the restaurant segment, purchasing or acquiring any interest in companies with activities related to the restaurant segment.

BK IDF SAS is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. Its registered office is located at 50, avenue du President Wilson, Parc des Portes de Paris—Building 123, 93214 La Plaine Saint-Denis CEDEX, France. It was established on April 25, 2016 for a period of 99 years and is registered with the Bobigny Trade and Companies Register under number 819 902 784. As of September 30, 2017, the share capital of BK IDF SAS amounted to €1,000 divided into 100 ordinary shares, each with a par value of €10. The corporate purpose of BK IDF SAS includes among others things, the providing services, developing or operating activities within the restaurant segment, carrying out any operation that may have a similar or accessory connection to the restaurant segment, purchasing or acquiring any interest in companies with activities related to the restaurant segment.

BK N SAS is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. Its registered office is located at 50, avenue du President Wilson, Parc des Portes de Paris—Building 123, 93214 La Plaine Saint-Denis CEDEX, France. It was established on April 25, 2016 for a period of 99 years and is registered with the Bobigny Trade and Companies Register under number 819 958 422. As of September 30, 2017, the share capital of BK N SAS amounted to €1,000 divided into 100 ordinary shares, each with a par value of €10. The corporate purpose of BK N SAS includes among others things, the providing services, developing or operating activities within the restaurant segment, carrying out any operation that may have a similar or accessory connection to the restaurant segment, purchasing or acquiring any interest in companies with activities related to the restaurant segment.

BK OU SAS is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. Its registered office is located at 50, avenue du President Wilson, Parc des Portes de Paris—Building 123, 93214 La Plaine Saint-Denis CEDEX, France. It was established on April 25, 2016 for a period of 99 years and is registered with the Bobigny Trade and Companies Register under number 819 962 937. As of September 30, 2017, the share capital of BK OU SAS amounted to €1,000 divided into 100 ordinary shares, each with a par value of €10. The corporate purpose of BK OU SAS includes among others things, the providing services, developing or operating activities within the restaurant segment, carrying out any operation that may have a similar or accessory connection to the restaurant segment, purchasing or acquiring any interest in companies with activities related to the restaurant segment.

BK SE SAS is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. Its registered office is located at 50, avenue du President Wilson, Parc des Portes de Paris—Building 123, 93214 La Plaine Saint-Denis CEDEX, France. It was established on April 25, 2016 for a period of 99 years and is registered with the Bobigny Trade and Companies Register under number 819 958 463. As of September 30, 2017, the share capital of BK SE SAS amounted to €1,000 divided into 100 ordinary shares, each with a par value of €10. The corporate purpose of BK SE SAS includes among others things, the providing services, developing or operating activities within the restaurant segment, carrying out any operation that may have a similar or accessory connection to the restaurant segment, purchasing or acquiring any interest in companies with activities related to the restaurant segment.

Burger King Restauration is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. Its registered office is located at 50, avenue du President Wilson, Parc des Portes de Paris—Building. 123, 93214 La Plaine Saint-Denis CEDEX, France. It was established on March 27, 2014 for a period of 99 years and is registered with the Bobigny Trade and Companies Register under number 801 363 227. As of September 30, 2017, the share capital of Burger King Restauration amounted to €14,000,000 divided into 14,000 ordinary shares, each with a par value of €1,000. The corporate purpose of Burger King Restauration includes among others things, the providing services, developing or operating activities within the restaurant segment, carrying out any operation that may have a similar or accessory connection to the restaurant segment, purchasing or acquiring any interest in companies with activities related to the restaurant segment.

Financière Quick SAS is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. Its registered office is located at 50, avenue du President Wilson, Parc des Portes de Paris—Building 123, 93214 La Plaine Saint-Denis CEDEX, France. It was established on March 8, 2004 for a period of 99 years and is registered with the Bobigny Trade and Companies Register under number 452 430 416. As of September 30, 2017, the share capital of Financière Quick SAS amounted to €200,292,000 divided into 20,029,200 ordinary shares, each with a par value of €10. The corporate purpose of Financière Quick SAS includes acquiring interests in any company, purchasing business assets, acquiring movable and immovable goods, assisting other companies within its group and generally all operations which may benefit or advance its development.

France Quick SAS is a simplified joint stock company (*société par actions simplifiée*) organized under the laws of France. Its registered office is located at 50, avenue du President Wilson, Parc des Portes de Paris—Building. 123, 93214 La Plaine Saint-Denis CEDEX, France. It was established on September 28, 1979 for a period of 99 years and is registered with the Bobigny Trade and Companies Register under number 950 026 914. As of September 30, 2017, the share capital of France Quick SAS amounted to €92,225,000 divided into 7,750,000 ordinary shares, each with a par value of €11.90. The corporate purpose of France Quick SAS is primarily operating restaurants.

Quick Restaurants SA is a limited liability company (*société anonyme*) organized under the laws of Belgium. Its registered office is located at Avenue du Port 86C, Box 204, 1000 Brussels, Belgium. It was established on August 12, 1992 and is registered with the Brussels Trade Register under number 412 121 524. As of September 30, 2017, the share capital of Quick Restaurants SA amounted to €122,037,386.66 divided into 19,499,798 ordinary shares, each with a par value of approximately €6.26. The corporate object of Quick Restaurants SA includes, amongst others, operating restaurants, real estate investments, and acquiring participations, in any company or enterprise in any form and the management of those participants.

General

Except as disclosed in this Listing Memorandum:

- there has been no material adverse change in the Issuer's and Guarantors' financial position since September 30, 2017; and

- neither the Issuer, any of the Guarantors nor any of their subsidiaries has been involved in any litigation, administrative proceedings or arbitration relating to claims or amounts which are material in the context of the issuance of the Notes except as otherwise disclosed in this Listing Memorandum, and, so far as the Issuer is aware, no such proceedings are pending or threatened.

INDEX TO THE FINANCIAL STATEMENTS

BURGER KING FRANCE SAS UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED SEPTEMBER 30, 2017

TABLE OF CONTENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ 000)	Notes	2017-09	Closing balance at 31 Dec. 2016
NON-CURRENT ASSETS		**633 350**	**599 622**
Goodwill	*13*	165 494	159 717
Intangible assets	*12*	214 128	215 268
Property, plant and equipment	*14*	240 158	211 095
Investment in associates		0	(4)
Financial receivables and other non-current assets	*15*	11 701	11 499
Deferred tax assets		1 869	2 047
CURRENT ASSETS		**248 205**	**285 525**
Inventories	*16*	11 478	11 825
Trade receivables	*17*	53 719	42 443
Current tax assets	*18*	5 846	2 893
Tax receivables excluding income tax	*18*	25 944	31 898
Financial receivables and other current assets	*18*	11 936	25 951
Other financial receivables	*19*	9 371	9 371
Cash and cash equivalents	*20*	129 911	161 144
TOTAL ASSETS		**881 555**	**885 147**
TOTAL EQUITY		**101 740**	**138 089**
Share capital	*21*	12	12
Share premiums		163 301	163 301
Retained earnings (including net profit for the period)		(61 573)	(38 071)
Attributable to non-controlling interests	*24.2*	(0)	12 848
NON-CURRENT LIABILITIES		**602 671**	**560 589**
Non-current provisions	*22*	9 943	11 045
Financial liabilities	*24*	562 359	531 851
Other financial liabilities	*24*	14 900	
Other non-current liabilities	*23*	5 185	5 768
Deferred tax liabilities		10 284	11 925
CURRENT LIABILITIES		177 145	186 469
Financial liabilities	*24*	17 476	11 255
Trade payables		88 633	101 198
Current tax liabilities		9 395	9 095
Other tax liabilities		17 054	17 126
Employee and social security liabilities		31 113	32 080
Other current liabilities	*25*	13 474	15 715
TOTAL EQUITY AND LIABILITIES		**881 555**	**885 147**

CONSOLIDATED STATEMENT OF INCOME

(€ 000)	Notes	2017-09	2016-09
Continuing operations			
Sales and franchise revenues		**443 587**	**426 777**
Cost of sales		(241 705)	(248 500)
Gross Profit	*5*	**201 882**	**178 277**
Operating and occupancy costs (excluding depreciation and amortisation)	*5*	(75 554)	(74 393)
Depreciation and amortisation (restaurants)	*5*	(22 702)	(23 772)
Profit from operations	*5*	**103 626**	**80 112**
Selling costs		(36 989)	(37 007)
BK brand royalties		(11 738)	(5 327)
Pre-opening costs		(1 544)	(2 448)
Other operating income and expenses	*6*	7 598	3 611
Gross operating profit of restaurants		**60 953**	**38 941**
General and administrative costs (excluding depreciation and amortisation)		(33 502)	(33 308)
Depreciation and amortisation (corporate centre)		(2 262)	(2 420)
Other corporate income and expenses		11 201	11 763
Operating profit before non-recurring items (EBIT)		**36 390**	**14 976**
Other non-recurring income and expenses	*8*	(18 063)	(4 453)
Operating profit after non-recurring items		**18 327**	**10 523**
Net financial income / (expense)	***9***	**(36 637)**	**(28 284)**
Profit before tax		**(18 310)**	**(17 761)**
Share in income of associates		**0**	**0**
Income tax	*10*	(4 283)	(7 741)
Income from continuing operations		**(22 593)**	**(25 502)**
Attributable to non-controlling interests		580	379
Attributable to equity holders of the parent		(23 173)	(25 881)
Discontinued operations			
Income from assets held for sale and discontinued operations	***11***	**0**	**4 879**
Attributable to non-controlling interests		0	0
Attributable to equity holders of the parent		0	4 879
Consolidated net profit			
Net profit		**(22 593)**	**(20 623)**
Attributable to non-controlling interests		580	379
Attributable to equity holders of the parent		(23 173)	(21 002)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ 000)	2017-09	2016-09
Net profit for the period	**(22 593)**	**(20 623)**
Other comprehensive income		
Cash flow hedge	1 144	861
Total other comprehensive income	1 144	861
Comprehensive income	**(21 449)**	**(19 762)**
Comprehensive income attributable to :		
Equity holders of the parent		
Non-controlling interests	(22 029) 580	(20 141) 379

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ 000)	*Notes* Share capital	Share premiums	Cash flow hedging reserve and actuarial gains and losses	Retained earnings and net profit for the year	Ec attri to e hold the
At 01 Janv. 2016	**12**	**163 301**	**(100)**	**(9 663)**	
Net profit for the period				(21 002)	
Other comprehensive income			861		
Total comprehensive income	**0**	**0**	**861**	**(21 002)**	
Capital increase	0	0			
Changes in the scope of consolidation				7 057	
At 30 Sept. 2016	**12**	**163 301**	**761**	**(23 608)**	

(€ 000)	Share capital	Share premiums	Cash flow hedging reserve and actuarial gains and losses	Retained earnings and net profit for the year	Ec attril to e hold the p
At 01 Janv. 2017	**12**	**163 301**	**657**	**(38 728)**	
Net profit for the period				*(23 173)*	
Other comprehensive income			*1 144*		
Total comprehensive income	**0**	**0**	**1 144**	**(23 173)**	
Non-controlling interests related to the put option reclassification	*24.2*			(1 472)	
Other				(1)	
At 30 Sept. 2017	**12**	**163 301**	**1 801**	**(63 374)**	

CONSOLIDATED STATEMENT OF CASH FLOW

(€ 000)	Notes	2017-09	2016-09
Total consolidated net profit		**(22 593)**	**(20 623)**
Elimination of income from associates		0	158
Elimination of depreciation, amortisation and charges to provisions		22 943	63 896
Elimination of gains/losses on discounting		778	(6 915)
Elimination of disposal gains/losses and dilution gains/losses		6 168	(35 298)
Cash Flow from operations after the net cost of debt and tax		**7 296**	**1 218**
Elimination of tax (benefit)/expense		3 441	10 401
Elimination of the net cost of debt		36 219	36 797
Cash Flow from operations before the net cost of debt and tax		**46 956**	**48 416**
Changes in the working capital requirement		**(8 723)**	**(1 205)**
Tax paid		**(5 061)**	**(6 640)**
Cash generated by operating activities		**33 172**	**40 571**
Effect of changes in scope of consolidation resulting in acquisition, cash/(bank overdrafts) related to acquisition of control deducted		(4 807)	110 600
Purchases of property, plant and equipment and intangible assets		(69 474)	(35 198)
Acquisition of financial assets		(2)	(3 831)
Change in loans and advances granted		64	266
Disposal of property, plant and equipment and intangible assets		9 087	16 065
Disposal of financial assets		176	0
Other cash flows from investing activities			
Other cash flows related to financial receivables		1	(3)
Cash generated/(used) by investing activities		**(64 955)**	**87 899**
Capital increase		0	0
Net sale/(acquisition) of treasury shares		0	0
New borrowings	*26*	557 453	33 184
Redemption of borrowings	*26*	(533 559)	(136 782)
Net interest paid		(23 031)	(23 899)
Cash generated/(used) by financing activities		**863**	**(127 497)**
Change in cash		**(30 920)**	**973**
Cash and cash equivalents at beginning of the period	*24*	160 735	177 157
Cash and cash equivalents at the end of the period	*24*	129 815	178 130

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1. Presentation of the Group and its business activities

Burger King France S.A.S. is a "*société par actions simplifiée*" (simplified joint stock company) registered in France with its registered office located at 50, avenue du Président Wilson, Parc des Portes de Paris Bâtiment 123, 93214 La Plaine Saint Denis CEDEX and registered with the Bobigny Trade and Companies Register under number 797 882 867.

Burger King France SAS operates quick service restaurants under the Burger King and Quick brands in mainland France, offering mostly hamburgers.

The interim condensed financial statements present the accounting position of Burger King France SAS and its subsidiaries (hereinafter the "Group"), plus its interests in a joint venture. They are stated in thousands of euros.

These interim condensed financial statements for the nine months ended September 30, 2017 were done for the purpose of an International Offering Memorandum in relation with a bond issuance which should occur before the end of the year. They were approved by the President on November 16, 2017.

2. Significant events during the period under review

The following events occurred during the nine months ended September 30, 2017 :

System-wide-sales ("SWS")

At the end of the nine months ended September 30, 2017, the Group's SWS Sales reach €810.6 million increasing by €98.0 million (or +13.8%) comparing to the nine months ended September 30, 2016.

This increase is explained by:

- The positive effect of the continuing conversions of restaurants, on the French territory, under Burger King,
- Good performance for Quick banner in a like-for-like number of restaurants.

Profitability

Due to the €98.0 million increase comparing to the nine months ended September 30, 2016, the Group improved :

- its profitability with an EBITDA of €61.4 million increasing by 49% comparing to the nine months ended September 30, 2016,
- its EBITDA margin in percentage of sales and franchise revenues by 4.2 points to reach (compared to 9.6% for the nine months ended September 30, 2016).

The good performance is mostly due to the development of the Burger King brand in mainland France in 2017.

Development

To strengthen its network, the Group invested €69.5 million in the nine months ended September 30, 2017, principally used in openings and conversions.

Partnership

As of June 1, 2017, we finalized an agreement with our partner Agape mainly related to:

- the conversion of Quick restaurants owned and managed by our joint venture Agaquick,
- the forthcoming openings of new restaurants throughout a new joint venture created for this purpose: AGABK. The creation of this new entity will occur in the fourth quarter of 2017.
- put option agreement allowing Agape to sell its shares in Agaquick to the Group, from 2027.

Financing

In early 2017, the Group reimbursed in advance Financière Quick's debt, initially due in 2018(RCF) and 2019 (High Yield debt), with a new High Yield inssuance through Burger King France.

Main changes on the credit lines, between January and septembre 2017 are detailed note 24.5. Description and characteristics of the borrowings.

Funds received by Burger King France with the new issuance were used for the implementation of new intragroup loans with Financière Quick and Burger King Restauration. These loans have the same characteristics as the bonds.

With the loan, Financière Quick and Burger King restauration reimbursed in advance :

- €360,000 thousand on the €440,000 thousand Financière Quick's Senior Secured Floating Rate Notes due 2019 (€80,000 thousand were refunded in January 2016),
- €145 000 thousand on the €155,000 Financière Quick's Unsecured Floating Rate Notes due 2019 (€10,000 were refunded in January 2016),
- €25,400 thousand of credit lines drawn by Burger King Restauration.

The Group supported €16,900 of financing costs which will be amortized on the new bonds lifetime.

In addition, €2,200 thousand have been supported to reimburse in advance Financière Quick's debt. These costs were booked into financial expenses in the nine months period ended September 30, 2017.

The €8,000 thousand non-amortized portion of the issuance costs related to the former Financière Quick Group high yield debt was booked in Net financial expense following the advanced reimbursement.

The group took advantage of this refinancing to reorganize the intra-group cash pooling operations, Burger King France becoming the centralizing company for all the subsidiaries, without distinction between the Financière Quick Group and Burger King Group entities.

The group also completed interest rate hedging transactions with the purchases of cap options by Financière Quick to cover its floating rate debt with Burger King France.

3. Summary of significant accounting policies

3.1 Compliance with accounting standards and changes in consolidation methods

The interim condensed financial statements of Burger King France for the nine months ended September 30, 2017, have been prepared in accordance with IAS 34 (Interim Financial Reporting) of IFRS (International Financial Reporting Standards) as approved by the European Union.

The Group has not anticipated any standard, amendment or interpretation of the IFRS standards published by the IASB (International Accounting Standard Board) but in the process of adoption or non-mandatory application as of September 30, 2017.

To be noted :

- the financial year of the Group is from January 1 to December 31,

- interim condensed financial statements for the nine months ended September 30, 2017 followed the same rules and principles than those used for the consolidated financial statements for the year end December 31, 2016,

- interim condensed financial statements do not include all mandatory information required when drawing up full year consolidated financial statements and should be read in conjunction with the full year consolidated financial statements for the twelve months ended December 31, 2016.

3.2 Use of estimates and judgments

In the preparation of its financial statements, the Burger King France Group's management has made judgments, estimates and assumptions that affect the recorded amounts of assets, liabilities, revenues and expenses, and the disclosures in the notes to the financial statements.

The Group's management has made these estimates and assumptions based on its past experience and various factors deemed to be reasonable which were used as a basis for these judgments.

Certain facts and circumstances may lead to changes in these estimates and assumptions, which would affect the value of the Group's assets, liabilities, equity and income.

The principal estimates made by Burger King France Group's management relate to its intangible assets (the brand and leasehold rights, in particular), provisions and asset impairment testing.

4. Perimeter of consolidation and significant changes

Companies	Percentage ownership	Percentage control	Consolidation method	Percentage ownership	Percentage control	Consolidation method
BURGER KING France	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
BURGER KING RESTAURANTS	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
BURGER KING RESTAURATION	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
BURGER KING CONSTRUCTION	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
BK IDF	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
BK OU	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
BK N	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
BK SE	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
BK E	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
MGL	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
BK Services	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Quick Restaurants	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Financiere Quick	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
France Quick	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Quick Invest	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Montmirail (ex Coquelles)	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Pyramides	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Agaquick	49,00 %	49,00 %	IG	49,00 %	49,00 %	IG
Agaquick Exploit	49,00 %	49,00 %	IG	49,00 %	49,00 %	IG
AGAQUICK EXPLOITATION 2	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Iena SAS	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Lodi SAS	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Ulm SAS	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Arcole Immo SAS	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Quick immo	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Wagram	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Eylau	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Friedland	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Agaquick Invest	49,00 %	49,00 %	IG	49,00 %	49,00 %	IG
Tastyrest	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Logirest France	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
AURO202	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG

Companies	Percentage ownership	Percentage control	Consolidation method	Percentage ownership	Percentage control	Consolidation method
MINADRIVE	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Ligny	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
Montereau	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
DURENSTEIN	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
JULEMAX			NI	100,00 %	100,00 %	IG
ABEAUREST			NI	100,00 %	100,00 %	IG
CROOL	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
ERIXYA	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
REVOLUTION EAT	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
SCORUS	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
AMMARA	100,00 %	100,00 %	IG	100,00 %	100,00 %	IG
M.R.J COLOMIERS	100,00 %	100,00 %	IG			NI
MRJ Blagnac	100,00 %	100,00 %	IG			NI
M2R	100,00 %	100,00 %	IG			NI
OSNYDRIVE	100,00 %	100,00 %	IG			NI
BRD RESTAURA	100,00 %	100,00 %	IG			NI
HORUS	100,00 %	100,00 %	IG			NI
LONI	100,00 %	100,00 %	IG			NI
SALON DRIVE RESTAURATION	100,00 %	100,00 %	IG			NI
PLANET BURGER	100,00 %	100,00 %	IG			NI
MAAT	100,00 %	100,00 %	IG			NI

5. Gross profit and profit from operations

(€ 000)	2017-09		2016-09	
	Amount	%	Amount	%
Sales from company-owned restaurants	252 162	57%	242 878	57%
Franchise revenues and external sales	191 425	43%	183 899	43%
Sales and franchise revenues	**443 587**	**100%**	**426 777**	**100%**
Cost of purchases and goods held for resale	(157 680)	-36%	(167 267)	-39%
Restaurant staff costs	(84 025)	-19%	(81 233)	-19%
Total cost of sales	**(241 705)**	**-54%**	**(248 500)**	**-58%**
Gross profit	201 882	46%	178 277	42%
Occupancy and operating costs	(75 554)	-17%	(74 393)	-17%
Depreciation (restaurants)	(22 702)	-5%	(23 772)	-6%
Profit from operations	**103 626**	**23%**	**80 112**	**19%**

Franchise revenues and external sales include:

- lease management payments and real estate rental income,
- brand royalties received from franchisees,
- national advertising contributions invoiced to the franchisees,
- sales of food and equipment invoiced to the franchisees under the Quick® banner.

Occupancy and operating costs chiefly include energy costs, service and security contract expenses, rent, taxes other than on income (taxes on businesses, land, etc.) and restaurant depreciation and amortisation.

6. Other operating income and expenses

(€ 000)	2017-09	2016-09
Capital gains on disposals of property, plant and equipment and intangible assets	2 759	1 146
Network access charge and initial franchise royalty	4 738	1 189

(€ 000)	2017-09	2016-09
Other income	336	3 324
Total other operating income	**7 833**	**5 659**
Net charge to /(reversal from) provisions for operating items	(75)	(1 730)
Other expenses	(160)	(318)
Total other operating expenses	**(235)**	**(2 048)**
Total other operating income and expenses	**7 598**	**3 611**

For the nine months ended September 30, 2017, other operating income and expenses consist mainly of:

- Capital gains and losses on disposals of non-current assets,
- Network access rights and initial franchise payments invoiced to franchisees.

7. Labor costs

(€ 000)	2017-09	2016-09
Corporate staff costs and related expenses	(26 922)	(25 212)
Restaurant staff costs and related expenses	(82 672)	(79 668)
Training costs	(1 066)	(165)
Defined-benefit pension plan costs	(417)	(393)
Other staff costs	(8 070)	(7 572)
CICE tax credit	4 196	3 580
Total staff costs	**(114 951)**	**(109 430)**

Staff costs include :

- corporate staff costs recorded in “general and administrative costs” in the income statement,
- restaurant staff costs excluding retirement benefits : recorded in the “cost of sales” in the income statement,
- training costs recorded in the “cost of sales” and in “general and administrative costs” in the income statement,
- pension plan expenses recorded in “other corporate income and expenses” and in “financial expenses”,
- other staff costs chiefly include travel expenses and other restaurant staff costs,
- the CICE tax credit.

The Group is eligible for the CICE tax credit. It recorded a tax benefit of €4.2 million for it regarding the nine months ended September 30, 2017, versus a tax benefit of €5.0 million for the nine months period ended September 30, 2016.

From January 1 to September 30, 2017, this amount was fully invested, as the year before, in the “QuickN’King 2020” plan consisting of the restaurants opening and conversion under the Burger King brand.

8. Other non recurring income and expenses

Non-recurring income and expenses include accruals and reversals from asset impairment tests, goodwill impairment accruals, provisions for litigation, provision for restaurant definitive closures, costs regarding restaurant conversion (“Quick N’King 2020” transformation plan) and any other non-recurring items.

(€ 000)	2017-09	2016-09
Reversals from/(charges to) provisions	372	3 970
Write-down after impairment test	794	3 267
Other	(19 229)	(11 690)
Total other non-recurring income and expenses	**(18 063)**	**(4 453)**

For the nine months ended September 30, 2017, other non-recurring income and expense consist of :

- charges to/reversals from provisions,
- reversal on asset impairment for restaurant,
- conversion and definitive closure expenses ("Other" heading).

9. Net financial income / (expense)

(€ 000)	2017-09	2016-09
Income from cash and cash equivalents	212	418
Gross cost of debt	(24 171)	(22 398)
Net cost of debt	(23 959)	(21 980)
Other financial income	70	140
Other financial expenses	(12 748)	(6 444)
Other financial income and expense	(12 678)	(6 304)
Total net financial income / (expense)	**(36 637)**	**(28 284)**

The cost of financial debt consists of interest on the bond issues, interest on the Revolving Cash Facility (drawdowns and commitment fee).

Other financial expenses consist mainly in:

- costs, fees and expenses in relation to high yield issuance,
- changes in the fair value of caps and swap,
- miscellaneous bank charges (including costs, fees and expenses incurred to refund in advance Financière Quick's debt).

The increase in other financial expenses for the nine months period ended September 30, 2017 versus the nine months period ended September 30, 2016 was mainly due to the non-amortized portion of the issuance costs related to the former Financière Quick Group high yield debt, following its advanced reimbursement.

10. Income tax

Tax expense

(€ 000)	2017-09	2016-09
Current tax for the period	(5 746)	(5 933)
Deferred income tax	1 463	(1 808)
Income tax	**(4 283)**	**(7 741)**

The Group's income tax expense is calculated using a projected annual rate of 34.43%, and is adjusted with the main permanent differences.

Income tax expense for the nine months ended September 30, 2017, amounted to €4.3 million and consisted of:

- €5.8 million current tax expense for the period and,
- €1.5 million deferred income tax income.

On September 30, 2017, the deferred income tax was mostly due to (i) the reversal on lease management with investment indemnities provision and (ii) to restatements related to the difference in amortisation period between statutory and interim condensed financial statements.

11. Discountinued operations

From January 1 to September 30, 2017, the Group did not sell any activities.

On September 1, 2016, Burger King France completed the sale of its businesses in Belgium and Luxembourg. The net profit of these operations is shown separately on the "Assets held for sale and discontinued operations" line of the income statement.

Impact on the financial statements:

The income and cash flow statements for the discontinued operations are as follows :

Income statement for the discontinued operations:

(€ 000)	**2016-09**
Sales and franchise revenues	**57 938**
Cost of sales	(22 064)
Gross profit	**35 874**
Operating and occupancy costs (excluding depreciation and amortisation)	(10 412)
Depreciation and amortisation (restaurants)	(5 564)
Profit from operations	**19 898**
Selling costs	(7 377)
BK brand royalties	0
Pre-opening costs	(32)
Other operating income and expenses	1 265
Gross operating profit of restaurants	**13 754**
General and administrative costs (excluding depreciation and amortisation)	(6 386)
Depreciation and amortisation (corporate centre)	(284)
Other corporate income and expenses	1 367
Operating profit before non-recurring items (EBIT)	**8 451**
Other non-recurring income and expenses	(786)
Operating profit after non-recurring items	**7 665**
Net financial income / (expense)	**(34)**
Profit before tax	**7 631**
Share in income of associates	**(158)**
Income tax	(2 594)
Net profit	**4 879**
Attributable to non-controlling interests	(110)
Attributable to equity holders of the parent	4 989

Cash-flow statement for the discontinued operations

(€ 000)	**2016-09**
Cash flow from operating activities	(13 972)
Cash flow from investing activities	(430)
Cash flow from financing activities	4 302
Change in cash	**(10 100)**

12. Intagibles assets

(€ 000)	Closing balance at 31 Dec. 2016	Acquisitions	Disposals	Net charge for the period	Impairment	Ch the cons
Concessions, patents and simimar rights	140	0	(106)	-	-	
Software	6 378	447	(99)	-	-	
Leasehold rights	116 533	2 749	(5 873)	-	-	
Brand	300 000	0	0	-	-	
Intangible assets in gross value....................	**423 051**	**3 196**	**(6 078)**	**-**	**-**	
Amort./imp. of conc, patents & sim. Rights	282		47	(249)	-	
Amortisation/impairment of software.............	(3 567)		48	(855)	-	
Amortisation/impairment of brands................	(187 000)		0	0	-	
Amortisation/impairment of leasehold right....	(17 498)		698	453	-	
Intangible assets amort./imp.........................	**(207 783)**		**793**	**(651)**	**0**	
Total net intangible assets............................	**215 268**	**3 196**	**(5 285)**	**(651)**	**0**	

The change in leasehold rights was principally due to the definitive closure of Quick restaurants and the openings of new

13. Goodwill

(€ 000)	Closing balance at 31 Dec. 2016	Additions to the scope	Exits from the scope	Other	2017-09
Goodwill..............................	159 741	5 066	0	711	165 518
Goodwill impairment...........	(24)	0	0	0	(24)
Total net goodwill	**159 717**	**5 066**	**0**	**711**	**165 494**

Goodwill derives largely from the acquisition of 100% of the share capital of Financière Quick by Burger King France in December 2015 for €171.0 million.

Changes in goodwill for the nine months ended September 30, 2017 principally reflected acquisitions which occurred over the period. These acquisitions are :

Companies	Acquisition/ Creation/ Transfer of all assets and liabilities	Effective acquisition or creation date	Effective consolidation date	% ownership at 30 Sept. 2017	Consideration transferred (€ 000)	Fair value of assets/ liabilities identified	Goodwill (€ 000)
M.R.J COLOMIERS ..	Acquisition	30/11/2016	01/01/2017	100%	227	55	172
MRJ Blagnac	Acquisition	31/01/2017	01/02/2017	100%	177	42	135
M2R	Acquisition	31/03/2017	01/04/2017	100%	716	555	161
OSNYDRIVE	Acquisition	31/03/2017	01/04/2017	100%	1 755	1 045	710
BRD RESTAURA......	Acquisition	30/04/2017	01/05/2017	100%	1 520	89	1 431
HORUS......................	Acquisition	30/04/2017	01/05/2017	100%	514	114	400
LONI..........................	Acquisition	30/04/2017	01/05/2017	100%	528	50	478
SALON DRIVE RESTAURATION	Acquisition	30/06/2017	01/07/2017	100%	575	110	465
PLANET BURGER....	Acquisition	30/06/2017	01/07/2017	100%	512	-25	537
MAAT........................	Acquisition	30/06/2017	01/07/2017	100%	562	135	427

Other changes in goodwill reflect mainly the reclassification of commercial goodwill as goodwill and the restaurant buy-out commitments given to franchisees.

14. Property, plant and equipment

(€ 000)	Closing balance at 31 Dec. 2016	Increase	Decrease	Net change for the period	Changes in the scope of consolidation	Reclassification and retirements	2017-09
Lands	45 559	136	(1 243)	0	6	1 378	45 836
Buildings	329 440	2 468	(22 369)	0	2 124	34 902	346 565
Technical facilities, machinery and equipment	65 208	69	(4 298)	0	2 037	3 237	66 253
Tangible assets in progress............	8 615	59 466	(3 374)	0	0	(43 330)	21 377
Other tangible assets.....................	56 572	(137)	(3 304)	0	1 620	3 685	58 436
Tangible assets in gross value.....	**505 394**	**62 002**	**(34 588)**	**0**	**5 787**	**(128)**	**538 467**
Amort./imp. of buildings..............	(197 871)	0	16 898	(14 537)	(1 829)	18	(196 987)
Amort./imp. of technical facilities, machinery and equipment.........	(42 129)	0	3 792	(4 500)	(1 688)	(23)	(44 548)
Amort./imp. of technical facilities, machinery and equipment on lease	(44)	0	0	0	0	0	(44)
Amort/imp. Of other tangible assets	(43 435)	0	2 580	(3 420)	(1 400)	6	(45 669)
Amort/imp. Of other tangible assets on lease	(6)	0	0	(5)	0	0	(11)
Impairment of lands	(10 814)	0	458	(695)	(5)	6	(11 050)
Tangible assets amort./imp............	(294 299)	0	23 728	(23 157)	(4 922)	7	(298 309)
Net tangible assets	**211 095**	**62 002**	**(10 860)**	**(23 157)**	**865**	**(121)**	**240 158**

The main changes for the nine months period ended September 30, 2017 :

- Acquisitions : €62.0 million mostly related to investments related to openings and conversions of new restaurants under the Burger King brand,

- Changes in the scope of consolidation : €0.9 million mainly made of acquisition of new companies over the period,

- Decrease: €11.0 million mainly due to the disposal of restaurants' non-current assets after their conversion to Burger King restaurants or following their definitive closure.

15. Financial receivables and other non-current assets

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Loans and guarantees net of provisions	10 181	10 488
Financial derivatives fair value	1 520	1 011
Total	**11 701**	**11 499**

Loans and guarantees mainly relate to operating leases. They are paid at the inception of a new lease. The increase was mainly attributable to the adjustment of deposits and guarantees.

16. Inventories

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Raw materials, supplies and goods held for resale in restaurants	2 387	2 211
Supplies and goods held for resale at Logirest	9 544	10 353
Total, gross	**11 931**	**12 564**
Impairment	(453)	(739)
Total, net	**11 478**	**11 825**

17. Trade receivables

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Trade receivables		
Effets ä recevoir	57 994	45 635
Total trade receivables and bills receivable at their nominal value	57 994	45 635
Impairment of doubtful receivables	(4 275)	(3 192)
Total	**53 719**	**42 443**

No trade receivables were pledged or covered by insurance.

18. Other receivables, other current assets and current tax assets

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Current tax assets	5 846	2 893
Tax receivables excluding income tax	25 944	31 898
Receivables from disposals of non-current assets	97	97

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Prepaid expenses	7 730	16 475
Other	4 109	13 442
Total	**43 726**	**64 805**

The change in current tax asset derived from consolidation of the CICE tax credit over the period.

The change in tax receivables excluding income tax is attributable to the decrease of the VAT on not received invoices provision, given the decrease in not received invoices.

Prepaid expenses decreased over the period ended September 30, 2017 due to the change of the rental invoicing date.

“Other” is made of various receivables (staff, credit notes...).

19. Other financial receivables

“Other financial receivables” include €9,371 thousand in cash, which was seized from France Quick’s bank accounts in November 2016 following a claim brought by our former franchisee in Turkey. We challenged the merits of this seizure.

20. Cash and cash equivalents

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Cash	129 911	146 138
Deposit accounts	0	15 006
Cash at bank	129 911	161 144
Bank overdrafts	(96)	(409)
Cash overdraft	(96)	(409)
NET CASH	**129 815**	**160 735**

The change in cash and cash equivalents was mainly negatively impacted by investments with respect of the conversion of the restaurants under the Burger King brand.

21. Consolidated equity

21.1 Share capital

On September 30, 2017, Burger King France’s share capital is made of 5,836 ordinary shares and 5,667 Class A preference shares.

The nominal value of the shares is €1.

21.2 Cash flow hedging reserves and reevaluation of liabilities under defined-benefit plans

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Reserves at 1 January 2017	(1 294)	(2 051)
Change in fair value of portfolio of cash flow hedges	1 144	1 000

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Change in actuarial gains and losses	0	(243)
Reserves at 30 September 2017	**(150)**	**(1 294)**

22. Provisions

(€ 000)	Litigation	Employee benefits	Other provisions	Total
At 1 January 2017	7 062	3 060	923	11 045
Charges	(44)	182	(93)	45
Reversals used	(357)	(112)	(446)	(915)
Reversals not used	(232)		0	(232)
Reclassification				0
Other	0		0	0
At 30 September 2017	**6 429**	**3 130**	**384**	**9 943**

The change in provisions over the period ended September 30, 2017 was mainly attributable to labor court and tax litigations.

(€ 000)	Litigation	Employee benefits	Other provisions	Total
At 1 January 2016	4 488	2 533	1 223	8 244
Charges	3 240	236	1 152	4 628
Reversals used	(87)	(80)	(112)	(279)
Reversals not used	(232)			(232)
Reclassification				
Change in the scope of consolidation	(347)	371	(1 340)	(1 316)
At 31 December 2016	**7 062**	**3 060**	**923**	**11 045**

On December 31, 2016, the change compared with FY 2015 is mainly due to:

- litigations (with our former franchisee in Turkey, labor court disputes, etc.),
- other provisions such as for a market-level rental increase on lease renewals.

23. Other non-current liabilities

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Deposits and guarantees	3 102	4 455
Fair value of derivaties	2 083	1 313
Total	**5 185**	**5 768**

24. Financial liabilities

24.1 Non-current financial liabilities

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Non-current finance lease liabilities	**4 670**	**5 670**
Other non-current financial liabilities	**553 939**	**521 756**
Bank borrowings	3 458	21 597
Bonds	565 000	505 000
Deferred portion of refinancing costs	(14 519)	(4 841)
Other financial liabilities with a term of over one year	**3 750**	**4 425**
TOTAL	**562 359**	**531 851**

The non-current financial liabilities were mailny composed of high yield bonds (cf. "Significant events for the period")

The increase in bonds over the period is the result of issuances made for a higher amount than the old debts.

Bank borrowings reimbursement of Burger King Restauration over the period explains the increase of that line.

24.2 Other financial liabilities

The Group has granted to AGAPE a commitment to repurchase its minority shares in Agaquick. The exercise price for this option is set according to a predefined calculation formula.

In accordance with IAS 32, the given purchase commitment relating to this fully consolidated subsidiary is recognized at its discounted value of the estimated exercise price.

The Group presents the amount of the "Put" in direct reading in the interim condensed balance sheet.

The Group treated this put option as a shareholder transaction.

Put option granted was accounted with the difference between the PUTs options liability and the carrying amount of the non-controlling interests recognised as a deduction from equity.

In subsequent years, this liability will be adjusted and any changes will impact the equity.

24.3 Current financial liabilities

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Finance lease liabilities maturing during the year	**1 325**	**1 293**
Other borrowings maturing during the year and bank overdrafts	**15 151**	**2 795**
Other long-term debt maturing during the year	6 002	5 546
Bank overdrafts	507	409
Current Bank borrowings	10 815	0
Deferred portion of refinancing costs	(2 173)	(3 160)
Other financial liabilities maturing during the year	**1 000**	**7 167**
TOTAL	**17 476**	**11 255**

The current financial liabilities include bank overdrafts.

24.4 Gross debt

On September 30, 2017, the Group's gross debt comprised the following items:

(€ 000)	Capital	Accrued interest	Total
Fixed Rate notes	315 000	8 400	323 400
Floated Rate notes	250 000	2 224	252 224
Deferred portion of refinancing costs	(16 692)	0	(16 692)
RCF 2017	0	0	0
BPI France	4 750	32	4 782
Finance leases	5 996	0	5 996
Other (o/w bank overdrafts)	507	148	655
Burger King Restaurant Borrowing	0	0	0
Aga CICE Borrowing	1 063		1 063
CICE BKF Borrowing	3 397		3 397
Burger King Restauration syndicated loan	0	0	0
BNP France Quick loan	5 000	11	5 011
TOTAL	**569 020**	**10 815**	**579 835**

On April 21, 2017, the Group refinance itself on the High yield bond market.

The same day, the Group reimursed the Burger King Restaurantion's loans initially subscribed to finance new restaurant's openings under the Burger King brand, and a part of the Financière Quick's loans set up April 2014. The sold of the Financière Quick's loans has been reimbursed in May 2017.

As of December 31, 2016, the Group's gross debt comprised the following items:

(€ 000)	Capital	Accrued interest	Total
FRN	360 000	3 374	363 374
Unsecured FRN	145 000	2 200	147 200
Deferred portion of refinancing costs	(8 001)	0	(8 001)
RCF 2014	0	0	0
BPI France	5 000	33	5 033
KBC loan	0	0	0
Finance leases	6 899	0	6 899
Other (o/w bank overdrafts)	917	0	917
Aga CICE Borrowing	801	0	801
Agaquick finance lease	0	0	0
Burger King Restaurant Borrowing	0	0	0
Burger King Restaurant Finance lease	65	0	65
Burger King Restauration syndicated loan	26 643	175	26 818
TOTAL	**537 324**	**5 782**	**543 106**

On December 17, 2015, Burger King France acquired 100% of the share capital of Financière Quick. Following this acquisition, the share capital of Financière Quick was increased by €91.0 million, enabling Financière Quick to redeem part of the bonds in January 2016 as follows:

- €80.0 million on the €440,000 thousand tranche (due in April 2019),
- €10.0 million on the €155,000 thousand tranche (due in October 2019).

24.5 Description and characteristics of the borrowings

High yield notes

The 21 april 2017 new issuance of Burger King France's notes consists in 2 tranches:

- tranche €315,000 thousand carrying an interest rate of 6.00% (half-yearly payment) Senior Secured Fixed Rate Notes due May 1, 2024, issued with a nominal value of €100,000 in multiples of 1,000 beyond €100,000,

- €250,000 thousand carrying an interest rate of three-month Euribor plus a margin of 5,25% (quarterly payment) Floating Rate Senior Secured Notes due May 1, 2023, issued with a nominal value of €100,000 in multiples of 1,000 beyond €100,000; only 99.5% of the €250,000 thousand were cashed, the amount outstanding representing a premium.

Costs, fees and expenses related to the Burger King France's notes amounted to €16.9 million.

Credit facilities for financing the operations of the operating companies:

Burger King France's Revolving Credit Facility ("RCF")

On April 21, 2017, concomitant to the Burger King France's high yield notes issuance, a €60,000 thousand revolving credit facility was granted. This RCF can be used by Burger King France to finance the Group's investments and cover its working capital requirements and does not include any "clean down" clause. The RCF will terminate on April 21, 2022.

As of September 30, 2017, a total of €0 thousand had been drawn down by Burger King France,

Therefore, as of September 30, 2017, the unused balance of the Burger King's revolving credit facility was €60,000 thousand.

As of December 31, 2016, a revolving cash facility was granted to Financière Quick for its subsidiaries for a total amount of €44,500 thousand.

As of December 31, 2016, a total of €0 thousand had been drawn down by Financière Quick.

Therefore, as of December 31, 2016, the unused balance of the Financière Quick's revolving credit facility was €44,500 thousand.

The interest rate for the Burger King France revolving credit facility is Euribor + 2.5% to 3.0%, depending on the leverage.

The Burger King France revolving credit facility was granted by seven banks or financial institutions.

If the Burger King France revolving credit facility is used over 35% of the granted amount, the Group has to satisfied to a leverage ratio (Group's consolidated net debt / Group consolidated EBITDA) lower than 7.5.

Other bilateral credit facility:

In September 2017, France Quick drawn down €5,000 thousand on a bilateral credit facility with a bank, maturity October 2020. This bilateral credit facility will be used to finance investments done for the conversion of restaurants under the Quick brand into the Burger King brand.

As of September 30 2017, the total outstanding amount for the France Quick's bilateral credit facility was €5,000 thousand, interest rate 3.0%.

As of September 30, 2017, other bilateral credit facility mainly consisted in:

- a bilateral credit facility amounted to €4,750 thousand with BPI, maturity April 2022
- a pre-financing for the Agaquick's *Credit d'Impôts pour la Compétitivité et l'Emploi* ("CICE") for a total amount of €1,062 thousand, and for the Burger King France CICE for a total amount of €3,397 thousand, with BPI.

As of December 31, 2016, other financial credit facility mainly consisted in:

- a bilateral credit facility amounted to €5,000 thousand with BPI, maturity April 2022
- a pre-financing for the Agaquick's CICE for a total amount of €800 thousand and,
- a Burger King Restauration's syndicated credit facility for €26,643 thousand, maturities August 2021 and July 2022.

24.6 Analysis of gross debt by maturity

	30/09/2017				
(€ 000)	**Maturing during the year**	**Between 2 and 5 years**	**> 5 years**	**Total > 1 year**	**Total**
Non-current finance lease liabilities		4 670		4 670	4 670
Other non-current financial liabilities		7 208	565 000	572 208	572 208
Finance lease liabilities maturing during the year	1 325			0	1 325
Other borrowings maturing during the year and bank overdrafts	18 324			0	18 324
Other financial liabilities maturing during the year				0	0
Deferred portion of refinancing costs	(2 173)	(7 387)	(7 132)	(14 519)	(16 692)
Total at 30 September 2017	**17 476**	**4 491**	**557 868**	**562 359**	**579 835**

The Group's credit facilities have been granted in euro.

	31/12/2016				
(€ 000)	**Maturing during the year**	**Between 2 and 5 years**	**> 5 years**	**Total > 1 year**	**Total**
Non-current finance lease liabilities	0	4 785	2 183	6 968	6 968
Other non-current financial liabilities	0	540 090	3 622	543 712	543 712
Finance lease liabilities maturing during the year	1 564	0	0	0	1 564
Other borrowings maturing during the year and bank overdrafts	104 095	0	0	0	104 095
Other financial liabilities maturing during the year	3 665	0	0	0	3 665
Deferred portion of refinancing costs	(4 950)	(7 905)	0	(7 905)	(12 855)
Total at 31 December 2016	**104 374**	**536 970**	**5 805**	**542 775**	**647 149**

25. Other current liabilities

(€ 000)	**2017-09**	**Closing balance at 31 Dec. 2016**
Prepaid income	10 569	15 382
Dividends payable	31	27
Other financial liabilities	2 874	306
Total	13 474	15 715

Prepaid income is constituted of prepaid rents from on several subleases or leases.

Other financial liabilities derive from commitments to acquire restaurants.

26. Financial instruments

26.1 Analysis of the fair value of financial instruments by category

The following table present the Group's financial assets and liabilities as of September 30, 2017 classified by category:

(€ 000)	Designated initially as at fair value	Held for trading	Available-for- sale financial assets	Loans and receivables	Held-to-maturity investments	Total
Financial receivables and other non-current assets	1 520			10 181		11 701
Trade Receivables				53 719		53 719
Tax receivables excluding income tax				25 944		25 944
Other receivables and other current assets				11 936		11 936
Other financial receivables				9 371		9 371
Cash and cash equivalents				129 911		129 911
Financial assets at fair value 30 September 2017	**1 520**	**0**	**0**	**241 062**	**0**	**242 582**

The following table present the Group's financial assets and liabilities as of December 31, 2016 classified by category:

(€ 000)	Designated initially as at fair value	Held for trading	Available-for- sale financial assets	Loans and receivables	Held-to-maturity investments	Total
Financial receivables and other non-current assets	0			11 499		11 499
Trade Receivables				42 443		42 443
Tax receivables excluding income tax				31 898		31 898
Other receivables and other current assets				25 951		25 951
Other financial receivables				9 371		9 371
Cash and cash equivalents		3		161 141		161 144
Financial assets at fair value 31 December 2016		**3**	**0**	**282 303**	**0**	**282 306**

Financial liabilities at fair value through profit or loss as of September 30, 2017:

(€ 000)	Designated initially as at fair value	Held for trading	liabilities at amortised cost	Total
Non-current financial liabilities	0	0	562 359	562 359
Other non-current liabilities	2 083	0	3 102	5 185
Current financial liabilities	0	0	17 476	17 476
Trade payables	0	0	88 633	88 633
Other tax liabilities	0	0	17 054	17 054
Employee and social security liabilities	0	0	31 113	31 113
Other current liabilities	0	0	13 474	13 474
Financial liabilities at fair value at 30 September 2017	**2 083**	**0**	**733 211**	**735 294**

Financial liabilities at fair value through profit or loss as of December 31, 2016:

(€ 000)	Designated initially as at fair value	Held for trading	Financial liabilities at amortised cost	Total
Non-current financial liabilities	0	0	531 851	531 851
Current financial liabilities	1 313	0	4 455	5 768
Trade payables	0	0	11 255	11 255
Trade payables	0	0	101 198	101 198
Other tax liabilities	0	0	17 126	17 126
Employee and social security liabilities	0	0	32 080	32 080
Other current liabilities	0	0	15 715	15 715

(€ 000)	Designated initially as at fair value	Held for trading	Financial liabilities at amortised cost	Total
Financial liabilities at fair value at 31 December 2016...	**1 313**	**0**	**713 680**	**714 993**

26.2 Fair value of financial instruments

The following table shows the carrying amount by category and the fair value of the financial instruments held by the Group:

(€ 000)	Carrying amount	Fair value	Carrying amount	Fair value
Financial receivables and other non-current assets.............	11 701	11 701	11 499	11 499
Trade Receivables	53 719	53 719	42 443	42 443
Tax receivables excluding income tax................................	25 944	25 944	31 898	31 898
Other receivables and other current assets..........................	11 936	11 936	25 951	25 951
Other financial receivables..	9 371	9 371	9 371	9 371
Cash and cash equivalents..	129 911	129 911	161 144	161 144
Total financial assets	**242 582**	**242 582**	**282 306**	**282 306**

For current financial assets and liabilities, the carrying amount is deemed to be a reasonable approximation of their fair value.

For non-current financial assets, the impact of discounting future cash flows at a market rate is not deemed significant.

(€ 000)	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial liabilities.....................................	562 359	562 359	531 851	531 851
Current financial liabilities..	5 185	5 185	5 768	5 768
Trade payables...	17 476	17 476	11 255	11 255
Trade payables...	88 633	88 633	101 198	101 198
Other tax liabilities..	17 054	17 054	17 126	17 126
Employee and social security liabilities..........................	31 113	31 113	32 080	32 080
Other current liabilities..	13 474	13 474	15 715	15 715
Total financial liabilities..	**735 294**	**735 294**	**714 993**	**714 993**

27. Off-balance sheet commitments

(€ 000)	2017-09	Closing balance at 31 Dec. 2016
Commitments given		
Buildings under construction..	9 356	13 945
Total...	**9 356**	**13 945**

28. Subsequent events

None.

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Burger King France S.A.S.

Statutory Auditors' review report on the interim condensed consolidated financial statements

Period from January 1st to September 30, 2017

Burger King France S.A.S.
50, avenue du Président Wilson
Parc des Portes de Paris - Bât 123
93214 La Plaine Saint-Denis Cedex
This report contains 36 pages

This is a free translation into English of the statutory auditor's review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Burger King France S.A.S.

Registered office: 50, avenue du Président Wilson - Parc des Portes de Paris - Bât 123
93214 La Plaine Saint-Denis Cedex
Share capital: €.11,503

Statutory Auditors' review report on the interim condensed consolidated financial statements

Period from January 1 to September 30, 2017

To the President,

In our capacity as statutory auditors of Burger King S.A.S. and in compliance with your request in the context of the International Offering Memorandum, we have conducted a review of the accompanying interim condensed consolidated financial statements of Burger King France S.A.S. for the nine-month period ended September, 30 2017, which are attached to this report.

These interim condensed consolidated financial statements have been prepared for the first time as at September 30. They include comparative information in respect of nine-month period ended September 30, 2016 which was not subject to an audit nor a review.

These interim condensed consolidated financial statements have been approved by your President. Our responsibility is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional doctrine of the French national auditing body (Compagnie nationale des commissaires aux comptes) related to this engagement. A review consists primarily of making inquiries of persons responsible for financial and accounting matters and applying analytical procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared in conformity with IAS 34 – the standard of IFRS applicable to interim financial statements.

This report is addressed to your attention in the context described above and is not to be used, circulated, quoted or otherwise referred to for any other purposes.

This report is governed by French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter or this report, and any matter arising from them. Every part irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

The Statutory Auditors

Paris La Défense and Paris, November 17, 2017

French original signed by

KPMG S.A.		Exelmans Audit & Conseil
Eric Ropert *Partner*	Adrien Johner *Partner*	Stéphane Dahan *Partner*

BURGER KING FRANCE SAS CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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PREAMBLE

On the balance sheet, figures for the fiscal years ended on December 31, 2016 and 2015 include the Financière Quick and Burger King France perimeter as a result of the acquisition of Financière Quick by Burger King France in December 2015.

On the statement of income, figures for the year ended on December 31, 2015 include only Burger King France entities.

The *pro forma* statement for the fiscal year ended on December 31, 2015 for Financière Quick and Burger King France is presented in note 12.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ 000)	Notes	2016	Closing balance at 31 Dec. 2015	Opening balance at 1 Jan. 2015
NON-CURRENT ASSETS		**599 622**	**709 021**	**10 202**
Goodwill	*14*	159 717	211 711	0
Intangible assets	*13*	215 268	253 930	1 294
Property, plant and equipment	*16*	211 095	228 598	8 447
Investment in associates		(4)	1 127	0
Financial receivables and other non-current assets	*17*	11 499	11 286	462
Deferred tax assets	*10*	2 047	2 369	(1)
CURRENT ASSETS		**285 525**	**277 235**	**43 897**
Inventories	*18*	11 825	13 080	109
Trade receivables	*19*	42 443	42 419	2 692
Current tax assets	*20*	2 893	1 732	106
Tax receivables excluding income tax	*20*	31 898	13 983	1 733
Financial receivables and other current assets	*20*	25 951	28 788	2 258
Other financial receivables	*21*	9 371		
Cash and cash equivalents	*22*	161 144	177 233	36 999
TOTAL ASSETS		**885 147**	**986 256**	**54 099**
TOTAL EQUITY		**138 090**	**165 696**	**34 528**
Share capital	*23*	12	12	7
Share premiums		163 301	163 301	39 994
Retained earnings (including net profit for the period)		(38 071)	(9 763)	(5 473)
Attributable to non-controlling interests	*31*	12 848	12 146	0
NON-CURRENT LIABILITIES		**560 589**	**569 019**	**5 621**
Non-current provisions	*24*	11 045	8 264	21
Financial liabilities	*28*	531 851	542 685	5 600
Other non-current liabilities	*26*	5 768	6 414	0
Deferred tax liabilities	*10*	11 925	11 656	0
CURRENT LIABILITIES		**186 469**	**251 541**	**13 950**
Financial liabilities	*28*	11 255	104 373	967
Trade payables		101 198	86 004	8 904
Current tax liabilities		9 095	2 803	0
Other tax liabilities		17 126	13 672	1 017
Employee and social security liabilities		32 080	30 297	1 752
Other current liabilities	*29*	15 715	14 392	1 310
TOTAL EQUITY AND LIABILITIES		**885 147**	**986 256**	**54 099**

CONSOLIDATED STATEMENT OF INCOME

(€ 000)	Notes	2016	2015
Continuing operations			
Sales and franchise revenues		**578 336**	**50 438**
Cost of sales		(333 565)	(26 005)
Gross profit	***5***	**244 771**	**24 433**
Operating and occupancy costs (excluding depreciation and amortisation)	*5*	(97 255)	(8 246)
Depreciation and amortisation (restaurants)	*5*	(30 796)	(1 630)
Profit from operations	***5***	**116 720**	**14 557**
Selling costs		(47 558)	(3 362)
BK brand royalties		(8 260)	(3 538)
Pre-opening costs		(3 308)	(4 370)
Other operating income and expenses	*6*	7 542	143
Gross operating profit of restaurants		**65 136**	**3 430**
General and administrative costs (excluding depreciation and amortisation)		(49 499)	(6 187)
Depreciation and amortisation (corporate centre)		(3 185)	(171)
Other corporate income and expenses		15 934	761
Operating profit before non-recurring items (EBIT)		**28 386**	**(2 167)**
Other non-recurring income and expenses	*8*	(15 231)	(2 362)
Operating profit after non-recurring items		**13 155**	**(4 529)**
Net financial income/(expense)	***9***	**(30 833)**	**(42)**
Profit before tax		**(17 678)**	**(4 571)**
Share in income of associates		**0**	**0**
Income tax	*10*	(8 333)	370
Income from continuing operations		**(26 011)**	**(4 201)**
Attributable to non-controlling interests		804	0
Attributable to equity holders of the parent		(25 543)	(4 201)
Discontinued operations			
Income from assets held for sale and discontinued operations		**4 879**	**0**
Attributable to non-controlling interests		(110)	0
Attributable to equity holders of the parent		3 717	0
Consolidated net profit			
Net profit		**(21 132)**	**(4 201)**
Attributable to non-controlling interests		694	0
Attributable to equity holders of the parent		(21 826)	(4 201)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ 000)	Notes	2016	2015
Net profit for the period		**(21 132)**	**(4 201)**
Other comprehensive income			
Cash flow hedge	*23.3*	1 000	(100)
Remeasurements of net liabilities in respect of post-employment benefits	*25.2*	(371)	0
Deferred taxes recognised		128	0
Total other comprehensive income		757	(100)
Comprehensive income		**(20 375)**	**(4 301)**
Comprehensive income attributable to:			
Equity holders of the parent		(21 069)	(4 301)
Non-controlling interests		694	0

The impact of taxation arising from gains and losses on hedging instruments is presented in Note 10. Income tax.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ 000)	Share capital	Share premiums	Cash flow hedging reserve and actuarial gains and losses	Retained earnings and net profit for the year	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
At 1 Jan. 2015	**7**	**39 994**		**(5 473)**	**34 528**	**0**	**34 528**
Net profit for the period				*(4 201)*	*(4 201)*		*(4 201)*
Other comprehensive income			*(100)*	*11*	*(89)*		*(89)*
Total comprehensive income	**0**	**0**	**(100)**	**(4 190)**	**(4 290)**	**0**	**(4 290)**
Capital increase	5	123 307			123 312		123 312
Changes in the scope of consolidation					0	12 146	12 146
Other changes					0		0
At 1 Jan. 2016	**12**	**163 301**	**(100)**	**(9 663)**	**153 550**	**12 146**	**165 696**
Net profit for the period				*(21 826)*	*(21 826)*	*694*	*(21 132)*
Other comprehensive income			*757*		*757*		*757*
Total comprehensive income	**0**	**0**	**757**	**(21 826)**	**(21 069)**	**694**	**(20 375)**
Changes in the scope of consolidation				(7 240)	(7 240)	8	(7 231)
At 31 Dec 2016	**12**	**163 301**	**657**	**(38 728)**	**125 242**	**12 848**	**138 090**

CONSOLIDATED STATEMENT OF CASH FLOW

(€ 000)	Notes	2016	2015
Total consolidated net profit		**(21 132)**	**(4 201)**
Elimination of income from associates		158	0
Elimination of depreciation, amortisation and charges to provisions		82 824	1 987
Elimination of gains/losses on discounting		371	63
Elimination of disposal gains/losses and dilution gains/losses		(47 380)	2 251
Cash flow from operations after the net cost of debt and tax		**14 841**	**100**
Elimination of tax (benefit)/expense		12 247	(22)
Elimination of the net cost of debt		36 068	307
Cash flow from operations before the net cost of debt and tax		**63 156**	**385**
Change in the working capital requirement		**27 163**	**9 542**
Tax paid		**(7 623)**	**(348)**
Cash generated by operating activities		**82 696**	**9 579**
Acquisition of shares in consolidated companies, net of cash acquired		116 145	20 120
Purchases of property, plant and equipment and intangible assets		(87 234)	(26 411)
Acquisition of financial assets		0	0
Change in loans and advances granted		(2)	(469)
Disposal of property, plant and equipment and intangible assets		15 501	0
Disposal of financial assets		7 317	0
Other cash flows from investing activities		0	0
Other cash flows related to financial receivables	*20*	(9 371)	
Cash generated/(used) by investing activities		**42 356**	**(6 760)**
Capital increase		6	123 313
Net sale/(acquisition) of treasury shares		0	0
New borrowings	*29*	10 779	16 700
Redemption of borrowings	*29*	(113 560)	(1 485)
Net interest paid		(38 699)	(222)
Cash generated/(used) by financing activities		**(141 474)**	**138 306**
Change in cash		**(16 422)**	**141 125**
Cash and cash equivalents at beginning of the period(*)	23	177 157	36 032
Cash and cash equivalents at end of the period(*)	23	160 735	177 157

(*) of which € 478 thousand bank overdraft recorded in current financial debt in the Consolidated Statement of Financial Position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Presentation of the Group and its business activities

Burger King France SAS is a *société par actions simplifiée* (simplified joint stock company) registered in France with its registered office located at 50 avenue du Président Wilson, Parc des Portes de Paris Bâtiment 123, 93214 La Plaine Saint-Denis CEDEX and registered with the Bobigny Trade and Companies Register under number 797 882 867.

Burger King France SAS operates quick service restaurants under the Burger King and Quick brands in mainland France offering mostly hamburgers.

The consolidated financial statements present the accounting position of Burger King France SAS and its subsidiaries (hereinafter the "**Group**"), plus its interests in a joint venture. They are stated in thousands of euros.

The consolidated financial statements for the fiscal year ended December 31, 2016 were approved by the President on March 31, 2017 and will be submitted to the shareholders' approval at the next annual general meeting.

2. Significant events during the year.

Following the acquisition of Financière Quick group by Burger King France in December 2015, a company owned by Groupe Bertrand, several significant events occurred during the fiscal year ended on December 31, 2016:

- The Group set up and started to implement an ambitious strategic plan—the "Quick and King 2020" plan—which aims to operate around 600 restaurants under the Burger King® brand by 2020. This plan relies notably on the conversion of the majority of the Quick® brand restaurants to Burger King® brand restaurants and the opening of new Burger King® restaurants.

  To this end, the first Quick® restaurant, which was located in the Opéra district of Paris, reopened in September 2016 after being converted to Burger King® restaurant following several weeks of conversion work. Within the last four months, 35 other restaurants previously operated under the Quick® banner were converted to Burger King®.

- On September 1, 2016, the Group sold its activities operated under the Quick® brand in Belgium and Luxembourg (101 restaurants) to Burger Brands International group through a partial asset contribution and a sale of shares. In the present consolidated financial statements, these businesses are referred to as the "Assets held for sale and discontinued operations".

- In December 2016, the Group sold its non-core Quick® activities in La Réunion and in Nouvelle-Calédonie.

- In January 2016, the Group implemented a partial and early redemption for an aggregate amount of €90.0 million on the high yield notes issued by Financière Quick, of which (i) a €80.0 million early redemption of senior secured floating rate notes due 2019 (out of a pre-redemption aggregate amount, in principal, of €440.0 million) and (ii) a €10.0 million early redemption of unsecured floating rate notes (out of a pre-redemption aggregate amount, in principal, of €155.0 million), reducing the debt corresponding to the high yield notes issued by Financière Quick to an aggregate amount, in principal, of €505.0 million.

Financière Quick has also benefits from a covenant holiday for its revolving cash facility from September 30, 2016 to September 30, 2017.

Note that these figures are calculated on a pro forma basis, which does not include the activities carried out in Belgium and Luxembourg.

System-wide-sales

At comparable perimeter, the Group's sales amounted to €981.8 million for the fiscal year ended December 31, 2016, increasing of €98.4 million (11.1%) compared with the Group's sales for the fiscal year ended December 31, 2015, mainly due to the opening of restaurants operated under the Burger King banner in France.

In France, the restaurant market suffered from a challenging economic environment in 2016, which was exacerbated by the terrorist attacks of 2015. Depressed consumer sentiment had a negative impact on the commercial QSR which, on a like-for-like basis, decreased by 3.0% for both number of transaction and sales, mainly during the first half of the year.

However, the QSR market remains dynamic due to new brands and the continuing development of the network of existing brands. On a like-for-like basis, Burger King France Group follows the general trend with a decrease in system-wide-sales and sales volume. However, as a whole, the QSR market continues to grow.

On a comparable basis, Quick group's performance remains behind (−3.6%), as a result of fiercer competition and underperformance by time-limited campaigns at the beginning of the fiscal year ended December 31, 2016. That being said, Quick has consistently outperformed the market since September 2016, focusing on improving its core products positive sales trends on a comparable basis in the fourth quarter of the fiscal year ended December 31, 2016.

The performance of Burger King® was mainly due to the highly positive effect of numerous openings.

Profitability

System-wide-sales increased by €98.4 million during the fiscal year ended on December 31, 2016 compared with the fiscal year ended December 31, 2015 at a comparable perimeter. The Group managed to increase its profitability with an EBITDA amounting to €62.4 million, up to 12% compared with the fiscal year ended December 31, 2015 and up 0.8 points to 10.8% of sales and franchise revenues (compared with 10.0% for fiscal year ended December 31, 2015).

This performance was mainly driven by the development of Burger King brand restaurants in France during the fiscal year ended December 31, 2016.

Development

During the fiscal year ended December 31, 2016, the Group opened 39 new restaurants (30 Burger King restaurants, 2 Quick restaurants in France and 7 Quick restaurants outside France) and 36 Quick restaurants were converted to Burger King restaurants. 64 Quick restaurants included into the Quick's network were closed and 44 of them are being converted to Burger King® restaurants (of which 8 were not yet reopened at the end of the fiscal year ended December 31, 2016).

On December 13, 2016, Quick sold 15 Quick restaurants in La Réunion and in Nouvelle-Calédonie.

As of December 31, 2016, the Group operated 462 restaurants of which 455 in France (including 108 Burger King restaurants) and 7 restaurants outside France.

To expand its network, the Group invested €71.1 million in 2016. New openings and conversions accounted for the main part of this amount.

Financing

Regarding the credit facilities, the main changes that occurred during the fiscal year ended on December 31, 2016 were:

- a new €35 million credit facility to finance Burger King Restauration's investments. This credit facility expires in July 2023, but had not been drawn down as of December 31, 2016.

- additional drawdowns of €9.7 million on the Burger King Restauration credit facilities already in place, bringing the total outstanding facilities to €26.6 million as of December 31, 2016.

- a €0.9 million credit facility with KBC that was repaid during the fiscal year ended December 31, 2016.

In addition, in January 2016, Burger King France implemented a €90 million early redemption on the high-yield notes issued by Financière Quick in April 2014:

- €80 million early redemption on the €440 million senior secured floating rate notes due April 15, 2019;

- €10 million early redemption on the €155 million unsecured floating rate notes due October 15, 2019.

The Group also repaid the full amount drawn down on Financière Quick's RCF, representing a net repayment of €13 million, and early repaid a €4.4 million loan granted by KBC.

3. Summary of Significant Accounting Policies

3.1 Compliance with accounting standards and changes in consolidation methods

The consolidated financial statements of Burger King France have been prepared in accordance with IFRS published by the International Accounting Standards Board (IASB) and as approved by the European Union. Their adoption is mandatory for annual reporting periods beginning on or after January 1, 2016. IFRS as adopted for use in the European Union can be viewed on the European Commission's website.[1]

Since these are the Company's first financial statements to be prepared in accordance with IFRS, we comply with IFRS 1—First-time Adoption of International Financial Reporting Standards.

Note 35 to the present consolidated financial statements presents how the Group's financial position, financial performance and cash flows have been affected by the transition to IFRSs.

The accounting principles and methods presented hereinafter have been applied to the preparation of the present financial statements for the reporting period ended on December 31, 2016, with comparative figures provided in these financial statements for the period ended on December 31, 2015 and the opening IFRS balance sheet on January 1, 2015 (*i.e.* the Group's transition date).

New standards, amendments and interpretations in force in the European Union for mandatory adoption for annual reporting periods beginning on or after January 1, 2016

The standards, amendments and interpretations for mandatory adoption from January 1, 2016 did not have a material impact on the Group's consolidated financial statements.

New IFRS standards, amendments and interpretations published and adopted early by the Group from January 1, 2016

None

[1] http://ec.europa.eu/finance/accounting/ias/index_en.htm

IFRS standards, amendments and interpretations adopted by the IASB, but not applicable as of December 31, 2016

The IASB published IFRS 15—Revenue from Contracts with Customers, which introduced a new model for the of revenue from customer contracts. It will replace IAS 11, IAS 18 and the associated IFRIC and SIC interpretations on the appreciation of revenue. Adoption of this standard is mandatory for the Group as from January 1, 2018.

The IASB published the IFRS 9—Financial Instruments standard, which introduced changes to the classification of financial assets, the impairment model and hedge accounting. Adoption of this standard is mandatory for the Group from January 1, 2018.

The IASB published IFRS 16—Leases, which introduced a new model for appreciation of leases. It will replace IAS 17 and the associated interpretations. According to the IASB, adoption of this standard will be mandatory for the Group from January 1, 2019. It has not yet been adopted by the European Union.

The Group is currently assessing the possible effects arising from the first-time adoption of these standards, amendments and interpretations, and does not plan to opt for early adoption of them.

3.2 Basis of preparation

The significant accounting policies applying during the preparation of the consolidated financial statements are described below. The consolidated financial statements have been prepared on a the basis of historical costs, except for the following items, which are computed at their fair value as of each reporting date (derivatives, any consideration related to business combinations). These methods have been applied consistently for all the applicable reporting periods presented in the present consolidated financial statements.

3.3 Use of estimates and judgments

In the preparation of the present financial statements, the management of Burger King France Group has made judgments, estimates and assumptions that affect the recorded amounts of assets, liabilities, revenues and expenses, and the disclosures in the notes to the financial statements.

The Group's management has made these estimates and assumptions continuously based on its past experience and various factors deemed to be reasonable that represent the basis for these judgments.

Certain facts and circumstances may lead to changes in these estimates and assumptions, which would affect the value of the Group's assets, liabilities, equity and income.

The principal estimates made by the management of Burger King France Group relate to its intangible assets (the brand and leasehold rights, in particular), provisions and asset impairment testing.

Information about the critical judgments made for the purposes of IAS 17—Leases are included in Note 27—Leases.

3.4 Methods of consolidation

The consolidated financial statements include the financial statements of Burger King France and its subsidiaries and joint ventures.

A list of the Group's main subsidiaries and joint ventures is provided in Note 4.1.

Subsidiary consolidation

A subsidiary is an entity controlled by the Group. The Group controls a subsidiary when it is exposed to or has rights to variable returns from its involvement with the subsidiary and when it also has the ability to use its power to affect its returns from its involvement with the subsidiary. The financial statements of subsidiaries are included in the present consolidated financial statements from the date on which control is obtained until control ceases.

Equity accounting of the joint venture

A joint venture is a joint arrangement that gives the Group joint control pursuant to which it has rights to the net assets of the joint arrangement, but not rights to its assets or obligations to assume in respect of its liabilities.

Burger King France's joint venture are recorded using the equity method.

3.5 Foreign currency translation

The euro is the Group's reporting currency and is also its operational currency.

Foreign currency transactions

Foreign currency transactions by the Group's various entities are translated at the exchange rate ruling at the transaction date.

Foreign currency assets and liabilities are converted at the applicable exchange rate on the reporting date. Any difference in foreign currency transactions are recorded in the income statement.

3.6 Reporting of revenues

Revenue derived from the activities of the Group

Revenue is recorded when it is probable that the future economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable taking the amount of any commercial discount, VAT and other sales taxes into account.

Revenue is recorded under the "Sales and franchise revenues" category in the income statement. This figure represents the total amount the following items:

- Proceeds from direct sales at company-operated restaurants. These are the sales excluding taxes recorded by each cash register in company-operated restaurants, by opposition to restaurants operated under franchise.

- Franchise income and expenses: Franchise income and expenses include brand royalties, real estate and lease management income, less any rebates granted. Initial lease payments are recorded in other operating income (see Note 6).

- Brand royalties are a percentage of sales invoiced to franchisees for their use of the Burger King® and Quick® brands.

- Real estate and lease management income represents a percentage of sales charged to each franchisee in respect of their tenancy (real estate and lease management payments) and leasehold rights (for the lease management). There are various types of franchise (full franchise, shared franchise, lease management, lease management with investments). The percentage applicable to royalty depends on the type of agreement.

- National advertising sales represent the amounts invoiced to franchisees in respect of their contribution to the national advertising budget. It is calculated as a percentage of their sales.

- Logirest sales: Logirest sales represent the sales of goods and equipment invoiced by Logirest France to franchise restaurants operated under the banner Quick.

Interest income

Interest income is recorded in the income statement taking into account the investment's effective interest rate.

3.7 Reporting of other expense types

Interest expense

All interest and costs arising from borrowings are recorded as expenses when they are incurred.

Expenses under operating leases

Operating lease payments are expensed on a straight-line basis over the full term of the lease.

3.8 Employee benefits

Post-employment benefits granted by the Group vary according to statutory obligations and local policy.

The Group's employees receive short-term benefits (paid leave, sick leave, etc.) and post-employment benefits under defined-contribution and defined-benefit plans (end-of-career benefits, top-up pension plans).

Short-term employee benefits are expensed by each Group entity as they are incurred.

Defined-contribution plans

Under these plans, periodic contributions are made to external organisations, which are responsible for their administration and financial management. These plans release the employer from any subsequent obligation, since the external organisation handles payment of the amounts due to employees (French social security basic pension, ARRCO/AGIRC top-up pension, defined-contribution pension funds).

The Group's payments are expensed as and when they are made.

Defined-benefit plans

For defined-benefit plans, the present value of pension liabilities is determined every year by a qualified actuary using the projected unit credit method.

These assessments include demographic assumptions (wages growth rate, retirement age, mortality rate, staff turnover) and financial parameters, such as the discount rate.

The amount recorded in the statement of financial position is the present value of the obligation less the fair value of plan assets, where the commitment is covered by an insurance contract.

Changes in actuarial assumptions, or the difference between these assumptions and the actual position, give rise to reassessments of net liabilities under the defined-benefit plans, which are recorded in other comprehensive income.

Contractual profit sharing

A contractual profit sharing plan agreement was signed in 2015 for a three-year period. These agreement define the rules upon which profit sharing could be paid to the employees if certain level of performance criteria are satisfied for a given year.

In 2016, the criteria were not met and the plan did not generate any payment.

3.9 Income tax

Income tax expense for the applicable period includes current and deferred tax. Income tax is recorded in the income statement unless it relates to items recorded directly in equity and in other comprehensive income, in which case it, too, is recorded outside profit or loss.

Current tax consists of tax due on taxable profit for the period, calculated based on tax rates in force at the reporting date, taking into account any adjustments related to previous periods.

Deferred tax assets and liabilities must be measured using tax rates that are expected to apply to the period in which the asset will be realized or the liability settled, based on tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Deferred tax assets are recorded where it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be used.

In addition, deferred tax liabilities associated with investments in unconsolidated subsidiaries and joint ventures are recorded except where the date on which the temporary difference will reverse cannot be controlled and it is probable that the reversal will not occur in the foreseeable future.

Based on a review of the applicable standards, the Group considered that the CVAE levy (based on corporate value-added) satisfies the definition of income tax as laid down in IAS 12.2 (Taxes due on the basis of taxable profit).

The competitiveness and employment tax credit (CICE) is a tax incentive introduced in France in January 2013 for entities with employees and aims to reduce their payroll charges. The CICE is offset against the corporate income tax payable in respect of a year in which the remuneration used to calculate the CICE was paid. The CICE is repayable where the entity does not have a sufficient income tax liability, and it is analyzed as an operating grant and accounted for as a reduction in staff costs.

The credit for the fiscal year 2016, *i.e.* calculated in the same year as payment of the remuneration on which the tax credit is based and prior to settlement of the tax liability in 2016, was not factored through a transfer to a credit institution.

3.10 Borrowing costs

The revised version of IAS 23 requires that borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

As of December 31, 2016, the Group did not identify any qualifying assets satisfying the requirements of IAS 23 as amended.

3.11 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The identifiable assets and liabilities of the acquiree satisfying the IFRS recognition criteria are generally recorded at their fair value at the acquisition date.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the acquiree) plus the amount of any non-controlling interests in the acquiree, less the net amount recorded (generally at fair value) in respect of the identifiable assets acquired and liabilities assumed.
Non-controlling interests may be measured on a transaction-by-transaction basis either at the proportionate share of net identifiable assets or at fair value.

Where the difference computed is negative, and after reassessment of the various items, it may be recorded immediately as an income.

Subsequently, goodwill is measured at cost less any impairment losses representing losses in value. Impairment is recorded immediately in income and may not be reversed subsequently.

Any increase or reduction in interests not leading to loss of control over a subsidiary does not represent a business combination, but a transaction with non-controlling interests, which is recorded directly in equity.

3.12 Intangible assets

Intangible assets that are acquired separately are recorded at cost, and intangible assets acquired as part of a business combination are recorded at fair value at the acquisition date.

The gross value of intangible assets are not reassessed subsequently. Intangible assets with a definite utilization period are amortized on a straight-line basis over their utilization period. Utilization periods are reviewed at each reporting date. Intangible assets with an indefinite life are not amortized but are tested for impairment annually or more frequently if there is any indication of impairment (See Note 12).

The Quick® brand

Due to its long-term presence (close to 40 years old) and reputation, the Quick® brand is considered as an intangible asset with an indefinite life. There is no foreseeable limit to the period over which the brand is expected to generate net cash inflows for the Group.

Following the acquisition of Financière Quick by Burger King France on 17 December 2015, a conversion plan was set up. Several Quick restaurants in France will be converted to Burger King restaurants over a period of four years. Implementation of this conversion plan began in mid-2016, with completion scheduled for mid-2020. Accordingly, the fair value of the Quick brand was written down by 50% or €150 million at year-end 2015.

Following the disposals of the activities operated in Belgium and Luxembourg, in La Réunion and in Nouvelle-Calédonie in 2016, the value of the Quick brand was written down by €37 million to reflect the sale of the rights to use the brand in these territories. After this impairment, the net value of the Quick brand stands at €113 million.

As of December 31, 2016, an impairment test was carried out based on a fair value estimate of the brand's disposal value, which was determined based on the cash flows generated by businesses operating under the Quick banner.

This impairment test did not lead to any additional impairment being recorded.

Research and development

The cost of research devoted to acquiring new scientific and technical knowledge is expensed as incurred.

The cost of development, by means of which the discoveries arising from research are applied to a plan or concept with a view to producing new or significantly enhanced products or processes, is capitalized if all the conditions laid down in IAS 38—Intangible Assets have been satisfied.

Leasehold rights

- Leasehold rights acquired in a business combination: these are commercial and construction leasehold rights acquired by Financière Quick upon the acquisition of Quick Restaurants, which were initially recorded at their fair value in accordance with IFRS 3—Business Combinations. The same amortization rules apply to them as to leasehold rights acquired separately.

- Leasehold rights acquired separately: these are commercial and construction leasehold rights acquired following the acquisition of Quick Restaurants by Financière Quick.

In France, construction leasehold rights are amortized over the term of the lease (between 30 and 35 years) and are accounted for as intangible assets with a finite useful life.

Commercial leasehold rights are not amortized and are accounted for as intangible assets with an indefinite utilization period. In France, the lessee under a commercial lease has the right to renew the lease for almost unlimited number of times. If the landlord wants to terminate the lease, the tenant has the right to receive an eviction indemnity amounting to the value of the commercial goodwill at the termination date. Accordingly, the utilization period of the leasehold right is indefinite because there is no foreseeable limit to the period over which the leasehold right is expected to generate net cash flows for the Group.

Other intangible assets with a definite utilization period

Other intangible assets with a definite utilization period mainly comprise software and patents, licences and concessions. Amortization of other intangible assets with a definite utilization period is calculated on a straight-line basis over their estimated utilization period.

Their estimated utilization periods are as follow:

	Number of years
Software	3 to 7
Patents, licences and concessions	5

3.13 Property, plant and equipment

Property, plant and equipment are recorded at their cost less accumulated depreciation and any impairment losses. The cost includes the acquisition cost or production cost and all costs necessary to bring the asset to its location and working condition. When an item of property, plant and equipment includes significant components with different utilization period, these are recorded and depreciated separately.

Property, plant and equipment are depreciated on a straight-line basis over its estimated utilization period. The utilization periods applied are reviewed at each reporting date.

The estimated utilization periods used for property, plant and equipment are as follow:

	Number of years
Buildings	20 to 30
Fixtures and fittings	8 to12
Restaurant equipment and furniture	7
Other non-current assets	5

3.14 Impairment of assets

Whenever adverse events or material internal or external circumstances occur, the Group assesses whether the goodwill, other intangible assets, and the property, plant and equipment are likely to have been impaired. In addition, goodwill, intangible assets with an indefinite useful life and non-current assets in progress are tested annually for impairment.

This impairment testing consists in comparing the recoverable amount of the asset (or cash-generating unit (CGU)) to its carrying amount.

The recoverable amount of an asset (or a CGU) is the higher of its value in use and fair value less costs of disposal.

A CGU is defined as the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

When the recoverable amount is lower than the carrying amount of the asset or group of assets tested, an impairment loss is recorded in respect of the difference. For a group of assets, it is allocated first as a reduction in the goodwill.

The impairment losses recorded in respect of assets (excluding goodwill) may be reversed subsequently if the recoverable amount becomes higher than the carrying amount, provided that it does not exceed what the depreciated historical cost would have been if the impairment had not been recorded. Conversely, impairment recorded in respect of goodwill may not be reversed.

The Group has carried out asset impairment tests at three different levels:

- The CGUs, which are identified at Burger King France Group level as being restaurants, whether they be company-operated or operated under franchise. The recoverable amount of a CGU is the present value of its future cash flows after tax over a period of 5 years plus a terminal value.

- The brand, using the method presented in Note 3.12.

The Group refers to all of the non-current assets including goodwill, the brand and all other property, plant and equipment and intangible assets. The test compares the future cash flows after tax over a period of 5 years plus a terminal value to the carrying amount of the assets referred to above.

These three tests represent the various stages of implementation of the impairment tests.

3.15 Leases

Leases are recorded as a finance lease if substantially all the risks and rewards incidental to ownership are transferred to the Group.

Leases under which substantially all the risks and rewards incidental to ownership are retained by the lessor and considered as an operating lease.

<u>As lessee</u>:

Finance leases

Upon their commencement, finance leases are initially recorded as assets and liabilities equal to the fair value of the leased item or, where lower, the present value of the minimum lease payments. The discount rate used to compute the present value of minimum payments is the interest rate implicit in the lease if that can be readily determined. Otherwise, the lessee should use its incremental borrowing rate. Any initial direct costs of the lessor are added to the amount recorded as an asset.

Subsequent to initial record of such finance leases, minimum lease payments must be broken down into the finance charge and the repayment of the outstanding financial liability. The finance charge must be allocated to each period of the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability in respect of each period. In addition, the leased assets are depreciated using a depreciation method consistent with that applicable to depreciable assets that the Group owns.

Operating leases

Operating lease payments are expensed on a straight-line basis over the term of the lease. Any amounts received or receivable in respect of tenancy benefits to secure the agreement are also recorded in income on a straight-line basis over the term of the lease.

As lessor:

Finance leases

The lessor must record assets held under a finance lease on the statement of financial position as a receivable at an amount equal to the net investment in the lease.

Under a finance lease, the lessor transfers substantially all the risks and rewards incidental to ownership. Accordingly, it records payments receivable in respect of the lease as a repayment of principal and as financial income as a return for its investment and its services.

Operating leases

Assets leased under operating leases must be recorded according to the type of asset. Income received under operating leases must be recorded as an income on a straight-line basis over the full term of the lease or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis.

Initial direct costs incurred by lessors arising from the negotiation or drafting of an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term, in the same manner as the lease income.

The method of depreciation for the depreciable assets leased must be consistent with the usual method of depreciation applied by the lessor to similar assets.

3.16 Inventories

Inventories are measured at the lower of cost and net realisable value.

The Group's inventories consist of supplies, equipment and food products. They are recorded in the financial statements at their cost, which includes the purchase price plus customs duties and any other non-recoverable taxes, transport and handling costs incurred in bringing the inventories to their present location and condition.

Equipment inventories are assessed using the weighted average cost method.

Food product inventories are measured using the FIFO (First In, First Out) method in view of the rules applicable to the management of food products and their fast-moving nature.

3.17 Financial assets

The Group's financial assets consist of financial receivables and other non-current assets, commercial receivables, cash and cash equivalents.

These financial assets are ranged into the four categories defined by IAS 39—Financial Instruments: Recognition and Measurement (please refer to Note 3.19).

- **Loans and receivables:** these financial assets are recorded initially at their fair value plus any directly attributable transaction costs, then at amortized cost at each reporting date using the effective interest rate method.

This category includes trade receivables, deposits and guarantees, receivables from investments, and cash and cash equivalents.

Loans and receivables are monitored on an individual basis and is written for objective evidence of impairment. A financial asset is monitored down if its carrying amount is higher than its recoverable amount as estimated during impairment testing. Any impairment losses are recorded as an income and may be reversed if the recoverable amount is likely to increase over the subsequent periods.

Financial receivables and other non-current assets

Under financial receivables and other non-current assets, the Burger King France Group accounts for caps and collars (derivative financial instruments), deposits and guarantees, loans and receivables due from investments comprising loans made to unconsolidated entities within the Group and loans to non-Group entities.

Trade receivables

Trade receivables include receivables from franchisees corresponding to amounts invoiced in respect of purchases of equipment, goods held for resale, contributions to national advertising contributions, brand royalties and lease or lease management charges.

Cash and cash equivalents

Cash and cash equivalents include cash and demand deposits invested in risk-free money-market instruments. Time deposits are recorded in cash where they meet the following conditions:

- There are exit options:
- exercisable at any time or at most every three months,
- provided for in the contract at its inception,
- that may be exercised without any penalty for the depositor or significant risk of changes in the value of the amount of cash to be received upon redemption,
- There is no value risk associated with the minimum level of return earned (*i.e.* that obtained in the event of an early exit) because this payment will be identical for the entire term and at all times to that obtained from an investment of at most three months meeting the definition of a cash equivalent. This may apply when the rate is variable or adjustable.

3.18 Financial liabilities

Financial liabilities other than derivative financial instruments held by the Group comprise:

- non-current financial liabilities consisting of the long-term portion of bank borrowings, convertible bonds, finance lease liabilities, and other financial liabilities,
- non-current financial liabilities consisting of the short-term portion of bank borrowings, finance lease liabilities, other financial liabilities and bank overdrafts,
- trade and other accounts payable.

The Group’s financial liabilities other than derivatives are recorded as financial liabilities at amortized cost, as defined by IAS 39—Financial Instruments: Recognition and Measurement.

Financial liabilities are initially recorded at their fair value less any costs directly attributable to these financial liabilities. Subsequently, these borrowings are measured at amortized cost using the effective interest rate method. This rate represents the internal rate of return that discounts the series of cash flows expected over the life of the borrowing.

3.19 Derivatives

In accordance with IAS 39—Financial Instruments: Recognition and Measurement, derivative financial instruments are recorded at their fair value.

The Group uses derivatives, such as caps, swaps and collars to hedge its exposure to fluctuations in interest rates. The Group's policy is to trade in the capital markets solely to hedge commitments associated with its business activities and not for speculative purposes.

Hedging derivatives

For hedge accounting purposes, hedges are designated as follow:

- a cash flow hedge when they hedge exposure to changes in cash flows attributable to:
- an asset or liability, such as floating-rate loans or borrowings,
- a highly probable forecast transaction,
- or a firm commitment to hedge currency risk.

At the inception date of a hedge, the Group formally designates the financial instrument to which hedge accounting will be applied and documents the hedging relationship and the effectiveness of the hedging relationship by conducting effectiveness tests at inception and continuously throughout the periods for which the hedge has been designated.

Hedging instruments satisfying the requirements for cash flow hedge accounting are recorded as follow:

- the net gain or loss of tax on the effective portion of the hedging instrument is recorded in other comprehensive income and the ineffective portion is recorded as an income. The amounts recorded in equity are recorded as an income for the period in which the hedged item affects the income statement.

Derivatives not eligible for hedge accounting

Gains and losses derived from changes in the fair value of derivatives that are not designated as hedging instruments as defined in IAS 39 are recorded in the income statement.

3.20 Provisions

A provision is recorded when the Group has a legal or constructive obligation at the reporting date:

- resulting from a past event,
- likely to trigger to an outflow of resources, and
- the amount of which can be estimated reliably.

The amount recorded as a provision is the best estimate of the expense required to settle the present obligation at the reporting date.

Restructuring-related commitments are recorded when they are announced to the relevant parties.

3.21 Financial indicators

Definition of the Group's principal financial indicators:

Gross debt

Gross debt represents the total amount of current and non-current bank borrowings and bonds.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)

This performance metric is calculated as EBIT plus Depreciation and amortization (restaurants) and Depreciation and amortization (corporate centre).

EBIT consists of gross operating profit of restaurants, less general and administrative costs (excluding depreciation and amortization), depreciation and amortization (corporate centre) and other corporate income and expenses.

General and administrative costs

This heading encompasses all corporate overheads such as external charges (energy, office supplies, professional fees, travel expenses, IT expenses, etc.), corporate staff costs, taxes other than on income, and occupancy costs (rent, miscellaneous depreciation and amortization, etc.).

Other corporate income and expenses

This heading includes expenses related to the Group's business activities plus marketing services charged to partners.

Other non-recurring income and expenses

This heading includes a very limited number of unusual and infrequent income and expenses that are material at consolidated level, which the Group has identified separately in its income statement to facilitate understanding of its operating performance before non-recurring items (See Note 8).

Assets held for sale and discontinued operations

A non-current asset or a group of assets and liabilities is considered to be held for sale pursuant to IFRS 5—Non-current Assets Held for Sale and Discontinued Operations when:

- it is available for immediate sale in its current condition,

- its sale is highly probable. This applies when management is actively marketing the asset for sale and looking for a buyer at a reasonable price, and the deal is expected to close within no more than one year.

Non-current assets, groups of assets and assets held for sale are measured at the lower of carrying amount and fair value (estimated disposal price) less costs to sell. They are shown separately under assets and liabilities on the statement of financial position and are no longer depreciated or amortized.

Only complete divisions that are deemed to be discontinued operations are shown separately on the income statement.

4. Perimeter of consolidation and significant changes

4.1 Perimeter of consolidation

Companies	2016 Percentage ownership	2016 Percentage control	2016 Consolidation method	Closing balance at 31 Dec.2015 Percentage ownership	Closing balance at 31 Dec.2015 Percentage control	Closing balance at 31 Dec.2015 Consolidation method
BURGER KING France	100,00%	100,00%	IG	100,00%	100,00%	IG
BURGER KING RESTAURANTS	100,00%	100,00%	IG	100,00%	100,00%	IG
BURGER KING RESTAURATION	100,00%	100,00%	IG	100,00%	100,00%	IG
BURGER KING CONSTRUCTION	100,00%	100,00%	IG	100,00%	100,00%	IG
BK IDF	100,00%	100,00%	IG	—	—	NI
BK OU	100,00%	100,00%	IG	—	—	NI
BK N	100,00%	100,00%	IG	—	—	NI
BK SE	100,00%	100,00%	IG	—	—	NI
BK E	100,00%	100,00%	IG	—	—	NI
MGL	100,00%	100,00%	IG	—	—	NI
BK Services	100,00%	100,00%	IG	—	—	NI
Quick Restaurants	100,00%	100,00%	IG	100,00%	100,00%	IG
Quick International ex Equilease	—	—	NI	100,00%	100,00%	IG
Caresquick	—	—	NI	50,00%	50,00%	MEE
Happy Quick	—	—	NI	55,00%	55,00%	IG
Logirest Benelux	—	—	NI	100,00%	100,00%	IG
Financière Quick	100,00%	100,00%	IG	100,00%	100,00%	IG
France Quick	100,00%	100,00%	IG	100,00%	100,00%	IG
Quick Invest	100,00%	100,00%	IG	100,00%	100,00%	IG
Montmirail (ex Coquelles)	100,00%	100,00%	IG	100,00%	100,00%	IG
Pyramides	100,00%	100,00%	IG	100,00%	100,00%	IG
Agaquick	49,00%	49,00%	IG	49,00%	49,00%	IG
Agaquick Exploit	49,00%	49,00%	IG	49,00%	49,00%	IG
AGAQUICK EXPLOITATION 2	100,00%	100,00%	IG	—	—	NI
Iena SAS	100,00%	100,00%	IG	100,00%	100,00%	IG
Lodi SAS	100,00%	100,00%	IG	100,00%	100,00%	IG
Ulm SAS	100,00%	100,00%	IG	100,00%	100,00%	IG
Arcole Immo SAS	100,00%	100,00%	IG	100,00%	100,00%	IG
Quick immo	100,00%	100,00%	IG	100,00%	100,00%	IG
Wagram	100,00%	100,00%	IG	100,00%	100,00%	IG
Eylau	100,00%	100,00%	IG	100,00%	100,00%	IG
Friedland	100,00%	100,00%	IG	100,00%	100,00%	IG
Agaquick Invest	49,00%	49,00%	IG	49,00%	49,00%	IG
Tastyrest	100,00%	100,00%	IG	100,00%	100,00%	IG
Logirest France	100,00%	100,00%	IG	100,00%	100,00%	IG
AURO202	100,00%	100,00%	IG	100,00%	100,00%	IG
MINADRIVE	100,00%	100,00%	IG	100,00%	100,00%	IG
Ligny	100,00%	100,00%	IG	100,00%	100,00%	IG
Montereau	100,00%	100,00%	IG	100,00%	100,00%	IG
DURENSTEIN	100,00%	100,00%	IG	100,00%	100,00%	IG
JULEMAX	—	—	NI	—	—	NI[1]
ABEAUREST	—	—	NI	—	—	NI[1]
CROOL	100,00%	100,00%	IG	—	—	NI
ERIXYA	100,00%	100,00%	IG	—	—	NI
REVOLUTION EAT	100,00%	100,00%	IG	—	—	NI
SCORUS	100,00%	100,00%	IG	—	—	NI

AMMARA	100,00%	100,00%	IG	—	—	NI

Key to consolidation methods:

NI stands for not consolidated

IG stands for full consolidation

MEE stands for equity accounting

(1) Added and exited during FY 2016

4.2 Changes in the perimeter of consolidation during the fiscal year ended on December 31, 2016

The following changes in the perimeter of consolidation occurred during the fiscal year ended on December 31, 2016:

- Additions to the scope

Companies	Acquisition/ Creation/ Transfer of all assets and liabilities	Effective acquisition or creation date	Effective consolidation date	% ownership at 31 Dec. 2016	Consideration transferred (€ 000)	Fair value of assets/ liabilities identified	Goodwill (€ 000)
BK IDF............................	Creation	24/04/2016	24/04/2016	100%	0	0	0
BK OU	Creation	24/04/2016	24/04/2016	100%	0	0	0
BK N	Creation	24/04/2016	24/04/2016	100%	0	0	0
BK SE	Creation	24/04/2016	24/04/2016	100%	0	0	0
BK E................................	Creation	24/04/2016	24/04/2016	100%	0	0	0
MGL................................	Creation	24/04/2016	24/04/2016	100%	0	0	0
BKQ Services..................	Creation	24/04/2016	24/04/2016	100%	0	0	0
Agaquick Exploitation 2...	Creation	08/07/2016	08/07/2016	100%	0	0	0
Julemax	Acquisition	01/04/2016	01/04/2016	0%	1 560	365	1 195
Abeaurest	Acquisition	02/05/2016	02/05/2016	0%	542	261	281
Crool	Acquisition	01/05/2016	01/05/2016	100%	173	0	191
Erixya..............................	Acquisition	30/09/2016	30/09/2016	100%	220	201	0
Revolution Eat.................	Acquisition	30/09/2016	30/09/2016	100%	347	247	100
Scorus..............................	Acquisition	30/09/2016	30/09/2016	100%	965	609	356
Ammara...........................	Acquisition	30/09/2016	30/09/2016	100%	417	87	330

- Exits from the scope

Companies	Exit	Effective exit date	Effective deconsolidation date	% ownership at 31 Dec. 2016	Disposal cost (€ 000)	Fair value of assets/liabilities identified	Goodwill (€ 000)
Quick International.......	Disposal	23/11/2016	23/11/2016	0%	6324	1103	0
Caresquick....................	Disposal	01/09/2016	01/09/2016	0%	0	641	0
Happy Quick	Disposal	01/09/2016	01/09/2016	0%	0	677	5 846
Logirest Benelux	Disposal	01/09/2016	01/09/2016	0%	81620	37396	45 474
Julemax	Disposal	02/11/2016	02/11/2016	0%	1 543	0	1 195
Abeaurest	Disposal	02/11/2016	02/11/2016	0%	759	0	281

4.3 Changes in the perimeter of consolidation during the fiscal year ended on December 31, 2015

The changes in the scope of consolidation during the fiscal year ended on December 31, 2015 is related to the acquisition of Quick group.

5. Gross profit and profit from operations

(€ 000)	2016 Amount	2016 %	2015 Amount	2015 %
Sales from company-owned restaurants	331 863	57%	43 422	86%
Royalties and rental fees	83 360	14%	3 599	7%
Franchise revenues and external sales	163 113	43%	3 417	7%
Sales and franchise revenues	**578 336**	**100%**	**50 438**	**100%**
Cost of purchases and goods held for resale	(223 973)	−39%	(14 371)	−28%
Restaurant staff costs	(109 592)	−19%	(11 634)	−23%
Total cost of sales	**(333 565)**	**−58%**	**(26 005)**	**−52%**
Gross profit	**244 771**	**42%**	**24 433**	**48%**
Occupancy and operating costs	(128 051)	−22%	(9 972)	−20%
Profit from operations	**116 720**	**20%**	**14 461**	**29%**

Franchise revenues and external sales include:

- lease management payments and real estate rental income,
- brand royalties received from franchisees,
- national advertising contributions invoiced to the franchisees,
- sales of food and equipment invoiced to the franchisees under the Quick® banner.

Occupancy and operating costs mainly include energy costs, service and security contract expenses, rent, taxes other than on income (taxes on businesses, land, etc.) and restaurant depreciation and amortization.

6. Other operating income and expenses

(€ 000)	2016	2015
Capital gains on disposals of property, plant and equipment and intangible assets	2 278	0
Net charge to/(reversal from) provisions for operating items		−108
Network access charge and initial franchise royalty	1 769	0
Other income	4 680	261
Total other operating income	**8 727**	**153**
Net charge to/(reversal from) provisions for operating items	(717)	0
Other expenses	(468)	(10)
Total other operating expenses	**(1 185)**	**(10)**
Total other operating income and expenses	**7 542**	**143**

As of December 31, 2016, other operating income and expenses consist mainly of:

- Charges to and reversals of provisions for operating items relating to trade receivables and losses on unrecoverable receivables,
- Write-downs of the food, giveaways and equipment inventories held by Logirest France (Quick® banner's logistics unit),
- Capital gains and losses on disposals of non-current assets,
- Eviction indemnities,

- Network access rights and initial franchise payments invoiced to franchisees.

7. Labor costs

(€ 000)	2016	2015
Corporate staff costs and related expenses	(33 835)	(3 931)
Restaurant staff costs and related expenses	(111 192)	(14 705)
Training costs	(741)	(19)
Defined-benefit pension plan costs (Note 23)	(184)	
Other staff costs	(11 422)	(1 067)
CICE tax credit	5 013	702
Total staff costs	**(152 361)**	**(19 020)**

Staff costs include:

- corporate staff costs: recorded in general and administrative costs in the income statement,
- restaurant staff costs excluding retirement benefits: recorded in the cost of sales in the income statement,
- training costs recorded in the cost of sales and in general and administrative costs in the income statement,
- pension plan expenses recorded in other corporate income and expenses and in financial expenses,
- other staff costs chiefly include travel expenses and other restaurant staff costs,
- the CICE tax credit.

The Burger King France Group is eligible for the CICE tax credit . It recorded a tax benefit of €5.0 million in 2016.

This amount was fully invested in the Quick and King 2020 plan, under which 66 Burger King®-banner restaurants will be opened or converted.

8. Other non-recurring income and expenses

Non-recurring income and expenses includes charges to and reversals from asset impairment losses, goodwill impairment losses, provisions for litigation, provisions for restaurant closures and any other non-recurring items.

(€ 000)	2016	2015
Reversals from/(charges to)provisions	(2731)	
Write-down after impairment test	1 925	
Other	(14425)	(2 362)
Total other non-recurring income and expenses	**(15 231)**	**(2 362)**

As of December 31, 2016, other non-recurring operating income and expenses consist of:

- Charges to/reversals from provisions,
- Asset impairment charge for restaurants in line with the methodology presented in Note 3.14 and as described in Note 14,
- Conversion and definitive closure expenses (“Other” heading).

9. Net financial income/(expense)

(€ 000)	2016	2015
Income from cash and cash equivalents	624	
Gross cost of debt	(36 692)	(307)
Net cost of debt	**(36 068)**	**(307)**
Other financial income	6 178	530
Other financial expenses	(943)	(265)
Other financial income and expense	**5 235**	**265**
Total net financial income/(expense)	**(30 833)**	**(42)**

The financial income consists mainly of interest on the high yield notes, interest on the RCF (drawdowns and commitment fee), changes in the fair value of caps and swap, and miscellaneous bank charges.

10. Income tax

Tax expense

(€ 000)	2016	2015
Current tax for the FY	(8 092)	(348)
Deferred income tax	(241)	718
Income tax	**(8 333)**	**370**

Reconciliation of the theoretical tax expense to actual tax expense

(€ 000)	2016	2015
Profit before tax	(12 799)	(4 571)
Theoretical tax expense	34,43%	34,43%
Income tax calculated at the parent company's nominal tax rate	**4 407**	**1 574**
Permanent difference between statutory and tax financial statements	***2 886***	***247***
Expenses	1 177	
CICE tax credit	1 709	247
Permanent difference between statutory and IFRS financial statements	***11 006***	***0***
Capitalisation of costs	(1 650)	
Measurement difference—amortisation	(12 576)	
Other	25 232	
Adjustments to current tax	***(4 718)***	***120***
Tax credits	(5)	
Reclassification of the CVAE levy under current income tax	(2 930)	
Impact of tax consolidation	(3 033)	120
Other	1 250	
Adjustments to deferred taxes	***(23 124)***	***(1 570)***
Use of unrecognised tax losses	(23 124)	(1 570)
Difference between individual/consolidated tax rate	***1 209***	
Actual tax benefit/(expense)	**(8 333)**	**370**

Change in net deferred taxes

(€ 000)	2016	2015
Change in net deferred taxes at 1 January	**(9 285)**	**0**
Recognised in equity	(480)	0
Recognised in other comprehensive income	128	0
Recognised in income	(241)	718
Net deferred taxes at 31 December	**(9 878)**	**718**

Analysis of deferred tax assets and liabilities recorded in the balance sheet

(€ 000)	2016	2015
Deferred taxes arising from differences between the statutory financial statements/tax accounts		
Capital gains subject to deferred taxation	(14 219)	
Provisions	7 871	
Other	1 774	
Total deferred taxes arising from statutory/tax differences	**(4 574)**	
Deferred taxes arising from differences between the statutory/IFRS financial statements		
Provisions	(17 404)	
Financial instruments	909	22
Non-current assets	(5 738)	0
Other	16 929	696
Total deferred taxes arising from statutory/IFRS differences	**(5 304)**	
Total deferred taxes	**(9 878)**	**718**

On December 31, 2016, unrecorded deferred tax assets amounted to €72 217 thousand, compared with €1 191 thousand on December 31, 2015. The change derived predominantly from Quick tax losses as well as the tax loss generated in 2016.

Analysis of deferred tax assets and liabilities recorded in the income statement

(€ 000)	2016	2015
Deferred taxes arising from differences between the statutory financial statements/tax accounts		
Capital gains subject to deferred taxation	0	
Provisions for doubtful receivables	0	
Other temporary differences	11	0
Total deferred taxes arising from statutory/tax differences	**11**	**0**
Deferred taxes arising from differences between the statutory/IFRS financial statements		
LGAI and pension provisions	1 120	0
Financial instruments	(32)	22
Non-current assets	(1 951)	0
Other	612	696
Total deferred taxes arising from statutory/IFRS differences	**(252)**	**718**
Total deferred taxes	**(241)**	**718**

11. Discontinued operations

On September 1, 2016, Burger King France completed the sale of its businesses in Belgium and Luxembourg. The net profit of these operations is shown separately on the “Assets held for sale and discontinued operations” line of the income statement.

Impact on the financial statements:

The income statement and the cash flow statement for the discontinued operations are as follow:

Income statement for the discontinued operations:

(€ 000)	2016
Sales and franchise revenues	**57 938**
Cost of sales	(22 064)
Gross profit	**35 874**
Operating and occupancy costs (excluding depreciation and amortisation)	(10 412)
Depreciation and amortisation (restaurants)	(5 564)
Profit from operations	**19 898**
Selling costs	(7 377)
BK brand royalties	0
Pre-opening costs	(32)
Other operating income and expenses	1 265
Gross operating profit of restaurants	**13 754**
General and administrative costs (excluding depreciation and amortisation)	(6 386)
Depreciation and amortisation (corporate centre)	(284)
Other corporate income and expenses	1 367
Operating profit before non-recurring items (EBIT)	**8 451**
Other non-recurring income and expenses	(786)
Operating profit after non-recurring items	**7 665**
Net financial income/(expense)	**(34)**
Profit before tax	**7 631**
Share in income of associates	**(158)**
Income tax	(2 594)
Net profit	**4 879**
Attributable to non-controlling interests	(110)
Attributable to equity holders of the parent	4 989

Cash flow statement for the discontinued operations

(€ 000)	2016
Cash flow from operating activities	(13 972)
Cash flow from investing activities	(430)
Cash flow from financing activities	4 302
CHANGE IN CASH	**(10 100)**

12. Acquisition of the Quick group by Burger King France

To reflect the Group's actual business performance and to make it easier to understand and compare its performance, Burger King France also prepared an adjusted income statement in parallel to its consolidated financial statements.

Burger King France acquired 100% of the share capital of Financière Quick for a purchase price of €112,9 million on December 17, 2015. On September 1, 2016 Burger King France sold Quick's activities in Belgium and Luxembourg (see Note 11 on discontinued activities). These two transactions are referred as the "Transactions". The figures presented for the fiscal year 2015, in the 2016 consolidated income statement do not take into account the Transactions.

- In order to comment the economic performance of the Group and make it easier to understand and compare, Burger King France prepares in parallel *pro forma* income statement for Burger King and Quick for the fiscal year 2015, as if the Transactions had happened on January 1st, 2015, considering the following:

- The consolidated income statement for 2015 is presented for comparison purposes in the historical consolidated financial statements of Burger King France at the end of 2016, in compliance with IFRS as approved by the European Union (first column of the *pro forma* income statement herein after);

- The accounting records used to prepare the audited historical consolidated financial statements of Financière Quick at the end of December 2015, in compliance with IFRS as approved by the European Union (second column of the *pro forma* income statement herein after);

- The income statement prepared for the discontinued activities (see note 11) (third column of the *pro forma* income statement herein after).

The *pro forma* income statement was prepared for information purposes only. The *pro forma* income statement reflects an hypothetical situation and therefore does not reflect the current results of the company.

On this date, Burger King France, the sole shareholder, carried out a €91,039,000 increase in Financière Quick's capital by issuing 9,103,900 new shares, thereby increasing its share capital to €200,292,000. This capital increase paved the way for the partial redemption on 18 January 2016 of €90 million of the high yield notes issued by Financière Quick.

This *pro forma* income statement was prepared in order to reflect the acquisition of the Quick group as if it had happened on January 1st, 2015, and the reclassification of the Benelux activities in discontinued activities.

Income statement for continued activities

(€ 000)	**Notes**	**BKF Historical Financial Statements 2015**	**Quick Historical Financial Statements 2015**	**Discontinued activities 2015**	**2015**
Continuing operations					
Sales and franchise revenues		**50 438**	**595 650**	**90 194**	**555 894**
Cost of sales		(26 005)	(333 188)	(33 976)	(325 217)
Gross profit	*5*	**24 433**	**262 462**	**56 218**	**230 677**
Operating and occupancy costs (excluding depreciation and amortisation)	*5*	(8 246)	(100 935)	(16 406)	(92 775)
Depreciation and amortisation (restaurants)	*5*	(1 630)	(38 538)	(8 980)	(31 188)
Profit from operations	*5*	**14 557**	**122 989**	**30 832**	**106 714**
Selling costs		(3 362)	(55 835)	(11 145)	(48 052)
BK brand royalties		(3 538)	0	0	(3 538)
Pre-opening costs		(4 370)	(819)	(185)	(5 004)
Other operating income and expenses	*6*	143	471	857	(243)
Gross operating profit of restaurants		**3 430**	**66 806**	**20 359**	**49 877**
General and administrative costs (excluding depreciation and amortisation)		(6 187)	(45 348)	(8 604)	(42 931)
Depreciation and amortisation (corporate centre)		(171)	(3 776)	(452)	(3 495)
Other corporate income and expenses		761	18 512	1 931	17 342
Operating profit before non-recurring items (EBIT)		**(2 167)**	**36 194**	**13 234**	**20 793**
Other non-recurring income and expenses	*8*	(2 362)	(165 193)	(1 249)	(166 306)
Operating profit after non-recurring items		**(4 529)**	**(128 999)**	**11 985**	**(145 513)**
			0		
Net financial income/(expense)	***9***	**(42)**	**(37 450)**	**(1 079)**	**(36 413)**

			0		
Profit before tax......................................		**(4 571)**	**(166 449)**	**10 906**	**(181 926)**
			0		
Share in income of associates		**0**	**87**	**87**	
			0		
Income tax..	*10*	370	(4 493)	1 263	(5 386)
			0		
Income from continuing operations.......		**(4 201)**	**(170 856)**	**12 255**	**(187 313)**
Attributable to non-controlling interests ...		0	1 146	340	806
Attributable to equity holders of the parent..		(4 201)	(172 003)	11 915	(188 119)
Discontinued operations..........................	*11*				
Income from assets held for sale and discontinued operations.....................				**12 255**	**12 256**
Attributable to non-controlling interests ...				340	340
Attributable to equity holders of the parent..				11 915	11 916
Consolidated net profit					
Net profit...		**(4 201)**	**(170 856)**		**(175 057)**
Attributable to non-controlling interests ...		0	1 146		1 146
Attributable to equity holders of the parent..		(4 201)	(172 003)		(176 203)

* The total *pro forma* for the fiscal year 2015 consists of the historical accounts of Financière Quick and Burger King France, less the discontinued activities.

13. Intangible assets

(€ 000)	01/01/2015	Acquisitions	Disposals	Depreciation	Changes in the scope of consolidation	31/12/2015
Concessions, patents and similar rights	50	849	0		1 390	2 289
Software	210	63			16 699	16 972
Leasehold rights	1 100				127 118	128 218
Brand............................					300 000	300 000
Intangible assets in gross value................	**1 360**	**912**	**0**		**445 207**	**447 479**
Amort./imp. of conc, patent & sim. rights....	(3)			(215)	(1 468)	(1 686)
Amortisation/impairment of software.................	(63)			(108)	(12 529)	(12 700)
Amortisation/impairment of brands....................					(150 000)	(150 000)
Amortisation/impairment of leasehold rights					(29 163)	(29 163)
Intangible assets amort./imp.	**(66)**	**0**	**0**	**(323)**	**(193 160)**	**(193 549)**
Total net intangible assets.........................	**1 294**	**912**	**0**	**(323)**	**252 047**	**253 930**

(€ 000)	Closing balance at 31 Dec. 2015	Acquisitions	Disposals	Net charge for the period	Impairment	Changes in the scope of consolidation	Reclassifications and retirements	2016
Concessions, patents and similar rights.	2 289	1 691	(212)			(3 638)	10	140
Software	16 972	1 235	(10 778)			(1 807)	756	6 378
Leasehold rights..................................	128 218	4 185	(6 979)			(10 244)	1 353	116 533

Brand	300 000	0	0			0	0	300 000
Intangible assets in gross value	**447 479**	**7 111**	**(17 969)**			**(15 689)**	**2 119**	**423 051**
Amort./imp. of conc, patent & sim. rights	(1 686)		351	(74)		1 656	35	282
Amortisation/impairment of software	(12 700)		9 788	(2 393)		1 492	(40)	(4 327)
Amortisation/impairment of brands	(150 000)		0	(37 000)		0	0	(187 000)
Amortisation/impairment of leasehold right	(29 163)		1 667	2 478		7 520	0	169 502
Intangible assets amort./imp.	**(193 549)**		**11 806**	**(36 703)**	**0**	**10 668**	**(5)**	**(207 783)**
Total net intangible assets	**253 930**	**7 111**	**(6 163)**	**(36 703)**	**0**	**(5 021)**	**2 114**	**215 268**

The reduction in net intangible assets predominantly reflects the write-down of the Quick® brand following the sale of its activities as presented in Note 3.12.

14. Goodwill

(€ 000)	Closing balance at 31 Dec. 2015	Additions to the scope	Exits from the scope	Other	2016
Goodwill	211 735	2 850	(52 796)	(2 048)	159 741
Goodwill impairment	(24)	0	0	0	(24)
Total net goodwill	**211 735**	**2 850**	**(52 796)**	**(2 048)**	**159 717**

Goodwill is not amortized but is subject to annual impairment testing.

Goodwill derives largely from the acquisition of 100% of the share capital of Financière Quick by Burger King France in December 2015 for €171.0 million.

Changes in goodwill between 2015 and 2016 principally reflect the impact of the disposals carried out during the period (Belux and International) amounted to €44.0 million.

Other changes in goodwill reflect the payments made to LGAI, which were allocated to goodwill, the reclassification of commercial goodwill as goodwill and the restaurant buy-out commitments given to franchisees.

15. Impairment of assets

The following table shows the net amount of impairment losses by category of asset with an impact on the income statement, as stated in Notes 3.12 and 3.14, with a weighted average cost of capital estimated at 7.9%.

(€ 000)	2016
Intangible assets	3 388
Property, plant and equipment	(896)
Total	**2 492**

These tests did not reveal any significant potential risk to the value of the Group's assets.

16. Property, plant and equipment

(€ 000)	2014	Increase	Decrease	Depreciation	Changes in the scope of consolidation	2015
Lands	0	0	0	0	40 661	40 661
Buildings	2 329	12 829	0	0	397 461	412 619
Technical facilities, machinery and equipment	639	4 019	0	0	59 505	64 163
Tangible assets in progress	4 884	769	(2 251)	0	5 498	7 179
Advances and deposits on fixed assets	0	0	0	0	106	106

Other tangible assets	2 956	5 625	0	0	84 924	91 406
Tangible assets in gross value	8 603	21 633	(2 251)	0	588 155	616 140
Amort./imp. of buildings	(38)	0	0	(629)	(260 396)	(261 062)
Amort./imp. of technical facilities, machinery and equipment	(18)	0	0	(330)	(46 401)	(46 749)
Amort./imp. of other tangible assets	(100)	0	0	(765)	(68 686)	(69 529)
Impairment of lands	0	0	0	(3)	(10 171)	(10 090)
Tangible assets amort./imp.	**(156)**	**0**	**0**	**(1 727)**	**(385 659)**	**387 542**
Net tangible assets	**8 447**	**21 633**	**(2 251)**	**(1 727)**	**202 496**	**228 598**

The principal changes during the fiscal year ended on December 31, 2016 are as follow:

(€ 000)	**Closing balance at 31 Dec. 2015**	**Increase**	**Decrease**	**Net charge for the period**	**Changes in the scope of consolidation**	**Reclassifications and retirements**	**2016**
Lands	40 661	1 312	(1 947)	0	(145)	5 678	45 559
Buildings	412 619	8 556	(46 242)	0	(79 601)	34 108	329 440
Technical facilities, machinery and equipment	64 163	2 086	(7 540)	0	(1 703)	8 203	65 208
Tangible assets in progress	7 179	59 638	(3 053)	0	(3 404)	(51 751)	8 615
Other tangible assets	91 406	4 312	(9 955)	0	(32 480)	3 288	56 572
Tangible assets in gross value	**616 028**	**75 904**	**(68 737)**	**0**	**(117 327)**	**(474)**	**505 394**
	0	0	0	0	(6)	0	
Amort./imp. of buildings	(261 062)	0	31 135	(25 977)	58 110	(77)	(197 871)
Amort./imp. of technical facilities, machinery and equipment	(46 749)	0	8 014	(5 056)	1 759	(97)	(42 129)
Amort./imp. of other tangible assets	(69 529)	0	9 350	(9 617)	26 322	(5)	(43 435)
Impairment of lands	(10 090)	0	759	(1 355)	0	(134)	(10 814)
Tangible assets amort./imp.	**(387 430)**	**0**	**49 258**	**(42 005)**	**86 191**	**(313)**	**(294 299)**
Net tangible assets	**228 598**	**75 904**	**(19 479)**	**(42 005)**	**(31 136)**	**(787)**	**211 095**

The principal changes during the fiscal year ended on December 31, 2016 are as follow:

- Acquisitions: €75.9 million consisting mainly of investments for new restaurant openings and the conversion of existing Quick®-banner restaurants to Burger King®-banner restaurants;
- Changes in the scope of consolidation: €(31.1) million mainly due to the sale of the Belux business on September 1, 2016;
- Decrease: €(19.5) million mainly due to the disposal of restaurants' non-current assets after their conversion to Burger King restaurants or following their definitive closure.

17. Financial receivables and other non-current assets

(€ 000)	2016	Closing balance at 31 Dec. 2015	Opening balance at 1 Jan. 2015
Loans and guarantees net of provisions	11 495	11 286	461
Total	**11 495**	**11 286**	**462**

Loans and guarantees mainly relate to operating leases. They are paid at the inception of a new lease. The increase was mainly attributable to the adjustment of deposits and guarantees.

18. Inventories

(€ 000)	2016	Closing balance at 31 Dec. 2015	Opening balance at 1 Jan. 2015
Raw materials, supplies and goods held for resale in restaurants	2 211	2 643	109
Supplies and goods held for resale at Logirest	10 353	12 118	0
Total, gross	**12 564**	**14 761**	**109**
Impairment	(739)	(1 861)	
Total, net	**11 825**	**13 080**	**109**

The change in inventories is mainly attributable to a €1 million decrease in equipment inventories and to a €0.7 million decrease at restaurants.

19. Trade receivables

(€ 000)	2016	Closing balance at 31 Dec. 2015	Opening balance at 1 Jan. 2015
Trade receivables	45 635	45 108	5 955
Total trade receivables and bills receivable at their nominal value	**45 635**	**45 108**	**5 955**
Impairment of doubtful receivables	(3 192)	(2 689)	
Total	**42 443**	**42 419**	**5 955**

No trade receivables were pledged or covered by insurance. See Note 29.4.

20. Other receivables, other current assets and current tax assets

(€ 000)	2016	Closing balance at 31 Dec. 2015	Opening balance at 1 Jan. 2015
Current tax assets	2 893	1 732	106
Tax receivables excluding income tax	31 898	13 983	1 733
Receivables from disposals of non-current assets	97	189	0
Prepaid expenses	16 475	20 406	1 621
Other	13 442	8 191	−572
Total	**64 805**	**44 501**	**2 888**

The change in current tax assets derived from deconsolidation of the CICE tax credit.

The change in other receivables and other current assets is attributable to increase in the deductible VAT component of tax receivables excluding income tax. This derives from the increase in real estate investments related to restaurant conversions at the end of the year.

21. Other financial receivables

Other financial receivables include €9,371 thousand in cash, which was seized from France Quick's bank accounts in November 2016 following a claim brought by our former franchisee in Turkey. We challenged the merits of this seizure.

22. Cash and cash equivalents

(€ 000)	2016	Closing balance at 31 Dec. 2015	Opening balance at 1 Jan. 2015
Cash	146 138	177 222	36 999
Deposit account	15 006	11	0
Cash at bank	161 144	177 233	39 999
Bank overdrafts	(409)	(76)	(967)
Cash overdrafts	(409)	(76)	(967)
NET CASH	**160 735**	**177 157**	**36 032**

The change in cash was negatively affected by the €90,000 thousand early redemption, in January 2016, of part of the high yield notes issued by Financière Quick, offset by the receipt of proceeds amounting to €124 million for the sale of Logirest Benelux, a Belgian subsidiary, and Quick International, a Luxembourg subsidiary.

23. Consolidated equity

23.1 Share capital

As of December 31, 2016, Burger King France's share capital consisted of 11,503 ordinary shares.

The nominal value of the shares is €1.

The share capital is made up of two classes of shares: 5,836 ordinary shares and 5,666 Class A preference shares.

23.2 Dividends

Burger King France did not pay out any dividend to its shareholders for the financial year ended December 31, 2016.

23.3 Cash flow hedging reserves and reevaluation of liabilities under defined-benefit plans

(€ 000)	2016	Closing balance at 31 Dec. 2015	Opening balance at 1 Jan. 2015
Reserves at 1 January	**(2 051)**	**(1 839)**	**0**
Change in fair value of portfolio of cash flow hedges	1 000	(308)	0
Change in actuarial gains and losses	(243)	96	0
Reserves at 31 December	**(1 294)**	**(2 051)**	**0**

23.4 Share premium

The share premium amounted to €163.3 million as of December 31, 2016.

24. Provisions

(€ 000)	Litigation	Employee benefits	Other provisions	Total
At 1 January 2015	**21**			**21**

Charges	108			108
Reversals used				
Reversals not used				
Reclassification				
Change in the scope of consolidation	4 380	2 533	1 223	8 136
At 31 December 2015	**4 488**	**2 533**	**1 223**	**8 244**

As of December 31, 2015, the change in provisions compared with FY 2014 is mainly attributable to commercial disputes.

(€ 000)	Litigation	Employee benefits	Other provisions	Total
At 1 January 2016	**4 488**	**2 533**	**1 223**	**8 244**
Charges	3 240	236	1 152	4 628
Reversals used	(87)	(80)	(112)	(279)
Reversals not used	(232)		0	(232)
Reclassification				0
Other	(347)	371	(1 340)	(1 316)
At 31 December 2016	**7 062**	**3 060**	**923**	**11 045**

On December 31, 2016, the change compared with FY 2015 is mainly due to:

- Litigation (with our former franchisee in Turkey, labour court disputes, etc.),
- Other provisions such as for a market-level rental increase on lease renewals.

25. Employee benefits

In France, retirement benefits due pursuant to employment contracts represent the only benefit due after termination of the employment contract. The retirement benefits scheme provides for flat-rate payments calculated based on employees' length of service within the Group and their final salary at retirement.

25.1 Principal assumptions applied for the defined benefit plans

Actuarial assumptions	2016	2015
Discount rate at 31 December	1,40%	2,10%
Salary growth rate	3,00%	3,00%
Retirement age	Managerial and non-managerial employees of Burger King and Quick's corporate centre: 63 years Managerial and non-managerial employees of Burger King and Quick's restaurants: 62 years	Managerial and non-managerial employees of Burger King and Quick's corporate centre: 63 years Managerial and non-managerial employees of Burger King and Quick's restaurants: 62 years
Mortality table	Insee 2010 - 2012	Insee 2007 - 2009

The discount rate is determined by reference to yields on prime long-term corporate bond issues with a maturity equivalent to the liabilities being considered.

25.2 Amounts shown on the statement of financial position in respect of defined-benefit plans

Change in net position	2016	2015
Net liabilities at 31 December	3 060	2 533
Total net liabilities	3 060	2 533
Pension provision/assets	3 060	2 533

Change in the present value of defined-benefit plan liabilities

Change in liabilities	2016	2015
Present value of liabilities at 1 January	**2 533**	**2 475**
Standard cost	184	164
Interest cost	52	41
Benefits paid	(80)	0
Acquisitions	0	0
Gains and losses on changes in actuarial assumptions	246	(123)
Experience gains and losses	125	(24)
Present value of liabilities at 31 December	**3 060**	**2 533**

Recognised in other comprehensive income	2016	2015
Experience gains and losses	125	(24)
Changes in actuarial assumptions	246	(123)
—o/w other assumptions	246	(123)
Total	**371**	**(147)**

25.3 Expenses recorded in the income statement in respect of defined-benefit plans

Pension costs for the period	2016	2015
Standard cost	184	164
Interest cost	52	41
Costs for the period	**156**	**205**

Costs of services are recorded as general and administrative costs and the interest cost in financial expenses. The discount rate decrease by 0.7 bps, that did not have a material impact on the measurement of liabilities on December 31, 2015.

26. Other non-current liabilities

(€ 000)	2016	Closing balance at 31 Dec. 2015	Opening balance at 1 Jan. 2015
Deposits guarantees	4 455	4 331	(1 583)
Fair value of derivatives	1 313	2 083	2 083
Total	**5 768**	**6 414**	**500**

Other non-current liabilities reflect:

- Deposits and guarantees, which were stable between 2015 and 2016;
- The negative fair value of derivatives financial instruments.

27. Leases

27.1 As lessee

Finance leases

The Burger King France Group classifies as finance leases the leases of cash registers machine in restaurants and the leases on premises. The cash register machines leases have an average term of 3 to 5 years with an extension and a buyout option. The leases on premises have an average term of 12 years.

(€ 000) Amounts payable under finance leases	Minimum future payments 2016	2015	Present value of minimum future payments 2016	2015
Less than 1 year	(1 564)	(1 884)	(1 293)	(1 564)
Between the 2nd and 5th year inclusive	(5 052)	(5 602)	(4 429)	(4 785)
More than 5 years	(1 288)	(2 318)	(1 242)	(2 183)
Total capital + interest	**(7 904)**	**(9 803)**	**(6 964)**	**(8 532)**
Less: Future financial expenses	**941**	**1 272**	**0**	**0**
Present value of finance lease obligations	**(6 964)**	**(8 532)**	**(6 964)**	**(8 532)**

The present value of the liabilities pursuant to the finance lease, which amounts to €6,964 thousand as of December 31, 2016 and € 8,532 thousand as of December 31, 2015, mainly reflects:

- restaurant cash register machines (3 to 5 years),
- restaurant equipment (3 to 5 years),
- real estate leases (12 years).

The decrease is due to amortizations over the period, since no new leases were entered into in 2016.

Operating leases

Operating leases primarily include construction leases and commercial leases.

Minimum future payments for operating leases due pursuant to non-cancellable operating leases are the following for each of the applicable periods:

(€ 000)	2016	2015
Amount of minimum lease payments due under operating leases recognised in income for the period	**(63 346)**	**(65 991)**
Less than 1 year	(56 003)	(61 960)
Between the 2nd and 5th year inclusive	(205 334)	(222 714)
More than 5 years	(271 099)	(323 667)
Total minimum lease payments due under operating leases	**(532 436)**	**(608 341)**
Company	**(224 770)**	**(171 171)**
Franchise	**(293 137)**	**(418 920)**
Corporate centre	**(14 529)**	**(18 251)**

Minimum upcoming lease payments due for leases of premises operated pursuant to a franchise agreements are covered by the guaranteed minimum income specified in the lease/lease management (see Note 26.2).

In addition, the gross margin generated by the Group is significantly higher than the amount of the Group's lease payments.

The decrease in the amounts due pursuant to operating leases between 2015 and 2016 is attributable to changes in the network.

27.2 As lessor

Operating leases

As lessor, the Burger King France Group qualifies as operating leases its lease management, lease management with investments and real estate agreements.

The lease management agreements (*contrats de location gérance*) have a term of 9+9 years for the restaurants operated under the Burger King-banner and from 3 to 12 years for the restaurants operated under the Quick banner.

The Quick-banner's shared franchise agreements have a term of 9 years.

Aggregated minimum upcoming payments for operating leases which cannot be cancelled, for each of the following periods:

(€ 000)	2016	Closing balance at 31 Dec. 2015
Less than 1 year	30 900	45 195
Between the 2nd and 5th year inclusive	100 450	138 580
More than 5 years	38 818	65 214
Total minimum lease payments receivable under operating leases	**170 168**	**248 989**

Income derived from leases in 2016 totalled €66,257 thousand.

28. Financial liabilities

28.1 Non-current financial liabilities

(€ 000)	2016	Closing balance at 31 Dec. 2015
Non-current finance lease liabilities	**5 670**	**6 968**
Other non-current financial liabilities	**521 756**	**514 473**
Bank borrowings	21 597	17 378
Bonds	505 000	505 000
Deferred portion of refinancing costs	(4 841)	(7 905)
Other financial liabilities with a term of over one year	**4 425**	**21 244**
Total	**531 851**	**542 685**

28.2 Current financial liabilities

(€ 000)	2016	Closing balance at 31 Dec. 2015
Finance lease liabilities maturing during the year	**1 293**	**1 564**
Other borrowings maturing during the year and bank overdrafts	**2 795**	**(495)**
Other long-term debt maturing during the year	5 546	4 379
Bank overdrafts	409	76
Deferred portion of refinancing costs	(3 160)	(4 950)
Other financial liabilities maturing during the year	**7 167**	**103 304**
Total	**11 255**	**104 373**

Current financial liabilities include bank overdrafts.

28.3 Gross debt

As of December 31, 2016, the Group's gross debt comprised the following items:

(€ 000)	Capital	Accrued interest	Total
FRN	360 000	3 374	363 374

Unsecured FRN	145 000	2 200	147 200
Deferred portion of refinancing costs	(8 001)		(8 001)
2014 RCF	0		0
BPI France	5 000	33	5 033
KBC loan	0	0	0
Finance leases	6 899	0	6 899
Other (o/w bank overdrafts)	917		917
Agaquick CICE borrowing	801	0	801
Agaquick finance lease	0	0	0
Burger King Restaurant borrowing	0	0	0
Burger King Restaurant finance lease	65	0	65
Burger King Restaurant syndicated loan	26 643	175	26 818
Total	**537 324**	**5 782**	**543 106**

On December 17, 2015, Burger King France acquired 100% of the share capital of Financière Quick. Following this acquisition, the share capital of Financière Quick was increased by €91.0 million, enabling Financière Quick to redeem part of the high yield notes in January 2016 as follow:

- €80.0 million on the €440,000 thousand tranche (due in April 2019);
- €10.0 million on the €155,000 thousand tranche (due in October 2019).

The acquisition of Financière Quick by Burger King France incurred various advisory and financial costs. Since the fundamental characteristics of the Group's borrowings remained unchanged, €2,685 thousand in high yield notes issuance costs were capitalised. They are also deferred over the residual term to maturity of the borrowings.

Other amortization in 2016: €3.2 million

As of 31 December 2015, the Group's gross debt comprised the following items:

(€ 000)	Capital	Accrued interest	Total
FRN	440 000	4 482	444 482
Unsecured FRN	155 000	2 502	157 502
Deferred portion of refinancing costs	(12 855)	0	(12 855)
2014 RCF	13 000	19	13 019
BPI France	5 000	33	5 033
KBC loan	3 637	5	3 642
Finance leases	8 445	0	8 445
Other (o/w bank overdrafts)	6 152	0	6 152
Agaquick finance lease	0	0	0
Burger King Restaurant borrowing	526	0	526
Burger King Restaurant finance lease	87	0	87
Burger King Restaurant syndicated loan	20 928	97	21 025
Total	**639 920**	**7 138**	**647 058**

28.4 Description and characteristics of the borrowings

- **High-yield notes**

On 8 April 2014, the Quick group raised additional debt on the high-yield notes market.

On the same day, the Group repaid all the borrowings arranged on 26 January 2007 with a pool of banks to finance the acquisition of the shares of Quick Restaurants by Financière Quick and cover all the operating companies' financial needs, as well as repaying all the convertible bonds and shareholder loans.

2 tranches:

1. €440,000 thousand senior secured floating rate notes issued with a nominal value of €100,000 in multiples of €1,000 above € 100,000 due on April 15, 2019, carrying an interest rate of 3-month Euribor plus a margin of 4.75%, listed on Euronext Brussels, less the € 80.0 million early redemption in January 2016, the outstanding balance amounting to €360 million;

2. €155,000 thousand unsecured senior notes issued with a nominal value of €100,000 in multiples of €1,000 above € 100,000 due on October 15, 2019 carrying an interest rate of 3-month Euribor plus a margin of 7.50%, listed on Euronext Amsterdam, less the € 10,000 thousand early redemption in January 2016, p the outstanding balance amounting to €145,000 thousand.

High yield notes issuance costs amounted to €12.4 million.

- **Credit facilities for financing the operations of the operating companies:**

1) Quick's Revolving Credit Facility

In addition to the issuance of the high-yield notes on April 8, 2014, a €40,000 thousand revolving credit facility was granted. This revolving credit facility granted to Quick Group's operating companies to finance their investments and cover their working capital requirements does not contain any clean-down clause. The revolving credit facility will terminate on October 8, 2018.

On December 17, 2015, following the acquisition of Financière Quick by Burger King France, the Group renegotiated with the lenders the € 40,000 thousand revolving credit facility (RCF) to secure authorisation for the deal, make amendments to certain clauses and reset the ratios. On completion of these negotiations, the size of the RCF was reduced to € 32,000 thousand.

During 2016, two new banks joined the poll of banks that granted the RCF, increasing the maximum amount of the RCF to €44,500 thousand.

As of December 31, 2016, a total of €0 thousand had been drawn down by France Quick.

As of December 31, 2016 the outstanding balance of the RCF amounted to €44,500 thousand.

The interest rate is Euribor plus a margin of 3.5%.

This RCF was granted by six banks or financial institutions.

In July 2016, the Group obtained the RCF lenders' consent to sell the activities carried out in Belgium and outside France, and their consent not to test the leverage ratio until September 30, 2017.

2) Burger King capex credit facility

In August 2014, Burger King Restauration arranged a €15,000 thousand credit facility with four banks with a term in August 2021. This facility is used to finance investments related to openings of new Burger King restaurants.

A total of €11,257 thousand was outstanding as of December 31, 2016, and the applicable interest rate is the Euribor plus a margin of 1.9%.

In July 2015, Burger King Restauration arranged a €30,000 thousand credit facility with four banks with a term in July 2022. This facility is used to finance investments related to openings of new Burger King restaurants.

A total of €15,385 thousand was outstanding as of December 31, 2016, and the applicable interest rate is the Euribor plus a margin of 1.9%.

In October 2016, Burger King Restauration arranged a €35,000 thousand credit facility with four banks repayable in July 2023. This line is used to finance investments in opening new Burger King restaurants.

A total of €0 thousand was outstanding as of December 31, 2016, and the applicable interest rate is the Euribor plus a margin of 1.9%.

Burger King France acts as its subsidiary's guarantor on each of these three credit facilities.

3) Other bilateral credit facilities

- The Group's other credit facilities mainly comprise a €5,000 thousand credit facility granted by BPI France which applicable term is April 2022.

4) 49%-owned Agaquick's financing facility

As of December 31, 2016, Agaquick had €800.6 thousand in CICE prefinancing facility granted by BPI France and related to its 2013, 2014 and 2015 CICE tax credits.

28.5 Covenant financial ratios

1) RCF ratio

Pursuant to the financing covenants, the Group has to comply with one single quarterly ratio (net debt/EBITDA) with respect to its €44,500 thousand revolving credit facility. The banks and financial institutions waived their right to test this ratio. Therefore, this ratio was not tested on December 31, 2016 following the sale of the activities carried out in Belgium and outside France. This ratio will be tested for the first time on September 30, 2017.

2) Ratio applicable to the Burger King Restauration capex credit facilities

Two ratios applies to the Burger King Restauration capex credit facilities for covenant purposes:

- Leverage ratio before intra-group expenses and pre-opening non-recurring costs; and
- Free cash flow ratio after intra-group expenses.

Both these covenant ratios were satisfied as of December 31, 2016.

28.6 Analysis of gross debt by maturity

	31/12/2016				
(€ 000)	Maturing during the year	Between 2 and 5 years	> 5 years	Total > 1 year	Total
Non-current finance lease liabilities....		4 429	1 242	5 671	**5 671**
Other non-current financial liabilities .		530 521	500	531 021	**531 021**
Finance lease liabilities maturing during the year................................	1 293			0	**1 293**
Other borrowings maturing during the year and bank overdraft..................	13 122			0	**13 122**
Other financial liabilities maturing during the year(1).............................				0	**0**
Deferred portion of refinancing costs..	(3 160)	(4 841)	0	(4 841)	**(8 001)**

Total at 31 December 2016	**11 255**	**530 109**	**1 742**	**531 851**	**543 106**

	31/12/2015				
(€ 000)	Maturing during the year	Between 2 and 5 years	> 5 years	Total > 1 year	Total
Non-current finance lease liabilities	0	4 785	2 183	6 968	**6 968**
Other non-current financial liabilities	0	540 000	3 622	543 622	**543 622**
Finance lease liabilities maturing during the year	1 564	0	0	0	**1 564**
Other borrowings maturing during the year and bank overdraft	104 094	0	0	0	**104 094**
Other financial liabilities maturing during the year(1)	3 665	0	0	0	**3 665**
Deferred portion of refinancing costs	(4 950)	(7 905)	0	(7 905)	**(12 855)**
Total at 31 December 2015	**104 373**	**536 880**	**5 805**	**542 685**	**647 058**

The Group's credit facilities were arranged in euros.

29. Other current liabilities

(€ 000)	2016	Closing balance at 31 Dec. 2015	Opening balance at 1 Jan. 2015
Prepaid income	15 382	8 771	0
Dividends payable	27	27	0
Other financial liabilities	306	5 593	1 310
Total	**15 715**	**14 391**	**1 310**

Other current liabilities include in 2016:

- prepaid income (rental income received in advance on certain sub-rentals and rentals) and eviction indemnities received.
- Other financial liabilities derive from commitments to acquire restaurants.

For the fiscal year ended on December 31, 2015, other financial liabilities reflect rent received in advance on certain sub-rentals and rentals, and commitments to acquire restaurants.

30. Risk management and financial instruments

30.1 Capital management policy

The Group's principal objective under its capital management policy is to maintain a good credit risk rating and healthy capital ratios to facilitate its business activities and maximize value for shareholders. The management objectives, policies and procedures were unchanged by comparison with the previous year. The Group uses different financial indicators (See Note 27 above).

30.2 Risk management policy

In the normal course of its business, the Group is exposed to interest-rate and currency risk.

The Group is exposed to the risk of a rise in the interest rates payable on its floating-rate debt. It manages this using caps, collars, FRAs and swaps with prime counterparties.

Currency risks are very limited because imports in currencies other than the euro are few and far between, and none of the Group's receipts are denominated in foreign currencies.

The Group has little exposure to credit risk because its receipts primarily derive from restaurants in which customers pay almost immediately (cash, bank cards, meal vouchers, etc.) and from its franchisees, and most of these are in a good financial condition.

30.3 Interest-rate risk

The derivatives used are designated as hedges and accounted for as cash flow hedges.

A hedge is considered as fully effective when the Euribor fixings on the borrowings are strictly identical to the fixings for the hedging instruments.

(€ 000)	Derivatives not eligible for hedge accounting	Qualifying fair value hedging derivatives	Qualifying cash flow hedging derivatives	Total 31/12/2016
Interest-rate derivative assets			0	0
Interest-rate derivative liabilities			1 313	1 313
Total			**1 313**	**1 313**

(€ 000)	Derivatives not eligible for hedge accounting	Qualifying fair value hedging derivatives	Qualifying cash flow hedging derivatives	Total 31/12/2015
Interest-rate derivative assets			0	0
Interest-rate derivative liabilities			2 245	2 245
Total			**2 245**	**2 245**

The following table shows the effective interest rate of interest-bearing financial liabilities at the reporting date:

At 31 Dec. 2016	Carrying amount of net debt	Interest rate	Rates used for the sensitivity analysis
(€ 000)	531 000	−0,32%	1%

Any increase or decrease of 1% in interest rates on the Group's €531,000 thousand gross floating-rate debt theoretically increases or decreases its financial expense by €5,310 thousand.

These figures do not take into account the existing interest-rate hedges, which combine purchases of caps and interest-rate swaps, serving to cap the risk of an increase in financial expenses in the event of a 1% point rise in interest rates to around -€1,300 thousand, and unlocking a saving of around €2,100 thousand in the event of a 1% point decline in interest rates.

At 31 Dec. 2015	Carrying amount of net debt (630 000 − 90 000 repayment 18/01/2016)	Interest rate	Rates used for the sensitivity analysis
(€ 000)	630 000	−0,13%	Between 0% and 1%

Any increase or decrease of 1% in interest rates on the Group's €539,000 thousand gross floating-rate debt theoretically increases or decreases its financial expense by €5,390 thousand.

These figures do not take into account the existing interest-rate hedges, which combine purchases of caps and interest-rate swaps, serving to cap the risk of an increase in financial expenses in the event of a 1% point rise in interest rates to around -€700 thousand, and unlocking a saving of around €2,000 thousand in the event of a 1% point decline in interest rates.

30.4 Credit risk

Credit risk encompasses all forms of default by a counterparty. Credit risk is monitored rigorously by the Group.

The Group believes that the risk is very limited on the following financial assets:

Financial receivables and other non-current assets, particularly guarantees provided for rental purposes with recognized financial institutions.

With cash and cash equivalents, the risks are very limited given:

- the sums are placed with prime banking institutions,
- the investments have an average term of 1 day, and their term never exceeds 1 week,
- investments are made solely in money-market vehicles,
- investments are predominantly made in interest-bearing demand accounts held with prime banks.

Risk monitoring on trade receivables:

Trade receivables are the amounts due from franchisees. Credit risk analysis and the decision to recognise an impairment loss on trade receivables are made on a case-by-case basis.

In addition, given the large number of customers, there is no risk of concentration in terms of trade receivables.

Maturity schedule of trade receivables as of December 31, 2016:

(€ 000)	Carrying amount at 31 Dec. 2016	Unimpaired and unmatured amount at 31 Dec. 2016	Matured—up to 3 months	Matured—between 3 and 6 months	Matured—more than 6 months
Gross	45 635	38 408	1 835	1 536	3 856
Impairment	(3 192)		(682)	(550)	(1 960)
Net	**42 443**	**38 408**	**1 153**	**986**	**1 896**

Any increase or decrease of 1% in interest rates on the Group's €531,000 thousand gross floating-rate debt theoretically increases or decreases its financial expense by €5,310 thousand.

These figures do not take into account the existing interest-rate hedges, which combine purchases of caps and interest-rate swaps, serving to cap the risk of an increase in financial expenses in the event of a 1% point rise in interest rates to around -€1,300 thousand, and unlocking a saving of around €2,100 thousand in the event of a 1% point decline in interest rates.

Maturity schedule of trade receivables as of December 31, 2015:

(€ 000)	Carrying amount at 31 Dec. 2015	Unimpaired and unmatured amount at 31 Dec. 2015	Matured—up to 3 months	Matured—between 3 and 6 months	Matured—more than 6 months
Gross	45 108	39 468	3 638	241	1 761
Impairment	(2 689)	0	(390)	(204)	(2 095)
Net	**42 419**	**39 468**	**3 248**	**37**	**(334)**

Any increase or decrease of 1% in interest rates on the Group's €539 thousand gross floating-rate debt theoretically increases or decreases its financial expense by €5,390 thousand.

These figures do not take into account the existing interest-rate hedges, which combine purchases of caps and interest-rate swaps, serving to cap the risk of an increase in financial expenses in the event of a 1% point rise in interest rates to around -€700 thousand, and unlocking a saving of around €2,000 thousand in the event of a 1% point decline in interest rates.

The Group has not identified any unrecorded assets that have been given or received as a guarantee.

30.5 Currency risk

The Group's exposure to currency risk is highly limited, since it carries on most of its business activities in Europe. The principal exposure is to the US dollar, as certain goods held for resale are purchased in this currency.

The Group uses derivatives to hedge currency risk arising on these foreign-currency purchases. Hedges are put in place using either derivatives or currency options. Each hedge is subject to prior approval by the Group's Executive Management.

As of December 31, 2016 and as of December 31, 2015, there were no currency hedging commitments outstanding.

Given the Group's limited exposure to currency risk at as of December 31, 2016, the volatility in the US dollar between 1 January and 31 December 2016 did not have a material impact on the income statement.

30.6 Liquidity risk

Management believes that the Group was not exposed to liquidity risk at the reporting date because it cannot be obliged to repay its liabilities early except in contractually agreed circumstances involving a change in control.

30.7 Breakdown of net financial income/(expense) by category of financial instruments

The Group's net financial income/(expense) as of December 31, 2016 breaks down as follow:

(€ 000)	Loans and receivables	Liabilities at amortised cost	Assets and liabilities at fair value through profit or loss	Derivatives	Non-financial assets and liabilities	Total
Investment income	624					624
Gross cost of debt		(29 568)			(7 124)	(36 692)
Net cost of debt	**624**	**(29 568)**			**(7 124)**	**(36 068)**
Dividends						0
Net foreign exchange gains/(losses)						0

Income and expenses on derivatives			93	(1 946)		(1 853)
Cost of unwinding discounts..................						0
Other financial income and expense	6 085				1 003	7 088
Other financial income and expense	**6 085**	**0**	**93**	**(1 946)**	**1 003**	**5 235**
Net financial income/(expense)	**6 709**	**(29 568)**	**93**	**(1 946)**	**(6 121)**	**(30 833)**
o/w income..................	6 709	0	93	0	0	6 802
o/w expenses	0	(29 568)	0	(1 946)	(6 121)	(37 565)

The Group's net financial income/(expense) as of December 31, 2015 breaks down as follow:

(€ 000)	Loans and receivables	Liabilities at amortised cost	Assets and liabilities at fair value through profit or loss	Derivatives	Non-financial assets and liabilities	Total
Investment income	612					612
Gross cost of debt..........		(550)				(550)
Net cost of debt	**612**	**(550)**	**0**	**0**	**0**	**62**
Dividends						0
Net foreign exchange gains/(losses)............						0
Income and expenses on derivatives			(82)			(82)
Cost of unwinding discounts...................						0
Other financial income and expense					(22)	(22)
Other financial income and expense.............	**0**		**(82)**	**0**	**(22)**	**(104)**
Net financial income/(expense)	**612**	**(550)**	**(82)**	**0**	**(22)**	**(42)**
o/w income...................	612	0	−82	0	0	530
o/w expenses		(550)	0	0	(22)	(572)

30.8 Analysis of the fair value of financial instruments by category

The following tables present the Group's financial assets and liabilities as of December 31, 2016 ranged by category:

(€ 000)	Designated initially as at fair value	Held for trading	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Total
Financial receivables and other non-current assets				11 499		**11 499**
Trade receivables.....				42 443		**42 443**
Tax receivables excluding income tax				31 898		**31 898**

Other receivables and other current assets				25 951		**25 951**
Other financial receivables				9 371		**9 371**
Cash and cash equivalents				161 144		**161 144**
Financial assets at fair value at 31 Dec. 2016		0	0	282 306	0	**282 306**

The following tables present the Group's financial assets and liabilities as of December 31, 2015 ranged by category:

(€ 000)	Designated initially as at fair value	Held for trading	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Total
Financial receivables and other non-current assets	0			11 286		**11 286**
Trade receivables				42 419		**42 419**
Tax receivables excluding income tax				13 983		**13 983**
Other receivables and other current assets				28 787		**28 787**
Cash and cash equivalents		3		177 230		**177 233**
Financial assets at fair value at 31 Dec. 2015		3	0	273 705	0	**273 708**

Financial liabilities at fair value through profit or loss as of December 31, 2016:

(€ 000)	Designated initially as at fair value	Held for trading	Financial liabilities at amortised cost	Total
Non-current financial liabilities	0	0	531 851	531 851
Other non-current liabilities	1 313	0	4 455	5 768
Current financial liabilities	0	0	11 255	11 255
Trade payables	0	0	101 198	101 198
Other tax liabilities	0	0	17 126	17 126
Employee and social security liabilities	0	0	32 080	32 080
Other current liabilities	0	0	15 715	15 715
Financial liabilities at fair value at 31 Dec. 2016	**1 313**	**0**	**713 680**	**714 993**

Financial liabilities at fair value through profit or loss as of December 31, 2015:

(€ 000)	Designated initially as at fair value	Held for trading	Financial liabilities at amortised cost	Total
Non-current financial liabilities	0	0	542 685	542 685
Other non-current liabilities	2 246	0	4 168	6 414
Current financial liabilities	0	0	104 373	104 373
Trade payables	0	0	86 004	86 004
Other tax liabilities	0	0	13 673	13 673
Employee and social security liabilities	0	0	30 297	30 297
Other current liabilities	0	0	14 391	14 391
Financial liabilities at fair value at 31 Dec. 2015	**2 246**	**0**	**795 591**	**797 837**

30.9 Fair value of financial instruments

The following table shows the carrying amount by category and the fair value of the financial instruments held by the Group:

	31/12/2016		31/12/2015	
(€ 000)	Carrying amount	Fair value	Carrying amount	Fair value
Financial receivables and other non-current assets	11 499	11 499	11 286	11 286
Trade receivables	42 443	42 443	42 419	42 419
Tax receivables excluding income tax	31 898	31 898	13 983	13 983
Other receivables and other current assets	25 951	25 951	28 787	28 787
Other financial receivables	9 371	9 371	0	0
Cash and cash equivalents	161 144	161 144	177 233	177 233
Total financial assets	**282 306**	**282 306**	**273 708**	**273 708**

For current financial assets and liabilities, the carrying amount is deemed to be a reasonable approximation of their fair value.

For non-current financial assets, the impact of discounting future cash flows at a market rate is not deemed significant.

	31/12/2016		31/12/2015	
(€ 000)	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial liabilities	531 851	531 851	542 685	542 685
Other non-current liabilities	5 768	5 768	6 414	6 414
Current financial liabilities	11 255	11 255	104 373	104 373
Trade payables	101 198	101 198	86 004	86 004
Other tax liabilities	17 126	17 126	13 673	13 673
Employee and social security liabilities	32 080	32 080	30 297	30 297
Other current liabilities	15 715	15 715	14 391	14 391
Total financial liabilities	**714 993**	**714 993**	**797 837**	**797 837**

31. Non-controlling interests

(€ 000)	2016	2015
Total assets (as shown on the statement of financial position):	**36 208**	**27 107**
Non-current assets	25 359	22 076
Current assets	10 849	5 031
Total liabilities (as shown on the statement of financial position):	**8 673**	**6 712**
Non-current liabilities	2 572	2 325
Current liabilities	6 101	4 387
Net assets (100%)	**27 535**	**20 395**
Net assets, attributable to equity holders of the parent (49%)	27 354	8 357
Attributable to non-controlling interests (Agaquick sub-group)	180	12 039
Joint venture income/expenses (as shown on the statement of income)	**1 576**	**1 580**
Sales and franchise revenues	**29 048**	**28 664**
Cost of sales	(15 011)	(14 578)
Gross profit	**13 989**	**14 086**
Operating and occupancy costs	(4 352)	(7 408)
Profit from operations	**6 904**	**6 678**
Other operating income and expenses	36	(1 109)
Selling costs	(2 338)	(1 246)
General and administrative costs and APCS	(1 638)	287
Operating profit before non-recurring items (EBIT)	**2 964**	**3 043**
Other non-recurring income and expenses	(631)	(350)
Operating profit after non-recurring items	**2 333**	**2 693**
Net financial income/(expense)	**(39)**	**(54)**
Income tax	(782)	(1 059)
Net profit	**1 576**	**1 580**
Attributable to non-controlling interests (Agaquick sub-group)	804	806
Attributable to equity holders of the parent (49%)	772	774

32. Off-balance sheet commitments

(€ 000)	2016	Closing balance at 31 Dec. 2015
Commitments given (excluding leases—Note 25)		
Buildings under construction	13 945	1 343
Total	**13 945**	**1 343**

33. Related parties

33.1 Executive remuneration

(€ 000)	2016	Closing balance at 31 Dec. 2015
Total remuneration awarded in respect of the financial year to Management Board members (including expenses)	3 942	3 340

34. Statutory Auditors' fees

(€ 000)	2016	Closing balance at 31 Dec. 2015
Services provided by the Statutory Auditors, certifications, reviews of the individual and consolidated financial statements	364	30

35. Bridge Between French GAAP 99.02 and IFRS

The following tables depict in respect of equity, the impact of the transition of the Burger King France Group consolidated financial statements to IFRS on December 31, 2015:

(€ 000)	Share capital	Share premiums	Cash flow hedging reserve and actuarial gains and losses	Retained earnings and net profit for the year	Total equity
Consolidated Total Equity under french Gaap as audited accounted for the year ended December 31, 2014	7	39 994	(3 593)		36,408
Cancelation of Deffered tax assets			(1 880)		(1880)
Consolidated Total Equity under IFRS for the year ended December 21, 2014	7	39 994	(5 473)		34 528

(€ 000)	Share capital	Share premiums	Cash flow hedging reserve and actuarial gains and losses	Retained earnings and net profit for the year	Total equity
Consolidated Total Equity under french Gaap as audited accounted for the year ended December 31, 2015	12	163 301	(3 593)	(1 598)	158 122
					0
Write off of acquisition costs				(2 037)	(2 037)
Deffered tax on acquisition costs				701	701
Financial instrumrents			(100)	(64)	(164)
Deffered tax on financial instruments			33	20	53
Cancelation of Deffered tax assets			(1 563)	(1 563)	(3 126)
Other restatements			(339)	339	0
					0
Consolidated Total Equity under IFRS for the year ended December 21, 2015	12	163 301	(5 562)	(4 201)	153 550

Differences between French GAAP and IFRS may be understood as including the following:

- In the consolidated financial statements prepared in accordance with French GAAP, expenses relating to the acquisition of the Quick group in December 2015 were integrated into the goodwill. Given the IFRS 3 standard provides that it is not possible to do so, an amount of €2,037 thousand was expensed in return for a goodwill reduction.

- Correlatively, in order to give effect to French tax rules mandating the amortization of acquisition expenses deductibility, a deferred tax was recorded at €701 thousand.

- French rules on consolidation do not require any valuation of financial assets in the balance sheet. However, pursuant to IAS39, hedging instruments shall be subject to such valuation. Consequently, an expense of €43 thousand was recorded for the fiscal year ended on December 31, 2015 for the valuation of interest rate swaps, with a €67 thousand impact on reserves.

- In the consolidated financial statements prepared in accordance with French GAAP, it was assumed that deferred losses incurred in respect of Burger King Restauration would be recoverable due to future benefits expected from this company. However, the regionalization of the business in September 2016 through the creation of Burger King Restauration subsidiaries questioned this assumption. Deferred losses are recoverable on the entity itself only and not on the result of tax consolidation.

As such, tax income recorded under French GAAP for the fiscal years ended December 31, 2014 and 2015 were reassessed from the beginning up to €3 million and thus, without any impact on the IFRS income for the year ended December 31, 2015.

36. Subsequent events.

None

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Exelmans Audit & Conseil
21, rue de Téhéran
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BURGER KING FRANCE S.A.S.

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2016

Burger King France S.A.S.
50, avenue du Président Wilson
Parc des Portes de Paris—Bât 123
93214 La Plaine Saint-Denis Cedex
This report contains 79 pages

KPMG S.A.
Tour Eqho—2, avenue Gambetta—CS 60055
92066 Paris La Défense Cedex
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21, rue de Téhéran
75008 Paris
France

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with professional auditing standards applicable in France and the professional doctrine of the French national auditing body (Compagnie nationale des commissaires aux comptes.

Burger King France S.A.S.

Registered office: 50, avenue du Président Wilson—Parc des Portes de Paris—Bât 123

93214 La Plaine Saint-Denis Cedex

Share capital: €.11,503

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2016

To the President,

In our capacity as Statutory Auditors of Burger King S.A.S. and in compliance with your request, we have audited the accompanying consolidated financial statements, of Burger King France S.A.S. for the year ended December 31, 2016.

These financial statements have been prepared for the first time in accordance with IFRSs as adopted by the European Union. They include comparative information restated in accordance with the same standards in respect of financial year ended December 31, 2015 which was not subject to an audit.

These consolidated financial statements have been approved by your President. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France and the professional doctrine of the French national auditing body (Compagnie nationale des commissaires aux comptes) related to this engagement; these standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures, on a test basis or by other means of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects and in accordance with International Financial Reporting Standards as adopted in the European Union, the financial position and assets and liabilities of the group constituted by the persons or entities included in the consolidation (the "Group") as of December 31, 2016 and of the results of its operations for the year then ended.

Without qualifying our opinion, we draw your attention to the matter set out in Note 3.1 to the consolidated financial statements regarding accordance with accounting standards and changes in accounting methods.

This report differs from the legal report on the consolidated financial statements which will be issued later. In addition to the reference to the specific verification required by law on the Group's management report, this legal report will also include a justification of our assessments in accordance with Article L.823-9 paragraph 2 of the French Commercial Code. If any, this legal report will take into account events subsequent to the date of this report.

This report is addressed to your attention in the sole context of the International Offering Memorandum and is not to be used, circulated, quoted or otherwise referred to for any other purposes.

This report shall be governed by, and construed in accordance with French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter or this report, and any matter arising from them. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

The Statutory Auditors

Paris La Défense and Paris, March 31, 2017

French original signed by

KPMG S.A. Eric Ropert *Partner*	Exelmans Audit & Conseil Stéphane Dahan *Partner*

BURGER KING FRANCE SAS
59 RUE TOCQUEVILLE
75017 PARIS

CONSOLIDATED FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2015

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CONSOLIDATED BALANCE SHEET

(€ 000)	31/12/2015	31/12/2014
Share capital subscribed but not called	**—**	**—**
Goodwill	**65 809**	**—**
Concessions, patents and similar rights	16 978	194
Business goodwill	226 270	1 100
Other intangible assets	149 997	—
Total intangible assets	**393 244**	**1 294**
Land	26 406	
Buildings	33 493	**2 290**
Technical installations, plant and machinery	64 767	**721**
Other property, plant and equipment	93 482	**5 502**
Total property, plant and equipment	**218 147**	**8 513**
Related receivables	3	—
Other non-current financial assets	11 021	461
Total non-current financial assets	**11 024**	461
Shares in equity affiliates	**—**	**—**
TOTAL NON-CURRENT ASSETS	688 224	10 268
Raw materials and supplies	2 263	**30**
Finished and semi-finished goods	78	—
Merchandise	10 688	**79**
Inventories and work in progress	**13 030**	**109**
Advances and payments on account made on orders	**0**	**43**
Trade receivables and related accounts	41 255	2 692
Other receivables	77 419	2 149
Deferred tax assets	4 106	1 918
Receivables	**122 779**	**6 759**
Marketable securities	11	0
Cash and equivalents	135 068	36 795
Prepaid expenses	19 813	1 620
TOTAL CURRENT ASSETS	290 701	45 327
TOTAL ASSETS	978 925	55 594

(€ 000)	31/12/2015	31/12/2014
Share capital	12	**7**
Premiums on share issues, mergers and asset contributions	163 301	39 994
Other reserves	—	—
Consolidated reserves	(3 593)	—
Retained earnings		—
Income/(loss) for the period	(1 598)	(3 593)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	158 122	36 408
Non-controlling interests in reserves	103	
Non-controlling interests in income		
TOTAL NON-CONTROLLING INTERESTS	103	
Provisions for liabilities	7 778	21
Deferred tax liabilities	12 529	—
Provisions for charges	16	—
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	**20 322**	**21**
Other bond issues	595 160	—
Amounts owed to financial institutions	61 059	**6 333**
Financial liabilities	**656 219**	**6 333**
Advances and payments on account received on orders	—	—

Trade payables and related accounts	83 213	4 773
Tax and employment-related liabilities	45 508	**2 783**
Liabilities relating to non-current assets	2 772	4 137
Other payables	4 959	—
Operating payables	**136 451**	**11 693**
Prepaid income	7 708	1 140
TOTAL EQUITY AND LIABILITIES	**978 925**	**55 594**

CONSOLIDATED INCOME STATEMENT

figures in € 000	31/12/2015	31/12/2014
Revenue	48 899	5 990
Operating grants	166	4
Expense transfer	1 442	289
Other revenue	3 137	1 313
Total operating revenue	**53 644**	**7 596**
Purchases of merchandise	12 052	1 476
Change in inventories	(112)	(79)
Purchases of raw materials and other supplies	1 136	151
Change in raw materials inventories	(134)	(30)
Other purchases and external charges	18 514	6 676
Taxes and levies	890	152
Wages and salaries	15 163	3 117
Social security costs	3 432	949
Depreciation and amortisation of assets	1 883	241
Additions to provisions on assets	20	—
Additions to provisions for liabilities and charges	108	21
Other expense	3 546	990
Total operating expense	**56 497**	**13 664**
OPERATING INCOME	**(2 853)**	**(6 068)**
Other interest and similar income	709	698
Gains from sale of marketable securities	—	19
Total financial income	**709**	**717**
Interest and similar expense	398	176
Negative exchange difference	21	1
Total financial expense	**420**	**178**
NET FINANCIAL INCOME/(EXPENSE)	**289**	**539**
RECURRING INCOME	**(2 564)**	**(5 529)**
Non-recurring income from operating transactions	104	19
Total non-recurring income	**104**	**19**
Non-recurring expense from operating transactions	351	0
Total non-recurring expense	**351**	**0**
NET NON-RECURRING INCOME/(EXPENSE)	**(246)**	**19**
Income tax	—	—
Deferred tax	(1 212)	(1 918)
INCOME FOR THE CONSOLIDATED WHOLE	**(1 598)**	**(3 593)**
INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	—	—
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**(1 598)**	**(3 593)**
Net result per share (in euros)	*(139)*	*(539)*

CASH FLOW STATEMENT

Consolidated financial statements **Burger King France**

€ 000

€ 000	12/31/2015	12/31/2014
Net income from consolidated companies	**(1,598)**	**(3,593)**
	—	275
—Net additions to depreciation, amortisation and provisions	2,040	(5,249)
—Change in deferred tax	(1,212)	(1,918)
—Gains and losses on disposals net of tax	—	(14)
Funds from operations of consolidated companies	**(770)**	**(5,249)**
Dividends received from companies accounted for under the equity method	—	—
Change in working capital requirement related to operating activities	**(7,451)**	**6,219**
Net cash flows from operating activities	**(8,222)**	**970**
Cash flows related to changes in scope	18,328	—
Cash flows related to acquisitions and issues of financial assets	(469)	(461)
Cash flows related to acquisitions and disposals of property, plant and equipment and intangible assets	(24,199)	(10,048)
Net cash flows from investing activities	**(6,340)**	**(10,509)**
Issues of shares	—	40,001
Capital increases for cash	123,312	—
New borrowings and finance leases	16,700	6,333
Repayments of borrowings	(1,740)	—
Cash flows from financing activities	**138,272**	**46,334**
Change in cash position	**123,711**	**36,796**
Cash position at start of period	36,796	—
Cash position at end of period	160,506	36,796
Change in cash position	**123,711**	**36,796**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Preliminary comments

These notes form an integral part of the consolidated financial statements. Aside from mandatory disclosures, they only include information of material importance.

Amounts are expressed in thousands of euros unless otherwise stated.

Note 1—Group presentation

Burger King France SAS is a *société par actions simplifiée* (simplified joint stock corporation) registered in France. Its head office is located at 59 rue Tocqueville, 75017 Paris. The company is registered on the Paris Trade and Companies Registry under number 797 882 867.

Burger King France SAS operates fast-food restaurants selling mostly hamburgers under the Burger King banner in mainland France.

The consolidated financial statements show the accounting position of Burger King France SAS and its subsidiaries (hereinafter "the Group"). They are stated in thousands of euros unless otherwise indicated.

Note 2—Highlights of the period

Acquisition of the Quick group by Burger King France

Burger King France acquired 100% of Financière Quick's shares on 17 December 2015.

On the same date, Burger King France, as sole shareholder, increased Financière Quick's capital by issuing 9,103,900 new shares for €91,039,000 in cash, taking its share capital to €200,292,000. That transaction allowed the partial redemption of Financière Quick bond issues in an amount of €90 million on 18 January 2016.

As a consequence, all members of the Supervisory Board, the Chairman and all members of the Management Board resigned from their roles.

New articles of association were adopted on 17 December 2015. The new governance structure consists of a Chairman, Bertrand Corp. represented by Olivier Bertrand, and a Chief Executive Officer, Jérôme Tafani.

The acquisition will allow Burger King France to convert most of Quick's restaurants in France over a four-year period. The gradual disappearance of the Quick banner in France will substantially reduce revenue from that banner, thereby reducing the value of the Quick brand relative to its current carrying value on the Group's balance sheet.

Following this change of shareholder, the tax consolidation group headed by the Financière Quick parent company has come to an end.

Comparability of financial statements

The 2015 accounting period had a duration of 12 months. In the previous period, certain group companies had a statutory accounting period of more than 12 months, but very few transactions took place before 1 January 2014. For the sake of simplicity, no adjustments were made for those non-material items given that this was the period in which the company was formed. Burger King France's first accounting period was 15 months in duration.

With the exception of the Financière Quick subsidiary, which was acquired on 17 December 2015, all companies that are members of the group were set up by the parent company, and so no goodwill was calculated.

Since Burger King France's acquisition of Quick took place on 17 December 2015, and given the closing date of the group's accounting period (31 December 2015) and the non-material nature of income generated following the acquisition, none of Financière Quick's income was attributed to Burger King France in 2015. The same applies to the goodwill calculation.

No change in method or presentation took place.

Note 3—Post-balance sheet events

At the Financière Quick subsidiary that was acquired on 17 December 2015, former chairman Cédric Dugardin left the group on 31 January 2016 and was replaced by Jérôme Tafani on 1 February 2016.

On 18 January 2016, Financière Quick redeemed:

- €80,000 thousand of the €440,000 thousand tranche of bonds due to mature in April 2019,
- €10,000 thousand of the €155,000 thousand tranche of bonds due to mature in October 2019.

Note 4—Accounting principles and policies

Burger King France's consolidated financial statements were prepared with reference to the consolidation rules approved by the French national accounting committee CNC and adopted by the French accounting regulation committee CRC (regulation 99-02).

Generally accepted accounting conventions have been applied in accordance with the basic accounting concepts of:

- Going concern;
- Consistency of accounting policies from one period to the next;
- Accrual basis.

Assets and liabilities, and income and expenses included in the consolidated financial statements are measured using consistent policies.

4.1. Consolidation

Scope of consolidation

The consolidated financial statements comprise the financial statements of Burger King France and those of companies over which it has sole control or joint control alongside other companies, or over which it has significant influence.

Sole control is the power to direct a company's financial and operational policy, and generally results from the direct or indirect ownership of more than half of that company's voting rights. Joint control means shared control over a company that is operated jointly by a limited number of partners or shareholders. Significant influence is the power to engage in the financial and operational decisions of a company without controlling it.

A company's entry into the scope of consolidation is effective either from the date on which the shares are acquired or on the date on which control or significant influence is acquired if the acquisition takes place in several stages or if the agreement specifies a date for the transfer of control that differs from the date on which the shares are transferred.

Consolidation methods

Companies over which the group has sole control are fully consolidated. Companies under joint control are consolidated proportionally, and companies over which the group has significant influence are accounted for under the equity method.

When a company under sole control is consolidated for the first time, its assets and liabilities are recorded in the consolidated balance sheet at their fair value. The difference between this initial value and the entity's carrying amount on the balance sheet constitutes a valuation difference. Valuation differences relating to non-current assets are amortised at the same rate as the asset itself. Assets and liabilities not recorded in the accounts are measured and recognised if material.

The difference between the cost of acquiring securities in a company and the total value of its assets and liabilities constitutes goodwill, which is amortised over a period that depends on the objectives set at the time of the acquisition.

Transactions within the group

Transactions between group companies, gains/losses on those transactions and the balances of accounts between those companies are eliminated when preparing the consolidated financial statements.

4.2. Other details

Goodwill

Differences arising on first consolidation, recognised when an equity interest is acquired, are allocated to the appropriate items on the consolidated balance sheet.

In accordance with the available option, the allocation of differences arising on first consolidation only becomes definitive at the end of the first accounting period starting on or after the acquisition date.

Remaining differences not allocated to identifiable assets or liabilities are recognised as goodwill.

Positive goodwill is recognised on the assets side on the balance sheet under "Goodwill" and is amortised on a straight-line basis for a period of not more than 20 years, taking into account the objectives set and the forecasts made at the time of the acquisition.

Where the recoverable amount of goodwill becomes less than the net carrying amount, exceptional amortisation is recognised.

Negative goodwill is recognised under provisions for liabilities and charges, and also recorded in the income statement to offset losses or cover unallocated expenses or losses foreseen at the time of the acquisition and recognised in income.

Intangible assets

Intangible assets (excluding goodwill) are recognised at cost.

Other intangible assets mainly include software used in operations, which is amortised on a straight-line basis over its useful life (1-5 years).

Property, plant and equipment

Property, plant and equipment are recorded at their purchase or production cost, taking into account expenses required to put them into a usable condition, and after deducting discounts and rebates.

Depreciation is calculated on a straight-line basis over the estimated periods of use. The main depreciation periods are as follows:

Buildings	5 - 20 years
Plant and tools	3 - 10 years
Fixtures and fittings	3 - 10 years
Office equipment, furniture and IT hardware	3 - 10 years
Office furniture	3 - 10 years

Non-current financial assets

Loans and other non-current financial assets are recognised at nominal value and provisions are set aside if their recovery is uncertain.

Finance leases

The group applies the preferred method recommended by regulation 99-02. All assets financed in this way are therefore restated on the balance sheet as property, plant and equipment and a corresponding loan, and on the income statement as an addition to depreciation and a financial expense.

Inventories

Inventories of materials and merchandise are measured using the FIFO (first in first out) method.

An impairment provision is booked if the probable realisable value of the inventory is lower than its purchase cost.

Trade and other receivables

Trade and other receivables are recognised at face value.

Receivables are written down where appropriate via provisions, to take into account any risk of non-recovery. That risk is assessed on a case-by-case basis and impairment provisions are not set aside on the basis of statistical criteria.

Cash and equivalents

The value of investments is shown on the balance sheet at the lower of purchase cost (including fees) and market value.

Disposal gains or losses on equity securities are calculated according to the FIFO (first in first out) method.

The group uses non-complex financial instruments such as interest-rate swaps to manage its exposure to fluctuations in interest rates. Financial instruments are monitored off-balance sheet.

At 31 December 2015, the group was owed €25,730 thousand by Bertrand Holding. That receivable is the subject of an agreement between the two companies. The sum is equivalent to a short-term investment, since it is liquid, available and can be accessed on demand. It therefore meets the conditions set out in regulation 99-02 for being regarded as a cash equivalent and is therefore included in consolidated cash and equivalents.

Post-employment benefit obligations

The group uses the preferred method. No provision was recognised at 31 December 2015 except at Financière Quick. The group was set up only recently, its business activity started during the accounting period, its workforce is very young and the types of jobs it offers involve high staff turnover. As a result, the view was taken that post-employment benefit obligations were not material at end-2015.

These obligations will be assessed in full in 2016.

At Financière Quick, the net amount of retirement benefit obligations was €2,533 thousand at the end of 2015. The present value of these retirement benefit obligations is determined every year by a qualified actuary using the projected unit credit method. This method stipulates that each period of service gives rise to the recognition of an additional unit of benefit entitlement and measures each unit separately to obtain the final obligation. These calculations factor in assumptions relating to mortality, staff turnover and future salary projections. At 31 December 2015, the discount rate used to measure post-employment benefit obligations was 2.1% versus 1.7% at end-2014.

Provisions for liabilities and charges

These provisions are intended to cover liabilities and charges that are likely to arise as a result of past events, whose nature is clear but whose term or amount are not determined in a precise way.

Income tax expense

Income tax includes current and deferred tax. Current tax comprises tax due on income.

Deferred taxes are recognised, using the liability method, for temporary differences existing on the balance-sheet date between the tax basis of assets and liabilities and their carrying amount, and for tax loss carryforwards.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is calculated for each individual entity. Amounts are netted where the tax is collected by the same tax authority and relates to the same tax entity (tax consolidation group).

Deferred tax assets and liabilities are not discounted to present value.

Deferred tax and tax due are recognised as income or expense on the income statement except if they relate to a transaction or event that is directly recognised in equity.

The competitiveness and employment tax credit (CICE) is a tax incentive introduced in France in January 2013 for entities with employees and is akin to a reduction in their social security contributions. The CICE is offset against the corporate income tax payable in respect of a year in which the remuneration used to calculate the CICE was paid. The CICE is repayable where the entity does not have a sufficient income tax liability, and it is analysed as an operating grant and accounted for as a reduction in staff costs.

At Financière Quick, the source receivable, i.e. calculated in the same year as payment of the remuneration on which the tax credit is based was paid and prior to settlement of the tax liability in 2015, was ceded to a credit institution.

For other Burger King France entities, CICE receivables were not realised in 2015.

Revenue recognition

Revenue is recognised when it is probable that the future economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable taking the amount of any commercial discount, VAT and other sales taxes into account.

Revenue is recognised under the “Operating revenue” heading on the income statement. This figure represents the total amount of the following items:

- Proceeds from direct sales at company-operated restaurants. These are the sales excluding taxes recorded by each cash register in company-operated restaurants, as opposed to restaurants operated under franchise.
- Income from marketing fees billed to franchise-holders
- Initial fees paid by franchise-holders
- Development services
- Brand use royalties paid by all franchise-holders

Net non-recurring income/(expense)

Unusual events or transactions that are distinct from operating activities, and those that are not supposed to happen frequently or regularly, are included in non-recurring items.

Earnings per share

Earnings per share are calculated by dividing the Group’s consolidated net income by the weighted average number of ordinary shares in issue during the period. The average number of shares in circulation during the period and previous periods is stated excluding treasury shares.

Earnings per share after dilution is obtained by dividing consolidated net income attributable to equity holders of the parent by the total number of shares issued or to be issued at the end of the period. That number is determined in order to calculate the maximum possible dilution, including all dilutive instruments issued, regardless of their term and excluding anti-dilutive instruments and treasury shares.

Note 4—Accounting principles and policies

Cash flow statement

The cash flow statement is prepared using the indirect method, which shows the transition from income to cash flows from operating activities.

Cash and equivalents include cash, marketable securities, time deposits and bank overdrafts.

4.3—Change in accounting policies

None

Note 5—Scope of consolidation

The following companies are consolidated:

	2015			2014		
Unit	Ownership	Control	Consolidation method	Ownership	Control	Consolidation method
Burger King France (Parent)	100.00%	100.00%	FC	100.00%	100.00%	FC
Burger King Restaurations	100.00%	100.00%	FC	100.00%	100.00%	FC
Burger King Construction	100.00%	100.00%	FC	100.00%	100.00%	FC
Burger King Restaurants	100.00%	100.00%	FC	100.00%	100.00%	FC
Quick Restaurants	100.00%	100.00%	FC	—	—	NC

Quick International ex Equilease	100.00%	100.00%	FC	—	—	NC
Caresquick	50.00%	50.00%	PC	—	—	NC
Happy Quick	55.00%	55.00%	FC	—	—	NC
Logirest Benelux	100.00%	100.00%	FC	—	—	NC
Financière Quick (sub-Parent)	100.00%	100.00%	FC	—	—	NC
France Quick	100.00%	100.00%	FC	—	—	NC
Quick Invest	100.00%	100.00%	FC	—	—	NC
Montmirail (ex Coquelles)	100.00%	100.00%	FC	—	—	NC
Pyramides	100.00%	100.00%	FC	—	—	NC
Agaquick (sub-Parent)	49.00%	49.00%	PC	—	—	NC
Agaquick Exploit	49.00%	49.00%	PC	—	—	NC
Agaquick Invest	49.00%	49.00%	PC	—	—	NC
Iena SAS	100.00%	100.00%	FC	—	—	NC
Lodi SAS	100.00%	100.00%	FC	—	—	NC
Ulm SAS	100.00%	100.00%	FC	—	—	NC
Arcole Immo SAS	100.00%	100.00%	FC	—	—	NC
Quick immo	100.00%	100.00%	FC	—	—	NC
Wagram	100.00%	100.00%	FC	—	—	NC
Eylau	100.00%	100.00%	FC	—	—	NC
Friedland	100.00%	100.00%	FC	—	—	NC
Tastyrest	100.00%	100.00%	FC	—	—	NC
Logirest France	100.00%	100.00%	FC	—	—	NC
AURO202	100.00%	100.00%	FC	—	—	NC
MINADRIVE	100.00%	100.00%	FC	—	—	NC
Ligny	100.00%	100.00%	FC	—	—	NC
Montereau	100.00%	100.00%	FC	—	—	NC
DURENSTEIN	100.00%	100.00%	FC	—	—	NC

Consolidation methods:

NC = not consolidated

FC = fully consolidated

EM = equity method

PC = proportionally consolidated

Change in the scope of consolidation in 2015

Acquisition of Financière Quick (parent company of the Quick group).

On 17 December 2015, Burger King France acquired 100% of the shares in Financière Quick, whose head office is located at 50 Avenue du Président Wilson, 93214 La Plaine Saint-Denis Cedex. Financière Quick is registered on the Bobigny Trade and Companies Registry under number 452 430 416. It operates fast-food restaurants selling mostly hamburgers under the Quick banner in France, Belgium, Luxembourg and in international markets.

Sales under the Group’s trading name amounted to €976.7 million in 2015 (12-month period).

The cost of acquiring 100% of the shares in Financière Quick was €23,900 thousand, breaking down as follows:

- Purchase price of €21,863 thousand
- External costs related to the acquisition totalling €2,037 thousand

Following this acquisition, Burger King France increased Financière Quick's capital by €91,039 thousand.

The goodwill arising from this acquisition therefore amounts to €65,809 thousand and will be amortised on a straight-line basis over a 15-year period.

The analysis below sets out the fair values of the assets and liabilities acquired and reconciles the corresponding cash flows:

(€ 000)	
Adjusted non-current assets	593,520
Inventories and work in progress	12,614
Trade and other accounts receivable	84,769
Cash and equivalents at 31/12/2015	***133,278***
Financial liabilities	(634,285)
Trade and other accounts payable	(69,278)
Other liabilities	(71,385)
Total identifiable assets and liabilities	**49,232**
Non-controlling interests	103
Group share of identifiable assets and liabilities	49,129
Goodwill	65,809
Sub-total	114,939
Financière Quick capital increase	(91,039)
Share purchase cost	**23,900**
Share purchase cost	(23,900)
Cash and equivalents at 31/12/2015	***42,228***
Amount not paid in respect of the payment for Financière Quick shares	—
Cash outflow for the Financière Quick acquisition net of cash acquired	**18,328**

Impact on changes in scope on the cash flow statement

Purchase of Financière Quick shares	(23,900)
Financière Quick cash and equivalents at 31/12/2015	42,228
Impact of changes in scope of consolidation	**18,328**

Pro forma 2015 income statement and cash flow statement

The tables below present financial information in the income statement and cash flow statement as if the Financière Quick acquisition had taken place on 1 January 2015.

The following adjustments were made:

- The Quick group's activity in the period from 1 January to 31 December is taken into account for the full 12 months.
- Goodwill recognised in the consolidated financial statements is amortised for 12 months.
- The financial expense arising from the purchase of shares is recalculated over 12 months.

(€ 000)	**31/12/2015 12 months**
Revenue	672,129
Operating income	19,903
Net financial income/(expense)	−37,733
Net income from consolidated companies	**−178,973**

Amortisation of Financière Quick's goodwill (€65,089 thousand) amounts to €4,339 thousand over a 12-month period. Share purchase costs amount to €406 thousand.

As regards the cash flow statement, flows included in the pro forma cash flow statement include flows from 1 January 2015 to 31 December 2015 for all entities in the Burger King France group.

(€ 000)	31/12/2015 12 months
OPERATING ACTIVITIES	
Net income before non-controlling interests	(178,973)
Non-cash items	246,555
Funds from operations	67,582
Change in the working capital requirement	(5,212)
NET CASH FROM INVESTING ACTIVITIES	**62,370**
INVESTING ACTIVITIES	
Net change in non-current assets	(68,707)
Changes in the scope of consolidation	29,676
NET CASH FROM INVESTING ACTIVITIES	**(39,031)**
FINANCING ACTIVITIES	
Capital increases for cash	123,314
Net change in financial liabilities	(22,987)
NET CASH FROM FINANCING ACTIVITIES	**100,327**
CHANGE IN CASH POSITION	**123,666**
Net cash at start of period	90,372
Net cash at end of period	214,038

Note 6—Information on the financial statements

6.1 Goodwill

Goodwill is amortised on a straight-line basis over a period that reflects the expected at rate at which future economic benefits will accrue. An initial allocation of goodwill to identifiable items of assets and liabilities has been carried out. Accordingly, an intangible asset of €130 million relating to business goodwill outside France has been recognised on the balance sheet. The remaining goodwill relating to the Quick group is currently being allocated.

(€ 000)	Amortisation period	31/12/2014	Increase	Additions to the scope	Decrease	31/12/2015
Financière Quick goodwill	15 years	—	—	65,809	—	65,809
Gross value		—	—	**65,809**	**—**	**65,809**
Goodwill amortisation		—	—	—	—	—
Net value		—	—	**65,809**	**—**	**65,809**

6.2 Intangible assets

Change in intangible assets

(€ 000)	31/12/2014	Increase	Additions to the scope	Decrease	31/12/2015
Development costs					
Concessions and similar rights	—	—	16,296	—	16,296
Lease rights	1,100	—	95,211	—	96,311
Other intangible assets	259	640	279,956	—	280,855
Gross value	**1,359**	**640**	**391,463**	**—**	**393,463**

Amortisation of concessions and similar rights	66	152	—	—	218
Net value	**1,294**	**488**	**391,463**	**—**	**393,244**

Other intangible assets: additions correspond to the business goodwill of Financière Quick.

6.3 Property, plant and equipment

Change in property, plant and equipment

(€ 000)	31/12/2014	Increase	Additions to the scope	Decrease	31/12/2015
Land	—	—	26,406	—	26,406
Buildings	2,329	12,831	18,999	—	34,159
Technical installations	758	4,019	60,381	—	65,158
Other property, plant and equipment	5,602	2,586	86,199	28	94,359
Gross value	**8,689**	**19,436**	**191,985**	**28**	**220,082**
Depreciation	175	1,733	—	—	1,908
Net value	**8,513**	**17,703**	**191,985**	**28**	**218,174**

Finance leases: the gross value of lease-financed assets on the consolidated balance sheet is €119 thousand. These leases concern two assets in the "technical installations" item: a set of kitchen equipment and videosurveillance equipment.

6.4 Non-current financial assets

(€ 000)	31/12/2014	Increase	Additions to the scope	Decrease	31/12/2015
Equity interests	—	—	—	—	—
Loans	—	—	—	—	—
Other non-current financial assets	461	472	10,091	—	11,024
Net value	**461**	**472**	**10,091**	**—**	**11,024**

- Equity securities in non-consolidated companies: *None*

Note 6—Information on the financial statements

- Shares in companies accounted for under the equity method: *None*

- Other non-current financial assets: This item amounts to €11,024 thousand and corresponds to guarantee deposits on premises used in operating activities (including €10,091 thousand for Financière Quick).

6.5 Breakdown of receivables on the balance sheet

	Up to 1 year		More than 1 year and up to 5 years		More than 5 years	
(€ 000)	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
RECEIVABLES						
Advances and payments on account made on orders	0	43				
Trade receivables and related accounts	41 255	2 692				
Other receivables	77 419	2 149				
Deferred tax assets	4 106	1 918				
Adjustment accounts—Assets	19 813	1 620				

No impairment of these assets was recognised at 31 December 2015.

6.6 *Changes in equity*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital	Share premiums	Consolidated reserves	Income/(loss) for the period	Translation reserve	Equity
Equity at 31 December 2014	**7**	**39 994**		**(3 593)**		**36,408**
Appropriation of earnings			(3 593)	3 593		—
Capital increase	5	123 307				123 312
Income/(loss) for the period				(1 570)		(1 570)
Change in translation reserve						—
Equity at 31 December 2015	**12**	**163 301**	**(3 593)**	**(1 570)**	**—**	**158 151**

The share capital amounted to €11,503 and consisted of 11,503 shares with par value of €1 each at 31 December 2015. There are two categories of shares: 5,836 ordinary shares and 5,667 category-A preferred shares.

Share ownership structure at 31 December 2015:

	Number of shares	%
—NEWCO GB SAS	10,503	91.31
—BK COMPANY LIMITED	1,000	08.69
Total	**11,503**	**100.0**

6.7 *Provisions for liabilities and charges*

Breakdown of provisions for liabilities and charges

(€ 000)	31/12/2014	Additions	Additions to the scope	Releases	31/12/2015
Provisions for liabilities	21	108	7,650	—	7,778
Deferred tax liabilities	—	—	12,529	—	12,529
Provisions for charges	—	16	—	—	16
	21	**123**	**20,179**	**—**	**20,322**

Change in deferred taxes:

At 31 December 2015, the deferred tax balance broke down as follows:

	31/12/2014		31/12/2015	
En milliers EUR	**Base**	**ID**	**Base**	**ID**
IFC	—	—	—	—
Décalages temporaires	12	4	86	29
Déficits	5 53	1 90	3 54	1 22
	5	6	3	0
Retraitement	24	8	(22)	(8)
Total	5 57	1 91	3 60	1 24
	0	8	6	2

6.8 *Breakdown of debt*

(€ 000)	Up to 1 year 31/12/2015	Up to 1 year 31/12/2014	More than 1 year and up to 5 years 31/12/2015	More than 1 year and up to 5 years 31/12/2014	More than 5 years 31/12/2015	More than 5 years 31/12/2014
PAYABLES						
Amounts owed to financial institutions	133 069	116	522 308	6 057	842	160
Trade payables	83 213	4 773	—	—	—	—
Tax and employment-related liabilities	45 508	2 783	—	—	—	—
Liabilities relating to non-current assets	2 772	4 137	—	—	—	—
Other payables	4 959	—	—	—	—	—
Prepaid income	7 708	1 140	—	—	—	—

- Finance leases: debt relating to the financing of assets acquired under finance leases amounted to €8,536 thousand at 31 December 2015 (including €8,445 thousand relating to Financière Quick).

- Prepaid income: Under the Master Franchise Agreement signed on 12 August 2013, a system was set up whereby the restaurants (own and under franchise) pay money into a marketing expenses fund held by Burger King France. Burger King France is contractually obliged to spend all sums paid to it via this fund. At 31 December 2015, Burger King France had not spent all of the funds received from the restaurants, and so recognised prepaid income in its accounts, having first informed the franchisor of the situation.

6.9 *Segment reporting*

The group's sole business is operating fast food restaurants, and it carries out that business in France alone.

6.10 *Net financial income/(expense)*

The group generated net financial income of €289 thousand in the period, breaking down as follows:

€ 000	31/12/2015	31/12/2014
Income from cash	709	717
Fees relating to debts	−295	−151
Financial expense relating to debts	−123	−25
Other	−2	−2
Net financial income/(expense)	289	539

6.11 *Net non-recurring income/(expense)*

Non-recurring items produced a net expense of €246 thousand during the period (€104 thousand of income and €351 thousand of expenses), including €200 thousand of expenses relating to the Quick group acquisition.

6.12 *Tax expense*

Details

(€ 000)	31/12/2015	31/12/2014
Deferred tax	(1,212)	(1,917.8)
Income tax for the period		
Income tax expense	(1,212)	(1,917.8)

Tax reconciliation

Reconciliation between actual tax expense and theoretical tax expense

Net income (attributable to equity owners of the parent and excluding income from divested businesses)		(1,598)
Non-controlling interests		
Tax expense		(1,212)
Profit before tax		(2,810)
Theoretical tax rate (33.33% × 1.033)		34.43 %
Theoretical tax (expense)/income		(968)
Reconciling items (tax base)		
Permanent differences: non-deductible expenses	(245)	
Cancellation of leaseback gain	0	
Total	245	(245)
Miscellaneous		—
Actual tax expense		(1,212)

Note 7—Other information

7.1 Off-balance sheet commitments

Commitments made

Charge over a restaurant business granted to Société Générale

A first-ranking charge with a principal amount of €710,449.30 has been granted over the business located at the Grand Littoral shopping centre, 11 avenue Saint-Antoine 13016 Marseille.

As part of the agreements regarding the senior loan taken out on 1 August 2014 and the additional senior loan taken out on 27 July 2015 from the banking syndicate comprising Banque Populaire Rives de Paris, BNP Paribas, Société Générale and LCL, Burger King Restauration must comply with contractual obligations based on its individual company financial statements.

On the basis of the financial statements for the period ended 31 December 2015, it complied with the related ratios.

At 31 December 2015, Burger King France fully underwrote joint and several guarantees on behalf of Burger King Restauration:

- €15,000,000 with respect to the 1 August 2014 senior loan agreement and to each bank in the syndicate,
- €30,000,000 with respect to the 27 July 2015 additional senior loan agreement and to each bank in the syndicate in an amount of €7,500,000.

In 2015, the company had granted charges over the following businesses:

- Alésia restaurant: €1,246,516
- Lyon Confluence restaurant: €1,479,616
- Lyon Part-Dieu restaurant: €3,064,752

Commitments received

The loan from Société Générale, confirmed in a separate document signed on 16 June 2014 and valid until 16 June 2021, is secured by a 100% joint and several guarantee from Burger King France, and is in an amount of €617,782 for a term of 7 years, bearing interest at 1-month Euribor + 1.90%.

7.2 Workforce

The group's average headcount during the period was: 738.

7.3 Executive compensation

Compensation paid to other executives is not reported because to do so would amount to giving information on named individuals.

7.4 Statutory auditors' fees

Fees paid to the statutory auditors included in the 2015 consolidated income statement relate to statutory audit work and break down as follows:

(€ 000)	**Exelmans Audit et Conseil**	**TOTAL**
Audit of Burger King France	21 000,00	21 000,00
Statutory audit	21 000,00	21 000,00
Additional services		
Audit of subsidiaries	23 000,00	23 000,00
Statutory audit	23 000,00	23 000,00
Additional services		
Total	44 000,00	44 000,00

BURGER KING FRANCE
Société par Actions Simplifiée
59, rue de Tocqueville
75017 Paris

Statutory auditor’s report on the consolidated financial statements
For the 12 month’s year ended December 31, 2015

Exelmans audit & Conseil
21, rue de Téhéran
75008 Paris

Commissaire aux comptes
Membre de la Compagnie Régionale de Paris

BURGER KING FRANCE
Société par Actions Simplifiée
59, rue de Tocqueville
75017 Paris

Statutory auditor's report on the consolidated financial statements
For the 12 month's year ended December 31, 2015

This is a free translation into English of the statutory auditor's report on the financial consolidated statements issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.

To the President,

As statutory auditor of BURGER KING FRANCE and at your request, we have audited the accompanying consolidated financial statements of the Company for the 12 month's year ended December 31, 2015.

These consolidated financial statements have been prepared under the responsibility of the management. Our role is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and significant accounting estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the assets and liabilities and of the financial position of the Group BURGER KING FRANCE as at year end December 31, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, in respect with this matter, we draw your attention to the matter set out in Note « 2. Faits caractéristiques de l'exercice » and Note « Evolution du périmètre de consolidation de l'exercice 2015 » to the consolidated financial statements which describes the acquisition terms of the Group QUICK by BURGER KING FRANCE and the calculation methods used for determining Goodwill.

Paris, June 22nd, 2016
The Statutory Auditor
Exelmans Audit & Conseil
French original signed by
Stéphane DAHAN

BURGER KING FRANCE SAS
1 rue du Chevalier Saint Georges
75008 Paris

CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 December 2014

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Balance sheet—Assets (€)

	31/12/2014
Share capital subscribed but not called	**0**
Goodwill	**0**
Development costs	0
Concessions, patents and similar rights	194
Business goodwill	1 100
Other intangible assets	0
Total intangible assets	**1 294**
Land	0
Buildings	2 290
Technical installations, plant and machinery	721
Other property, plant and equipment	5 502
Total property, plant and equipment	**8 513**
Investments in other companies	0
Related receivables	0
Other long-term investment securities	0
Loans	0
Other non-current financial assets	461
Total non-current financial assets	**461**
Shares in equity affiliates	**0**
TOTAL NON-CURRENT ASSETS	**10 268**
Raw materials and supplies	30
Work in progress—goods	0
Work in progress—services	0
Finished and semi-finished goods	0
Merchandise	79
Inventories and work in progress	**109**
Advances and payments on account made on orders	**43**
Trade receivables and related accounts	2 692
Other receivables	2 149
Deferred tax assets	1 918
Receivables	**6 759**
Marketable securities	0
Cash and equivalents	36 795
Prepaid expenses	1 620
TOTAL CURRENT ASSETS	**45 327**
TOTAL ASSETS	**55 594**

Balance sheet—Equity and liabilities (€)

	31/12/2014
Share capital	7
Premiums on share issues, mergers and asset contributions	39 994
Valuation differences	0
Statutory reserve	0
Reserves required under the articles of association	0
Regulated reserves	0
Other reserves	0
Consolidated reserves	0
Retained earnings	0
Income/(loss) for the period	−3 593

Investment grants	0
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**36 408**
Non-controlling interests in reserves	0
Non-controlling interests in income	0
TOTAL NON-CONTROLLING INTERESTS	**0**
Provisions for liabilities	21
Deferred tax liabilities	0
Provisions for charges	0
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	**21**
Convertible bonds	0
Other bond issues	0
Amounts owed to financial institutions	6 333
Other borrowings and debt	0
Financial liabilities	**6 333**
Advances and payments on account received on orders	0
Trade payables and related accounts	4 773
Tax and employment-related liabilities	2 783
Liabilities relating to non-current assets	4 137
Other payables	0
Operating payables	**11 693**
Prepaid income	1 140
TOTAL EQUITY AND LIABILITIES	**55 594**

Income statement (€)

	31/12/2014
Revenue	5 990
Operating grants	4
Releases of depreciation, amortisation and provisions	0
Expense transfer	289
Other revenue	1 313
Total operating revenue	**7 596**
Purchases of merchandise	1 476
Change in inventories	−79
Purchases of raw materials and other supplies	151
Change in raw materials inventories	−30
Real-estate finance leases	0
Other purchases and external charges	6 676
Taxes and levies	152
Wages and salaries	3 117
Social security costs	949
Depreciation and amortisation of assets	241
Additions to provisions on assets	0
Additions to provisions for liabilities and charges	21
Other expense	990
Total operating expense	**13 664**
OPERATING INCOME	**−6 068**
Other interest and similar income	698
Financial income from equity investments	0
Positive exchange difference	0
Gains from sale of marketable securities	19
Releases of impairment	0
Total financial income	**717**
Interest and similar expense	176
Negative exchange difference	1
Additions to depreciation, amortisation and provisions	0
Total financial expense	**178**
NET FINANCIAL INCOME/(EXPENSE)	**539**
RECURRING INCOME	**−5 529**
Non-recurring income from operating transactions	19
Releases from provisions	0
Non-recurring income from capital transactions	0
Total non-recurring income	**19**
Non-recurring expense from operating transactions	0
Non-recurring additions to depreciation, amortisation and provisions	0
Non-recurring expense from capital transactions	0
Total non-recurring expense	**0**
NET NON-RECURRING INCOME/(EXPENSE)	**19**
Income tax	0
Deferred tax	−1 918
Share in profit of equity affiliates	0
Goodwill amortisation	0
INCOME FOR THE CONSOLIDATED WHOLE	**−3 593**
INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**−3 593**
Résultat par action	−538,85

CASH FLOW STATEMENT

Consolidated financial statements — **Burger King France**

€ 000

	Period	
	2014	**2013**
Net income from consolidated companies	**−3 593**	**0**
Elimination of income and expenses that have no cash impact or are unrelated to operating activities:		
—Goodwill amortisation	0	0
—Net additions to depreciation, amortisation and provisions	275	0
—Change in deferred tax	−1 918	0
—Gains and losses on disposals net of tax	−14	0
—Release of consolidation gain included in goodwill	0	0
—Other	0	0
Funds from operations of consolidated companies	−5 249	0
Dividends received from companies accounted for under the equity method	0	0
Change in working capital requirement related to operating activities	6 219	0
Net cash flows from operating activities	**970**	**0**
Cash flows related to changes in scope	0	0
Cash flows related to changes in investments	0	0
Cash flows related to acquisitions and issues of financial assets	−461	0
Cash flows related to acquisitions and disposals of property, plant and equipment and intangible assets	−10 048	0
Net cash flows from investing activities	**−10 509**	**0**
Dividends paid	0	0
Issues of shares	40 001	0
Capital increases for cash	0	0
New borrowings and finance leases	6 333	0
Repayments of borrowings	0	0
Cash flows from financing activities	**46 334**	**0**
Change in cash position	**36 796**	**0**
Cash position at start of period	0	0
Cash position at end of period	36 796	0
Impact of exchange rate movements	0	0
Change in cash position	**36 796**	**0**

Preliminary comments

These notes form an integral part of the consolidated financial statements. Aside from mandatory disclosures, they only include information of material importance.

Amounts are expressed in thousands of euros unless otherwise stated.

Note 1—Highlights of the period

First consolidation

Although not required to do so by regulations, the company decided to present consolidated financial statements from its first accounting period onwards. Certain group companies had a statutory accounting period of more than 12 months, but very few transactions took place before 1 January 2014. For the sake of simplicity, no adjustments were made for those non-material items given that this was the period in which the company was formed.

Burger King France's first accounting period was 15 months in duration.

All companies that are members of the group were set up by the parent company and not acquired, and so no goodwill was calculated.

Note 2—Post-balance sheet events

There were no material events between the end of the accounting period and the date on which the chairman approved the financial statements.

Note 3—Accounting principles and policies

Burger King France's consolidated financial statements were prepared with reference to the consolidation rules approved by the French national accounting committee CNC and adopted by the French accounting regulation committee CRC (regulation 99-02).

3.1 Consolidation

Scope of consolidation

The consolidated financial statements comprise the financial statements of Burger King France and those of companies over which it has sole control or joint control alongside other companies, or over which it has significant influence.

Sole control is the power to direct a company's financial and operational policy, and generally results from the direct or indirect ownership of more than half of that company's voting rights. Joint control means shared control over a company that is operated jointly by a limited number of partners or shareholders. Significant influence is the power to engage in the financial and operational decisions of a company without controlling it.

A company's entry into the scope of consolidation is effective either from the date on which the shares are acquired or on the date on which control or significant influence is acquired if the acquisition takes place in several stages or if the agreement specifies a date for the transfer of control that differs from the date on which the shares are transferred.

Consolidation methods

Companies over which the group has sole control are fully consolidated. Companies under joint control are consolidated proportionally, and companies over which the group has significant influence are accounted for under the equity method.

When a company under sole control is consolidated for the first time, its assets and liabilities are recorded in the consolidated balance sheet at their fair value. The difference between this initial value and the entity's carrying amount on the balance sheet constitutes a valuation difference. Valuation differences relating to non-current assets are amortised at the same rate as the asset itself. Assets and liabilities not recorded in the accounts are measured and recognised if material.

The difference between the cost of acquiring securities in a company and the total value of its assets and liabilities constitutes goodwill, which is amortised over a period that depends on the objectives set at the time of the acquisition.

Transactions between consolidated companies

Transactions between group companies, gains/losses on those transactions and the balances of accounts between those companies are eliminated when preparing the consolidated financial statements.

3.2 Other details

Intangible assets

Intangible assets are recognised at cost.

Other intangible assets mainly include software used in operations, which is amortised on a straight-line basis over its useful life (1-5 years).

Property, plant and equipment

Property, plant and equipment are recorded at their purchase or production cost, taking into account expenses required to put them into a usable condition, and after deducting discounts and rebates.

Depreciation is calculated on a straight-line basis over the estimated periods of use. The main depreciation periods are as follows:

Buildings	5 - 20 years
Plant and tools	3 - 10 years
Fixtures and fittings	3 - 10 years
Office equipment, furniture and IT hardware	3 - 10 years
Office furniture	3 - 10 years

Finance leases

The group applies the preferred method recommended by regulation 99-02. All assets financed in this way are therefore restated on the balance sheet as property, plant and equipment and a corresponding loan, and on the income statement as an addition to depreciation and a financial expense.

Inventories

Inventories of materials and merchandise are measured using the FIFO (first in first out) method.

Trade and other receivables

Trade and other receivables are recognised at face value. Impairment is recognised if their current value falls below their carrying amount.

Cash and equivalents

At 31 December 2014, the group was owed €34,835 thousand by Bertrand Holding. That receivable is the subject of an agreement between the two companies. The sum is equivalent to a short-term investment, since it is liquid, available and can be accessed on demand. It therefore meets the conditions set out in regulation 99-02 for being regarded as a cash equivalent and is therefore included in consolidated cash and equivalents.

Post-employment benefits

Exceptionally, in the first set of consolidated financial statements for the period ended 31 December 2014, no provision was recorded. The group was set up only recently, its business activity started during the accounting period, its workforce is very young and the types of jobs it offers involve high staff turnover. As a result, the view was taken that post-employment benefit obligations were not material at end-2014.

This obligation will be measured fully at a later date, and the corresponding provision will be recognised.

Tax

Deferred taxes are recognised, using the liability method, for temporary differences existing on the balance-sheet date between the tax basis of assets and liabilities and their carrying amount, and for tax loss carryforwards.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is calculated for each individual entity. Amounts are netted where the tax is collected by the same tax authority and relates to the same tax entity (tax consolidation group).

Deferred tax assets and liabilities are not discounted to present value.

Deferred tax and tax due are recognised as income or expense on the income statement except if they relate to a transaction or event that is directly recognised in equity.

Earnings per share

Earnings per share are calculated by dividing the Group's consolidated net income by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share are calculated on the assumption that all existing options are exercised and using the share repurchase method.

3.3 Change in accounting policies

None

Note 4—Scope of consolidation

The following companies are consolidated:

Company	Percentage interest	Consolidation method	Date of entry
BURGER KING FRANCE	Parent company	Parent	

BURGER KING RESTAURANTS	100%	FC	21/12/2013
BURGER KING RESTAURATION	100%	FC	12/03/2014
BURGER KING CONSTRUCTION	100%	FC	19/12/2014

Note 5—Information on the financial statements

5.1 Goodwill

Not applicable

5.2 Intangible assets

Change in intangible assets

(€ 000)	31/12/2013	Increase	Decrease	31/12/2014
Development costs				
Concessions and similar rights		259,5		259,5
Lease rights		1 100,0		1 100,0
Other intangible assets				
Gross value		**1 359,5**		**1 359,5**
Amortisation of concessions and similar rights		65,9		65,9
Net value		**1 293,5**		**1 293,5**

Note 5—Information on the financial statements

5.3 Property, plant and equipment

Change in property, plant and equipment

(€ 000)	31/12/2013	Increase	Decrease	31/12/2014
Land				
Buildings		2 328,6		2 328,6
Technical installations		758,1		758,1
Other property, plant and equipment		5 601,9		5 601,9
Gross value		**8 688,6**		**8 688,6**
Depreciation		175,3		175,3
Net value		**8 513,4**		**8 513,4**

Finance leases: the gross value of lease-financed assets on the consolidated balance sheet is €119 thousand. These leases concern two assets in the "technical installations" item: a set of kitchen equipment and videosurveillance equipment.

5.4 Non-current financial assets

- Equity securities in non-consolidated companies: *None*
- Shares in companies accounted for under the equity method: *None*
- Other non-current financial assets: This item amounts to € 461 thousand and corresponds to guarantee deposits on premises used in operating activities.

5.5 Breakdown of receivables on the balance sheet

(€ 000)	Up to 1 year		More than 1 year and up to 5 years		More than 5 years	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
RECEIVABLES						
Advances and payments on account made on orders..	43,3					
Trade receivables and related accounts.............	2 692,3					
Other receivables................	2 148,8					
Deferred tax assets	1 917,8					
Adjustment accounts— Assets	1 620,2					

No impairment of these assets was recognised at 31 December 2014.

5.6 Changes in equity

	TOTAL	Attributable to equity holders of the parent	Attributable to non-controlling interests
Equity at 31 December 2013			
Initial transfer of assets at incorporation	1 000 €	1 000 €	
Income/(loss) for the period............	−3 592 526 €	−3 592 526 €	
Capital increase	40 000 000 €	40 000 000 €	
Distribution to non-group entities	— €		
Change in scope (reserves)............	— €		
Change in investment grants	— €		
Equity at 31 December 2014....................	**36 408 474 €**	**36 408 474 €**	**— €**
Selon consolidation .	36 408 474 €	**36 408 474 €**	
Ecart résiduel non analysé................	— €	— €	— €

The share capital amounted to €6,667 and consisted of 6,667 shares with par value of €1 each at 31 December 2014. There are two categories of shares: 1,000 ordinary shares and 5,667 category-A preferred shares.

Share ownership structure at 31 December 2014:

	Number of shares	%
—NEWCO GB SAS	5,667	85.0
—BK COMPANY LIMITED..........	1,000	15.0
Total	**6,667**	**100.0**

5.7 *Provisions for liabilities and charges*

Breakdown of provisions for liabilities and charges

(€ 000)	31/12/2013	Additions	Releases	31/12/2014
Provisions for liabilities		20,5		20,5
Deferred tax liabilities				
Provisions for charges				
		20,5		**20,5**

Change in deferred taxes:

At 31 December 2014, the deferred tax balance broke down as follows:

(€ 000)	Deferred tax flow	31/12/2014 Basis	31/12/2014 Deferred tax
Post-employment benefits	0,0	0,0	0,0
Timing differences	4,0	11,5	4,0
Losses	1 905,6	5 534,6	1 905,6
Adjustment	8,3	24,0	8,3
Total	1 917,8	5 570,1	1 917,8

5.8 *Breakdown of debt*

	Up to 1 year		More than 1 year and up to 5 years		More than 5 years	
(€ 000)	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
PAYABLES						
Amounts owed to financial institutions	115,8		6 057,2		160,2	
Trade payables	4 772,9					
Tax and employment-related liabilities	2 782,8					
Liabilities relating to non-current assets	4 136,9					
Other payables						
Prepaid income	1 139,7					

- Finance leases: debt relating to the financing of assets acquired under finance leases amounted to €115.3 thousand at 31 December 2014.

- Prepaid income: Under the Master Franchise Agreement signed on 12 August 2013, a system was set up whereby the restaurants (own and under franchise) pay money into a marketing expenses fund held by Burger King France. Burger King France is contractually obliged to spend all sums paid to it via this fund. At 31 December 2014, Burger King France had not spent all of the funds received from the restaurants, and so recognised prepaid income in its accounts, having first informed the franchisor of the situation.

5.9 *Segment reporting*

The group's sole business is operating fast food restaurants, and it carries out that business in France alone.

5.10 Net financial income/(expense)

The group generated net financial income of €539 thousand in the period, breaking down as follows:

(€ 000)	31/12/2014	31/12/2013
Income from cash	716.7	
Fees relating to debts	(151.3)	
Financial expense relating to debts	(24.6)	
Other	(1.9)	
Net financial income/(expense)	538.9	

5.11 Net non-recurring income/(expense)

Non-recurring items produced net income of €18.9 thousand during the period (€19.3 thousand of income and €0.4 thousand of expenses) and do not call for any specific comments.

5.12 Tax expense

Details

(€ 000)	31/12/2014	31/12/2013
Deferred tax	(1,917.8)	
Income tax for the period		
Income tax expense	(1,917.8)	

Note 5—Information on the financial statements

Tax reconciliation

Reconciliation between actual tax expense and theoretical tax expense

Net income (attributable to equity owners of the parent and excluding income from divested businesses)		(3,592)
Non-controlling interests		
Tax expense		(1,917.8)
Profit before tax		(5,510.3)
Theoretical tax rate (33.33% × 1.033)		34.43%
Theoretical tax (expense)/income		**(1,897.2)**
Reconciling items (tax base)		
Permanent differences: non-deductible expenses	(25.3)	
Cancellation of leaseback gain	4.7	
Total		(20.6)
Miscellaneous		—
Actual tax expense		**(1,917.8)**

Note 6—Other information

6.1 Off-balance sheet commitments

Commitments made

- The company has a contractual obligation with respect to Société Générale (only concerning Burger King Restaurants—Marseille). The company undertakes that, at every publication of its annual consolidated financial statements:

- The ratio of its consolidated net debt to its consolidated book net equity will be less than 4.

- The ratio of its total consolidated debt to its consolidated funds from operations will be less than 4.
- A first-ranking charge with a principal amount of €617,782 has been granted over the business located at the Grand Littoral shopping centre in Marseille.
- Commitments received

None

6.2 *Workforce*

The group's average headcount during the period was: 701.

6.3 *Executive compensation*

Compensation paid to executives is not reported because, given the company's size, providing that information would amount to giving information on named individuals.

6.4 *Transactions with related parties*

(€ 000) Type of transactions	Related companies 31/12/2014	Related companies 31/12/2013	Companies with which there is an equity interest 31/12/2014	Companies with which there is an equity interest 31/12/2013
Trade receivables and related accounts	366,27		—	—
Other receivables				
Treasury—Cash Pooling	35 503,50	—	—	—
Trade payables	288,01		—	—
Liabilities relating to non-current assets			—	—
Other payables			—	—

6.5 *Auditors' fees*

Fees paid to the statutory auditors included in the 2014 consolidated income statement relate to statutory audit work and break down as follows:

€ 000 excluding VAT	Exelmans Audit et Conseil	TOTAL
Audit of Burger King France		
Statutory audit	14 000,00	14 000,00
Additional services	14 000,00	14 000,00
Audit of subsidiaries		
Statutory audit	14 000,00	14 000,00
Additional services	14 000,00	14 000,00
Total	28 000,00	28 000,00

BURGER KING FRANCE

Société par Actions Simplifiée
59, rue de Tocqueville
75017 Paris

Statutory auditor's report on the consolidated financial statements

For the 15 month's year ended December 31, 2014

Exelmans audit & Conseil
21, rue de Téhéran
75008 Paris

Commissaire aux comptes
Membre de la Compagnie Régionale de Paris

BURGER KING FRANCE
Société par Actions Simplifiée
59, rue de Tocqueville
75017 Paris

Statutory auditor's report on the consolidated financial statements
For the 15 month's year ended December 31, 2014

This is a free translation into English of the statutory auditor's report on the financial consolidated statements issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.

To the President,

As statutory auditor of BURGER KING FRANCE and at your request, we have audited the accompanying consolidated financial statements of the Company for the 15 month's year ended December 31, 2014.

These consolidated financial statements have been prepared under the responsibility of the management. Our role is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and significant accounting estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the assets and liabilities and of the financial position of the Group BURGER KING FRANCE as at year end December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, in respect with this matter, we draw your attention to the matter set out in Note "Premiere consolidation" to the consolidated financial statements which describes the duration of the first financial year and the assumptions used to establish the first consolidated financial statements.

Paris, June 10, 2015
The Statutory Auditor
Exelmans Audit & Conseil
French original signed by

Stéphane DAHAN

2015 consolidated financial statements—Quick Group

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ 000)	Notes	2015	2014
NON-CURRENT ASSETS		**698,146**	**850,131**
Goodwill	*12*	230,636	224,218
Intangible assets	*11*	252,150	405,396
Property, plant and equipment	*14*	202,496	207,467
Investment in associates	*29*	1,127	1,041
Financial receivables and other non-current assets	*15*	10,519	9,742
Deferred tax assets	*10*	1,218	2,267
CURRENT ASSETS		**217,598**	**149,153**
Inventories	*16*	12,664	15,224
Trade receivables	*17*	36,437	41,480
Current tax assets	*18*	954	6,273
Tax receivables excluding income tax	*18*	9,428	7,865
Financial receivables and other current assets	*19*	25,038	24,949
Cash and cash equivalents	*19*	133,077	53,362
TOTAL ASSETS		**915,744**	**999,284**
TOTAL EQUITY		**141,959**	**221,144**
Share capital	*20*	200,292	109,253
Share premiums		747	747
Retained earnings (including net profit for the period)		(71,211)	100,160
Non-controlling interests	*28*	12,131	10,984
NON-CURRENT LIABILITIES		**553,127**	**640,399**
Non-current provisions	*21*	8,135	10,736
Financial liabilities	*25*	525,332	611,780
Other non-current liabilities	*23*	6,414	5,185
Deferred tax liabilities	*10*	13,246	12,698
CURRENT LIABILITIES		**220,658**	**137,741**
Financial liabilities	*25*	100,179	16,450
Trade payables		71,916	78,450
Current tax liabilities		2,803	4,501
Other tax liabilities		11,170	11,409
Employee and social security liabilities		25,568	25,397
Other current liabilities	*26*	9,022	1,534
TOTAL EQUITY AND LIABILITIES		**915,744**	**999,284**

CONSOLIDATED STATEMENT OF INCOME

(€ 000)	Notes	2015	2014
Sales and franchise revenues		**595,650**	**625,699**
Cost of sales		(333,106)	(345,819)
Gross profit	*5*	**262,544**	**279,880**
Operating and occupancy costs	*5*	(139,459)	(135,414)
Profit from operations	*5*	**123,085**	**144,466**
Other operating income	*6*	3,356	8,053
Other operating expenses	*6*	(3,265)	(1,268)
Other operating income and expenses	*6*	91	6,785
Selling costs		(56,274)	(64,295)
Gross operating profit of restaurants		**66,902**	**86,956**
General and administrative costs		(49,207)	(47,908)
Other corporate income and expenses		18,499	19,597
Operating profit before non-recurring items (EBIT)		**36,194**	**58,645**
Other non-recurring income and expenses	*8*	(165,193)	(14,498)
Operating profit after non-recurring items		**(128,999)**	**44,147**
Financial income		4,716	870
Financial expenses		(42,166)	(40,281)
Net financial income/(expense)	*9*	**(37,450)**	**(39,398)**
Share in income of associates		**87**	**133**
Profit before tax		**(166,363)**	**4,882**
Income tax	*10*	(4,493)	(3,855)
Net profit		**(170,856)**	**1,028**
Attributable to non-controlling interests		1,146	699
Attributable to equity holders of the parent		(172,002)	329

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ 000)	Notes	2015	2014
Net profit for the period		**(170,856)**	**1,027**
Other comprehensive income			
Cash flow hedge	*20.3*	(208)	(1,657)
Remeasurements of net liabilities in respect of post-employment benefits	*22.2*	147	(438)
Deferred taxes recognised		(51)	151
Total other comprehensive income		(112)	(1,944)
Comprehensive income		**(170,967)**	**(917)**
Comprehensive income attributable to:			
Equity holders of the parent		(172,113)	(1,614)
Non-controlling interests		1,146	699

The tax effect arising from the gains and losses on hedging instruments is presented in Note 10. Income tax.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ 000)	Share capital	Share premiums	Cash flow hedging reserve and actuarial gains and losses	Retained earnings and net profit for the year	Other	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
At 1 Jan. 2014	**109,253**	**747**	**160**	**107,726**	**(6,168)**	**211,719**	**10,287**	**222,005**
Net profit for the period				*330*		*330*	*698*	*1,027*
Other comprehensive income			*(1,944)*			*(1,944)*		*(1,944)*
Total comprehensive income	**0**	**0**	**(1,944)**	**330**	**0**	**(1,614)**	**698**	**(916)**
Change in the scope of consolidation[2]					(251)	(251)		(251)
Option to buy out minority interests in Happy Quick[1]					306	306	0	306
At 31 Dec. 2014	**109,253**	**747**	**(1,785)**	**108,056**	**(6,113)**	**210,160**	**10,984**	**221,144**
Net profit for the period				*(172,002)*		*(172,002)*	*1,147*	*(170,856)*
Other comprehensive income			*(112)*			*(112)*		*(112)*
Total comprehensive income	**0**	**0**	**(112)**	**(172,002)**	**0**	**(172,113)**	**1,148**	**(170,967)**
Capital increase	91,039					91,039		91,039
Changes in the scope of consolidation[3]					102	102	0	102
Option to buy out minority interests in Happy Quick[1]					641	641	0	641
At 31 Dec. 2015	**200,292**	**747**	**(1,897)**	**(63,946)**	**(5,370)**	**129,828**	**12,131**	**141,960**

(1) See Note 25.6

(2) Impact on equity of the acquisitions of SEC Le Moulin and Richelieu Hoche. See Note 4.2

(3) Impact on equity of the acquisitions of the Reims franchisee. See Note 4.2

CONSOLIDATED STATEMENT OF CASH FLOW

(€ 000)	Notes	2015	2014
Total consolidated net profit		**(170,856)**	**1,028**
Elimination of income from associates		(87)	(133)
Elimination of depreciation, amortisation and charges to provisions		194,916	43,968
Elimination of gains/losses on discounting		151	(446)
Elimination of disposal gains/losses and dilution gains/losses		6,685	3,756
Cash flow from operations after the net cost of debt and tax		**30,810**	**48,174**
Elimination of tax (benefit)/expense		7,120	3,855
Elimination of the net cost of debt		34,352	37,358
Cash flow from operations before the net cost of debt and tax		**72,282**	**89,387**
Change in the working capital requirement		**2,733**	**(9,720)**
Tax paid		(2,655)	(5,547)
Cash generated by operating activities		**72,360**	**74,120**
Acquisition of shares in consolidated companies, net of cash acquired(1)		(2,045)	(18,608)
Purchases of property, plant and equipment and intangible assets		(43,084)	(48,042)
Change in loans and advances granted		(297)	0
Disposal of property, plant and equipment and intangible assets		1,114	10,333
Cash generated/(used) by investing activities		**(44,316)**	**(56,317)**
Capital increase		91,042	0
New borrowings	*25*	8,969	604,787
Redemption of borrowings	*25*	(14,895)	(605,273)
Net interest paid		(33,438)	(53,985)
Cash generated/(used) by financing activities		**51,678**	**(54,471)**
Change in cash		**79,724**	**(36,668)**
Cash and cash equivalents at beginning of the period	*19*	53,300	89,968
Cash and cash equivalents at end of the period	*19*	133,022	53,300

(1) Impact of additions to the scope of consolidation (see Note 4.2) during the period net of cash acquired

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Presentation of the Group and its business activities

Financial Quick SAS is a *société par actions simplifiée* simplified joint stock corporation registered in France. Its head office is located at 50 avenue du Président Wilson, 93214 La Plaine Saint-Denis Cedex. The Company is registered on the Bobigny Trade and Companies Registry under number 452 430 416.

Financière Quick SAS operates fast-food restaurants selling mostly hamburgers under the Quick banner in France, Belgium, Luxembourg and in international markets.

The consolidated financial statements show the accounting position of Financière Quick SAS and its subsidiaries (hereinafter "the Group"), plus its interests in joint ventures. They are stated in thousands of euros.

The consolidated financial statements for the financial year ended 31 December 2015 were approved by the Chairman on 4 April 2016 and will be submitted for shareholders' approval at the Annual General Meeting of 19 May 2016.

2. Significant events during the year.

Sales under the Group's trading name

At comparable structure, the Group's sales totalled €976.7 million in 2015. This represented a decline of €52.7 million (−5.1%) compared with 2014 owing largely to its longstanding markets (excluding international markets & French overseas departments and territories, and Burger Bar by Quick).

In France, a grim economic environment took its toll on the out-of-home dining market in 2015, and this was exacerbated by the terrorist attacks in Paris in January and November. Depressed consumer sentiment had a negative impact on the commercial out-of-home dining market, with guest numbers dropping 3.3% and sales down 2.9%.

The fast food market mirrored trends in the broader out-of-home dining market, with guest numbers down 3.5% and sales down 3.0% compared with 2014. Quick's performance on a comparable basis (6.5%) lagged behind that of the market as a result of fiercer competition and underperformance by time-limited campaigns.

A sense of doom and gloom was also palpable in Belgium during 2015, and this was exacerbated by the terrorist threats in Brussels, which followed the attacks on Paris in November 2015. As a result, sales under the Group's trading name on a comparable basis slipped 6.1% lower compared with 2014. Luxembourg recorded a decline of 3.4% compared with 2014.

On the development front, the Group opened 25 new restaurants in 2015 (including 6 Burger Bar by Quick units). These new openings were partially offset by the closure of 5 restaurants, leading to a net increase of 20 restaurants, 6 of which are located in 2 new markets—Tunisia (1 restaurant) and Turkey (5 restaurants). By the end of 2015, the Group operated 515 restaurants—393 in France (including 7 Burger Bar by Quick units), 92 in Belgium, 9 in Luxembourg, 15 in the French overseas departments and territories and 6 in international markets.

Profitability

Owing to a fall in sales under the Group's trading name of over €52 million compared with 2014, the Group did not manage to maintain its profitability. Its EBITDA totalled €78 million, down 21.6% on 2014 and down to 10.9% of sales and franchise revenues.

The challenging economic and competitive environment was largely to blame for this poor sales performance. The situation was exacerbated by the terrorist attacks in Paris during January and November 2015 (as well as the introduction of the emergency plan in the Brussels region following the November 2015 attacks).

Development

During 2015, the Group continued to invest:

- Opening 6 Burger Bar by Quick restaurants
- the foodtruck (a BBQ on wheels)
- the new restaurant décor, which was rolled out from early 2015 at all the Group's restaurant refurbishments and openings.

A new brand platform featuring a new logo, new communication, and a new brand signature was also launched during the year.

Domestic markets

Over 2015 as a whole, the Group opened 25 restaurants, increasing its network to 515 restaurants—401 in France and in French overseas departments and territories, 101 in Belgium and Luxembourg, 7 BBQ units in France and 6 restaurants in international markets.

To bolster its network, Quick committed €49.2 million in capital expenditure in 2015 (including in acquisition-led growth). The lion's share of this was devoted to new openings, acquisitions of new sites, and the revitalisation of its portfolio through the refurbishment of 23 restaurants during the year.

International markets

The Group launched its international expansion drive by opening 5 restaurants under master franchise agreements in Turkey and 1 restaurant in Tunisia.

Acquisitions

In January 2015, the Group acquired five companies that each own one Quick banner restaurant in France previously operated under franchise.

Acquisition of the Quick group by Burger King France

Burger King France purchased Financière Quick's entire share capital on 17 December 2015.

On this date, Burger King France, the sole shareholder, carried out a €91,039,000 increase in Financière Quick's capital by issuing 9,103,900 new shares, thereby increasing its share capital to €200,292,000. This capital increase paved the way for the partial redemption of €90 million of the bond issues on 18 January 2016.

Accordingly, all the Supervisory Board members, the Chairman and all the Management Board members tendered their resignation.

New Articles of Association were adopted on 17 December 2015. The new governance framework consists of a Chairman, Bertrand Corp. represented by Olivier Bertrand, and a Chief Executive Officer, Jérôme Tafani.

Following this acquisition, Burger King France plans to convert the majority of Quick restaurants in France over a 4-year period. The gradual disappearance of the Quick brand will significantly cut the brand royalties and reduce the value of the Quick brand to below its existing carrying amount in the consolidated statement of financial position. The method used to assess impairment in the brand is presented in Note 3.12 Intangible assets.

Following this change in shareholder, the tax consolidation group headed by Financière Quick was disbanded.

Financing

The Group arranged new credit lines in 2015, the two principal lines being:

- a €5,000 thousand credit line with BPI France repayable in April 2022, and
- a €3,637 thousand credit line with KBC repayable in November 2027.

It repaid the CICE tax credit prefinancing, which was previously recognised in financial liabilities and arranged a no-recourse sale of the 2013, 2014 and 2015 CICE tax credits, enabling it to deconsolidate the CICE from financial liabilities.

On 17 December 2015, following Burger King France's acquisition of Financière Quick, the Group renegotiated with the lenders the €40,000 thousand revolving credit facility (RCF) arranged in 2014 as part of the refinancing programme. The goal was to secure authorisation for the deal, make amendments to certain clauses and reset the ratios. On completion of these negotiations, the size of the RCF was reduced to €32,000 thousand.

Concomitantly with the acquisition of Financière Quick shares by Burger King France, Financière Quick's capital was increased by €91,039 thousand. On the same day, Financière Quick served notice to the bondholders of the irrevocable early repayment of a portion of the bond debt on 18 January 2016:

- €80,000 thousand on the €440,000 thousand tranche (due in April 2019)
- €10,000 thousand on the €155,000 thousand tranche (due in October 2019)

Accordingly, €90,000 thousand in long-term debt was reclassified as short-term debt, and the Group's cash stood at €133,077 thousand at 31 December 2015.

3. Summary of significant accounting policies

3.1. Compliance with accounting standards and changes in consolidation methods

The consolidated financial statements of Financière Quick have been prepared in accordance with IFRSs published by the International Accounting Standards Board (IASB) and as approved by the European Union. Their adoption is mandatory for annual reporting periods beginning on or after 1 January 2015. IFRSs as adopted for use in the European Union can be viewed on the European Commission's website.[1]

The new standards, amendments and interpretations in force in the European Union for mandatory adoption for annual reporting periods beginning on or after 1 January 2015 are presented below:

- Improvements to the IFRSs published in December 2013 (2011-2013 cycle)
- IFRIC 21—Levies

These had no impact on the Group's 2015 financial statements. The other standards for mandatory adoption with effect from 1 January 2015 did not have a material impact on the Group's financial statements.

New IFRS standards, amendments and interpretations published and adopted early by the Group from 1 January 2015:

None

[1] http://ec.europa.eu/finance/accounting/ias/index_en.htm

IFRS standards, amendments and interpretations adopted by the IASB, but not applicable at 31 December 2015:

The Group did not opt to apply early any of the new standards and interpretations referred to hereinafter, adoption of which was not mandatory at 1 January.

- IFRS 9—Financial Instruments
- IFRS 15—Revenue from Contracts with Customers
- Amendments to IAS 1—Presentation of Financial Statements—Disclosure Initiative
- Amendments to IAS 16—Property, Plant and Equipment and IAS 38—Intangible Assets—Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 19—Employee Benefits—Employee Contributions
- Amendments to IAS 28—Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 10—Consolidated Financial Statements, IFRS 12—Disclosure of Interests in Other Entities—Investment Entities: Applying the Consolidation Exception
- Amendments to IFRS 11—Joint Arrangements—Accounting for Acquisitions of Interests in Joint Operations
- Improvements to the IFRSs published in December 2013 (2010-2012 cycle)
- Improvements to the IFRSs published in September 2014 (2012-2014 cycle)

With the exception of the amendments to IAS 19 and the improvements to the IFRSs published in December 2013, these new standards and amendments have not yet been adopted by the European Union and may not be applied early, even though the standard so permits.

The Group has completed or is currently assessing the effects of the first-time adoption of these new standards and other items.

3.2. Basis of preparation

The significant accounting policies applied during the preparation of the consolidated financial statements are described below. Unless stated otherwise (see Note 3.1), the consolidated financial statements have been prepared on a historical cost basis, except for the following items, which are measured on a different basis at each reporting date (financial instruments, any consideration related to business combinations, net liabilities in respect of defined-benefit plans, etc.). These methods have been applied consistently in all the reporting periods presented here.

The consolidated financial statements have been prepared for the accounting period ended 31 December 2015.

3.3. Use of estimates and judgments

In the preparation of its financial statements, the Quick group's management has made judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosures in the notes to the financial statements.

The Group's management has made these estimates and assumptions continuously based on its past experience and various factors deemed to be reasonable that represent the basis for these judgments.

Certain facts and circumstances may lead to changes in these estimates and assumptions, which would affect the value of the Group's assets, liabilities, equity and income.

The principal estimates made by Quick group's management relate to its intangible assets (the brand and leasehold rights, in particular), provisions and asset impairment testing.

Information about the critical judgments made for the purposes of IAS 17—Leases are included in Note 24—Leases.

3.4. Methods of consolidation

The consolidated financial statements include the financial statements of Financière Quick SAS and its subsidiaries and joint ventures.

A list of the Group's main subsidiaries, joint ventures and associates is provided in Note 4.1.

Subsidiary consolidation

IFRS 10 replaces and supersedes the revised IAS 27—Consolidated and Separate Financial Statements and SIC 12—Consolidation—Special Purpose Entities. The control model is based on the following three criteria, which must be satisfied simultaneously for the parent company to be deemed to exercise control:

- The parent company holds power over the investee, when the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns). Power may arise from existing voting rights and/or potential voting rights or from contractual arrangements. Voting rights must be substantial (it should be possible to exercise them at any time, without restrictions, and in particular when decisions are made concerning significant activities. The assessment of whether power is held depends on the nature of the investee's relevant activities, the decision-making processes it applies and the distribution of rights among the investee's other shareholders

- The parent company is exposed to or has rights to variable returns from its involvement with the investee, which may vary according to its performance. The concept of returns is defined broadly, and includes dividends and other forms of economic benefits, the value of the investment, cost savings, synergies, etc.

- The parent company can use its power to affect the returns generated by the investee. Power that does not afford this influence cannot be deemed as control.

All the companies that Financière Quick controls are fully consolidated.

A group's consolidated financial statements are presented as those of a single economic entity with two categories of owners—owners of the parent company (shareholders in Financière Quick), and holders of non-controlling interests (minority shareholders in the subsidiaries). A non-controlling interest is defined as the percentage ownership of a subsidiary that is not held directly or indirectly by a parent company (hereinafter "non-controlling interests"). Accordingly, changes in a parent company's percentage interest in a subsidiary that do not lead to a loss of control affect only equity since control does not change within the economic entity.

Accounting for joint arrangements

IFRS 11 replaces and supersedes IAS 31—Investments in Joint Ventures and SIC 13—Jointly Controlled Entities—Non-Monetary Contributions by Venturers. It sets out the reporting principles to be used for entities that hold interests in jointly controlled entities (or joint arrangements).

In a joint arrangement, the parties are bound by a contractual arrangement affording them joint control of an arrangement. A party to a joint arrangement has to determine whether the contractual arrangement confers all the parties, or one party among them, joint control of the arrangement. Joint control is then established where decisions concerning the relevant activities require the unanimous consent of the parties that collectively share control.

There are two categories of joint arrangements:

- Joint operations: whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. These parties are referred to as the "joint operators". The joint operator accounts for 100% of the arrangement's assets and liabilities, income and expenses in sole ownership plus its share in the jointly held items.

- Joint ventures: whereby the parties that have joint control of the arrangement have rights to its net assets. These parties are referred to as the "joint venturers". Each joint venturer accounts for its right to the net assets of the arrangement under the equity method in accordance with IAS 28 (see below).

The impact on Financière Quick of the scrapping of proportional consolidation for joint ventures is presented in Note 3.1.

Equity accounting

Financial Quick applies the equity method of accounting to associate companies over which it holds significant influence, and to joint ventures.

Significant influence is presumed to exist when Financière Quick holds, directly or indirectly, 20% or more of an entity's voting power, unless it can be clearly demonstrated otherwise. The existence of significant influence can be evidenced by other criteria such as representation on the board of directors or equivalent governing body of the investee, participation in the policy-making process, material transactions between the investor and the investee or the interchange of managerial personnel.

3.5. Foreign currency translation

The euro is the Group's reporting currency.

Foreign currency transactions

Foreign currency transactions by the Group's various entities are translated at the exchange rate ruling at the transaction date.

Foreign currency assets and liabilities are translated at the exchange rate ruling at the reporting date. Any translation differences are recognised in income.

3.6. Revenue recognition

Revenue

Revenue is recognised when it is probable that the future economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable taking the amount of any commercial discount, VAT and other sales taxes into account.

Revenue is recognised under the "Sales and franchise revenues" heading on the statement of income. This figure represents the total amount the following items:

- Proceeds from direct sales at company-operated restaurants. These are the sales excluding taxes recorded by each cash register in company-operated restaurants, by opposition to restaurants operated under franchise.

- Franchise income and expenses: Franchise income and expenses include brand royalties, real estate and business lease income, less any rebates granted. Initial lease payments are recognised in other operating income (see Note 6).

- Brand royalties are a percentage of sales charged to franchisees for their use of the Quick brand.

- Real estate and business lease income represents a percentage of sales charged to each franchisee in respect of their tenancy (real estate and business lease payments) and leasehold rights (for the business lease). There are various types of franchise (full franchise, shared franchise, business lease, business lease with investments). The percentage royalty depends on the type of the agreement.

- Rebates granted represent a reduction in the contractual amount charged to each franchisee issued in the form of a credit note. The rebates granted may be definitive or carried forward. These rebates are recognised as a reduction in sales.

- National advertising sales: These represent the amounts invoiced to franchisees in respect of their contribution to the national advertising budget. It is calculated as a percentage of their sales.

- Logirest sales: Logirest sales represent the sales of goods and equipment charged by Logirest France and Logirest Benelux to restaurants operated under franchise.

Interest income

Interest income is recognised in the income statement taking into account the investment's effective interest rate.

3.7. Recognition of other expense types

Interest expense

All interest and costs arising on borrowings are expensed as they are incurred.

Expenses under operating leases

Operating lease payments are expensed on a straight-line basis over the full term of the lease.

3.8. Employee benefits

Post-employment benefits granted by the Group vary according to statutory obligations and local policy.

The Group's employees receive short-term benefits (paid leave, sick leave, etc.) and post-employment benefits under defined-contribution and defined-benefit plans (end-of-career benefits, top-up pension plans).

Short-term employee benefits are expensed by each Group entity as they are incurred.

Defined-contribution plans

Under these plans, periodic contributions are made to external organisations, which are responsible for their administration and financial management. These plans release the employer from any subsequent obligation, since the external organisation handles payment of the amounts due to employees (French social security basic pension, ARRCO/AGIRC top-up pension, defined-contribution pension funds).

The Group's payments are expensed as and when they are made.

Defined-benefit plans

For defined-benefit plans, the present value of pension liabilities is determined every year by a qualified actuary using the projected unit credit method.

These assessments include demographic assumptions (salary growth rate, retirement age, mortality rate, staff turnover) and financial parameters, such as the discount rate.

The amount recognised on the statement of financial position is the present value of the obligation less the fair value of plan assets, where the commitment is covered by an insurance contract.

Changes in actuarial assumptions, or the difference between these assumptions and the actual position, give rise to remeasurements of net liabilities under the defined-benefit plans, which are recognised in other comprehensive income.

Employee profit-sharing

A three-year corporate profit-sharing agreement was signed in June 2012. It provides for an incentive payment to its beneficiaries contingent upon attainment of certain Group-level performance criteria.

Nonetheless, no incentive payments will be paid in respect of FY 2015, since the criteria triggering the payment were not reached.

3.9. Income tax.

Income tax expense for the period includes current and deferred tax. Income tax is recognised in the income statement unless it relates to items recognised directly in equity and in other comprehensive income, in which case it, too, is recognised outside profit or loss.

3. Summary of significant accounting policies

Current tax consists of tax due on taxable profit for the period, calculated based on tax rates in force at the reporting date, taking into account any adjustments related to previous periods.

Deferred tax assets and liabilities must be measured using tax rates that are expected to apply to the period in which the asset will be realised or the liability settled, based on tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised where it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be utilised.

In addition, deferred tax liabilities associated with investments in unconsolidated subsidiaries and joint ventures are recognised except where the date on which the temporary difference will reverse cannot be controlled and it is probable that the reversal will not occur in the foreseeable future.

Based on a review of the applicable standards, the Group considered that the CVAE levy (based on corporate value-added) satisfies the definition of income tax as laid down in IAS 12.2 (Taxes due on the basis of taxable profit).

The competitiveness and employment tax credit (CICE) is a tax incentive introduced in France in January 2013 for entities with employees and is akin to a reduction in their payroll charges. The CICE is offset against the corporate income tax payable in respect of a year in which the remuneration used to calculate the CICE was paid. The CICE is repayable where the entity does not have a sufficient income tax liability, and it is analysed as an operating grant and accounted for as a reduction in staff costs.

The source receivable, i.e. calculated in the same year as payment of the remuneration on which the tax credit is based was paid and prior to settlement of the tax liability in 2015, was sold to a credit institution.

3.10. Borrowing costs

The revised version of IAS 23 requires that borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

At 31 December 2015, the Group did not identify any qualifying assets satisfying the requirements of IAS 23 as amended.

3.11. Business combinations and goodwill

Business combinations are accounted for using the purchase method. The identifiable assets and liabilities of the acquiree satisfying the IFRS recognition criteria are generally recognised at their fair value at the acquisition date.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the acquiree) plus the amount of any non-controlling interests in the acquiree, less the net amount recognised (generally at fair value) in respect of the identifiable assets acquired and liabilities assumed. Non-controlling interests may be measured on a transaction-by-transaction basis either at the proportionate share of net identifiable assets or at fair value.

Where the difference calculated is negative, and after remeasurement of the various items, it may be recognised immediately in income.

Subsequently, goodwill is measured at cost less any impairment losses representing losses in value. Impairment is recognised immediately in income and may not be reversed subsequently.

Any increase or reduction in interests not leading to loss of control over a subsidiary does not represent a business combination, but a transaction with non-controlling interests, which is recognised directly in equity.

3.12. Intangible assets

Intangible assets that are acquired separately are recognised at cost, and intangible assets acquired as part of a business combination are recognised at fair value at the acquisition date.

Intangible assets are not remeasured subsequently. Intangible assets with a finite useful life are amortised on a straight-line basis over their useful life. Useful lives are reviewed at each reporting date. Intangible assets with an indefinite life are not amortised but are tested for impairment annually or more frequently if there is any indication of impairment (See Note 11).

The Quick brand

The Quick brand was measured for the first time at the level of Quick Restaurants on 31 December 2007 in connection with the acquisition of Quick Restaurants on 9 February 2007 by Financière Quick and in accordance with IFRS 3—Business Combinations.

Owing to its age (close to 40 years old) and reputation, the Quick brand is treated as an intangible asset with an indefinite life. There is no foreseeable limit to the period over which the brand is expected to generate net cash inflows for the Group.

Following Burger King France’s acquisition of Financière Quick on 17 December 2015, a conversion plan was drawn up. The Quick restaurants in France will be rebadged as Burger King restaurants over a period of four years. This conversion plan is due to commence in mid-2016, with completion scheduled for mid-2020. Sales in

France under the Quick trading name are forecast to be around €251 million by the end of the conversion period, compared with €744 million in 2015.

Several criteria were used to measure the fair value of the brand at the reporting date of 31 December 2015:

1. Royalty method

The test considers that all the restaurants are operated as full franchises and compares the brand's existing valuation to the sum of the 5% brand royalties paid by all the restaurants in the portfolio, less a 3% deduction for the Group's corporate expenses. A corporate income tax rate of 34.43% is then applied.

The cash flows are discounted (at a rate of 7.9% in 2015).

Sensitivity tests were performed (see the Notes) by projecting a decline or an increase of 5% in sales under the Group's trading name and also a reduction in the perpetual growth rate of 0.5 points (from 2% to 1.5%) and, lastly, by applying a 1-point increase in the discount rate (from 7.90% to 8.90%). These tests yielded a range for the impairment of between €166.9 million and €184 million.

2. Harris Interactive and Sorgem report

A fundamental review of the Quick brand conducted in the first half of 2015 by marketing research agencies Harris (qualitative study) and Sorgem (quantitative study) highlighted the brand's reduced appeal in France amid highly competitive conditions.

That said, the brand will be maintained in Belgium (where Quick remains the market leader), Luxembourg, and in international markets.

3. The Group's weak financial performance in 2014 and 2015

In a hamburger restaurant market that declined by 2014 and 2015, sales under the Group's trading name contracted by 5.8% and 6.4% respectively on a comparable basis in France, with a direct impact on the Group's profitability.

Taking the aforementioned criteria into account, management estimated that the Quick brand had lost around 50% of its value at 31 December 2015, and thus recognised a €150 million impairment loss.

Research and development

The cost of research devoted to acquiring new scientific and technical knowledge is expensed as incurred.

The cost of development, by means of which the discoveries arising from research are applied to a plan or concept with a view to producing new or significantly enhanced products or processes, is capitalised if all the conditions laid down in IAS 38—Intangible Assets have been satisfied.

Leasehold rights

- Leasehold rights acquired in a business combination: These are commercial and construction leasehold rights acquired by Financière Quick upon the acquisition of Quick Restaurants, which were initially recognised at fair value in accordance with IFRS 3—Business Combinations. The same amortisation rules apply to them as to leasehold rights acquired separately.

- Leasehold rights acquired separately: These are commercial and construction leasehold rights acquired subsequent to Financière Quick's acquisition of Quick Restaurants.

In France, construction leasehold rights are amortised over the term of the lease (between 30 and 35 years) and are accounted for as intangible assets with a finite useful life.

Commercial leasehold rights are not amortised in France and are accounted for as intangible assets with an indefinite useful life. In France, the lessee under a commercial lease has the right to renew the lease an almost unlimited number of times. If the landlord wants to terminate the lease, the tenant has the right to receive an eviction indemnity equal to the value of the commercial goodwill at the termination date. Accordingly, the useful life of the leasehold right is indefinite because there is no foreseeable limit to the period over which the leasehold right is expected to generate net cash inflows for the Group.

In Belgium, leasehold rights are known "key money" and are amortised on a straight-line basis over the term of the lease.

Other intangible assets with a finite useful life.

Other intangible assets with a finite useful life mainly comprise software and patents, licences and concessions. Amortisation of other intangible assets with a finite useful life is calculated on a straight-line basis over their estimated useful life.

Their estimated useful lives are as follows:

	Number of years
Buildings	20 to 30
Fixtures and fittings	8 to 12
Restaurant equipment and furniture	7
Other non-current assets	5

3.13. Property, plant and equipment.

Property, plant and equipment is measured at cost less accumulated depreciation and any impairment losses. The cost includes the acquisition cost or production cost and all costs necessary to bring the asset to its location and working condition. When an item of property, plant and equipment includes significant components with different useful lives, these are recognised and depreciated separately.

Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life. The useful lives applied are reviewed at each reporting date.

The estimated useful lives used for property, plant and equipment are as follows:

	Number of years
Buildings	20 to 30
Fixtures and fittings	8 to 12
Restaurant equipment and furniture	7
Other non-current assets	5

3.14. Impairment of assets

Whenever adverse events or material internal or external circumstances occur, the Group assesses whether the goodwill, other intangible assets, property, plant and equipment and non-current assets in progress are likely to have been impaired. In addition, goodwill, intangible assets with an indefinite useful life and non-current assets in progress are tested annually for impairment.

This impairment testing consists in comparing the recoverable amount of the asset (or cash-generating unit (CGU) to which it is assigned) to its carrying amount.

The recoverable amount of an asset (or the CGU to which is assigned) is the higher of its value in use and fair value less costs of disposal.

The value in use of the assets to which independent cash flows can be allocated is determined on an individual basis. The other assets are grouped into the CGU to which they belong to determine the value in use of the group of assets. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

When the recoverable amount is lower than the carrying amount of the asset or group of assets tested, an impairment loss is recognised in respect of the difference. For a group of assets, it is allocated first as a reduction in goodwill.

The impairment losses recorded in respect of assets (excluding goodwill) may be reversed subsequently if the recoverable amount becomes higher than the carrying amount, provided that it does not exceed what the depreciated historical cost would have been if the impairment had not been recognised. Conversely, impairment recorded in respect of goodwill may not be reversed.

The Group has carried out asset impairment tests at three different levels:

The CGUs, which are identified at Quick Group level as being restaurants, whether they be company-operated or operated under franchise. The recoverable amount of a CGU is the present value of its future cash flows after tax over a period 5 years plus a terminal value.

The brand, which is tested based on the future cash flows after tax that it is expected to generate for the Group if all the restaurants were operated under franchise.

The Group, i.e. all of its non-current assets including goodwill, the brand and all the other property, plant and equipment and intangible assets. The test compares the future cash flows after tax over a period of 5 years plus a terminal value to the carrying amount of the assets referred to above.

These three tests represent the various stages of implementation of the impairment tests.

3.15. Leases

Leases are classified as a finance lease if substantially all the risks and rewards incidental to ownership are transferred to the Group.

Leases under which substantially all the risks and rewards incidental to ownership are retained by the lessor are classified as an operating lease.

As lessee:

Finance leases

Upon their commencement, finance leases give rise to the recognition of assets and liabilities equal to the fair value of the leased item or, where lower, the present value of the minimum lease payments. The discount rate used to calculate the present value of minimum payments is the interest rate implicit in the lease if that can be readily determined. Otherwise, the lessee should use its incremental borrowing rate. Any initial direct costs of the lessor are added to the amount recognised as an asset.

Subsequent to initial recognition, minimum lease payments must be broken down into the finance charge and the repayment of the outstanding financial liability. The finance charge must be allocated to each period of the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability in respect of each period. In addition, the leased assets are depreciated using a depreciation method consistent with that applicable to depreciable assets that the Group owns.

Operating leases

Operating lease payments are expensed on a straight-line basis over the term of the lease. Any amounts received or receivable in respect of tenancy benefits to secure the agreement are also recognised in income on a straight-line basis over the term of the lease.

As lessor:

Finance leases

The lessor must recognise assets held under a finance lease on the statement of financial position as a receivable at an amount equal to the net investment in the lease.

Under a finance lease, the lessor transfers substantially all the risks and rewards incidental to ownership. Accordingly, it recognises payments receivable in respect of the lease as a repayment of principal and as financial income as a return for its investment and its services.

Operating leases

Assets leased under operating leases must be recognised according to the type of asset. Income received under operating leases must be recognised in income on a straight-line basis over the full term of the lease or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis.

Initial direct costs incurred by lessors arising from the negotiation or drafting of an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term, in the same manner as the lease income.

The method of depreciation for the depreciable assets leased must be consistent with the usual method of depreciation applied by the lessor to similar assets.

3.16. Inventories

Inventories must be measured in accordance with IAS 2—Inventories. Inventories are measured at the lower of cost and net realisable value.

The Group's inventories consist of supplies, equipment and food products. They are recognised in the financial statements at cost, which includes the purchase price plus customs duties and any other non-recoverable taxes, transport and handling costs incurred in bringing the inventories to their present location and condition.

Equipment inventories are measured using the weighted average cost method.

Food product inventories are measured using the FIFO (First In, First Out) method in view of the rules applicable to the management of food products and their fast-moving nature.

3.17. Financial assets

The Group's financial assets consist of financial receivables and other non-current assets, commercial receivables, cash and cash equivalents.

These financial assets are classified into the four categories defined by IAS 39—Financial Instruments: Recognition and Measurement (please refer to Note 27.8).

The different categories are accounted for in different ways:

- **Available-for-sale financial assets:** These assets are initially measured at fair value plus transaction costs. Subsequently, these assets are measured at fair value.

Changes in fair value are recognised in other comprehensive income and are reversed to income only when the relevant assets are sold.

- **Loans and receivables:** These financial assets are recognised initially at their fair value plus any directly attributable transaction costs, then at amortised cost at each reporting date using the effective interest rate method.

This category includes trade receivables, deposits and guarantees, and receivables from investments.

Loans and receivables are monitored for objective evidence of impairment. A financial asset is monitored on an individual basis and is written down if its carrying amount is higher than its recoverable amount as estimated during impairment testing. Any impairment losses are recognised in income and may be reversed if the recoverable amount is likely to increase over the subsequent periods.

- **Financial assets at fair value through profit or loss:** These assets are measured at fair value with changes in their fair value accounted for in profit or loss. This category encompasses:

- Held for trading financial assets, which include assets held for the purpose of selling in the short term to secure a capital gain, or those belonging to a portfolio of financial instruments for which there is a recent pattern of short-term profit taking. This applies to cash equivalents.

- Assets designated explicitly by the Group upon their initial recognition as being financial instruments with changes in their fair value being recognised through profit or loss.

- **Held-to-maturity investments:** Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that an entity intends and is able to hold to maturity. These investments are measured and recognised at amortised cost using the effective interest rate method.

They are monitored for objective evidence of impairment. A financial asset is monitored on an individual basis and is written down if its carrying amount is higher than its recoverable amount as estimated during impairment testing. The impairment loss is recognised in income.

Financial receivables and other non-current assets

Under financial receivables and other non-current assets, the Quick Group accounts for caps and collars (derivative financial instruments), deposits and guarantees, loans and receivables due from investments comprising loans made to unconsolidated subsidiaries within the Group and loans to non-Group entities.

Trade receivables

Trade receivables include receivables from franchisees corresponding to amounts invoiced in respect of purchases of equipment, goods held for resale contributions to national advertising contributions, brand royalties and lease or business lease charges.

Cash and cash equivalents

Cash and cash equivalents include cash and demand deposits invested in risk-free money-market instruments. Time deposits are recognised in cash where they meet the following conditions:

- There are exit options:

- exercisable at any time or at most every three months.

- provided for in the contract at its inception

- that may be exercised without any penalty for the depositor or significant risk of changes in the value of the amount of cash to be received upon redemption,

- There is no value risk associated with the minimum level of return earned (i.e. that obtained in the event of an early exit) because this payment will be identical for the entire term and at all times to that obtained from an investment of at most three months meeting the definition of a cash equivalent. This may apply when the rate is variable or adjustable.

3.18. Financial liabilities

Financial liabilities other than derivative financial instruments held by the Group comprise:

- non-current financial liabilities consisting of the long-term portion of bank borrowings, convertible bonds, finance lease liabilities, and other financial liabilities

- non-current financial liabilities consisting of the short-term portion of bank borrowings, finance lease liabilities, other financial liabilities and bank overdrafts.

The Group's financial liabilities other than derivatives are classified as financial liabilities at amortised cost, as defined by IAS 39—Financial Instruments: Recognition and Measurement. The Group does not have any financial liabilities at fair value through profit or loss.

Bank borrowings

Bank borrowings are initially recognised at fair value less costs directly attributable to these borrowings. Subsequently, these borrowings are measured at amortised cost using the effective interest rate method. This rate represents the internal rate of return that discounts the series of cash flows expected over the life of the borrowing.

Bonds (see Note 25.4)

On 8 April 2014, Financière Quick arranged two bond issues:

- A €440 million Senior Secured Floating Rate Note issue with a nominal value of €100,000 in multiples of €1,000 above €100,000, and a 5-year maturity (due on 15 April 2019) carrying an interest rate of 3-month Euribor + 4.75% and listed on Euronext Brussels.

- A €155 million Senior Unsecured Note issue with a nominal value of €100,000 in multiples of €1,000 above €100,000, and a $5^1/_2$-year maturity (due on 15 October 2019) carrying an interest rate of 3-month Euribor + 7.50% and listed on Euronext Amsterdam.

The proceeds of these notes were used to repay all the LBO debt (Tranche A, B, C, Second Lien, Mezzanine, Capex, RCF) and all the convertible bonds and shareholders' loans outstanding at the closing date of 8 April 2014, which totalled €598 million.

The bond issuance costs amounted to €12.4 million.

On 17 December 2015, Burger King France acquired full ownership of Financière Quick's shares. Following this acquisition, it increased Financière Quick's capital by €91,039 thousand. On the same day, Financière Quick served notice to the bondholders of the irrevocable early repayment of a portion of the bond debt on 18 January 2016 as follows:

- €80,000 thousand on the €440,000 thousand tranche (due in April 2019)

- €10,000 thousand on the €155,000 thousand tranche (due in October 2019)

The early redemption of a portion of the bond debt is reflected in the 2015 financial statements by:

- the reclassification of €90,000 thousand in long-term debt as short-term debt
- the recognition of €1,000 thousand in early repayment costs (redemption premium) payable on 18 January 2016.

Burger King France's acquisition of Financière Quick incurred various advisory and financial costs. Since the fundamental characteristics of the Group's borrowings remained unchanged, €2,685 thousand in bond issuance costs were capitalised. They will be deferred over the residual term to maturity of the borrowings. As a result, the outstanding balance of bond issuance costs to be amortised came to €12,855 thousand:

- 2014 bond issuance costs (residual value) at the 2015 reporting date: €10,170 thousand
- Expenses arising from the restructuring of the Group's debt: €2,685 thousand

3.19. Derivatives

In accordance with IAS 39—Financial Instruments: Recognition and Measurement, derivative financial instruments are recognised at fair value.

The Group uses derivatives, such as caps, swaps and collars to hedge its exposure to fluctuations in interest rates. The Group's policy is to trade in the capital markets solely to hedge commitments associated with its business activities and not for speculative purposes.

Hedging derivatives

For hedge accounting purposes, hedges are designated as either:

- a fair value hedge when they hedge exposure to changes in fair value of a recognised asset or liability or firm commitment, such as a fixed-rate loan or borrowing or a foreign-currency asset or liability
- a cash flow hedge when they hedge exposure to changes in cash flows attributable to:
- an asset or liability, such as floating-rate loans or borrowings,
- a highly probable forecast transaction,
- or a firm commitment to hedge currency risk.

At the inception date of a hedge, the Group formally designates the financial instrument to which hedge accounting will be applied and documents the hedging relationship and the effectiveness of the hedging relationship by conducting effectiveness tests at inception and continuously throughout the periods for which the hedge has been designated.

Hedging instruments satisfying the requirements for hedge accounting are recognised as follows:

- **fair value hedge:** changes in the fair value of the hedging instrument and the hedged item are recognised in the same manner and period in the income statement for the period. The hedging instrument and the hedged item are recognised at their market value on the statement of financial position
- **cash flow hedges:** the gain or loss net of tax on the effective portion of the hedging instrument is recognised in other comprehensive income and the ineffective portion is recognised in income. The amounts recorded in equity are recognised in income for the period in which the hedged item affects the income statement.

Derivatives not eligible for hedge accounting

Gains and losses deriving from changes in the fair value of derivatives that are not designated as hedging instruments as defined in IAS 39 are recognised in the income statement.

3.20. Provisions

A provision is recognised when the Group has a legal or constructive obligation at the reporting date:

- resulting from a past event
- likely to trigger to an outflow of resources
- the amount of which can be estimated reliably.

The amount recognised as a provision is the best estimate of the expense required to settle the present obligation at the reporting date.

Restructuring-related commitments are recognised when they are announced to the relevant parties.

3.21. Financial indicators

Definition of the Group’s principal financial indicators:

Net debt

Net debt represents the total amount of current and non-current bank borrowings and bonds, less cash at bank.

EBIT (operating profit before non-recurring items)

This performance metric is calculated as operating profit, less general and administrative costs, other income and expenses, and corporate expenses.

EBITDA

This performance metric is calculated as EBIT plus depreciation and amortisation.

General and administrative costs

This heading encompasses all corporate overheads such as external charges (energy, office supplies, professional fees, travel expenses, IT expenses, etc.), corporate staff costs, taxes other than on income, and occupancy costs (rent, miscellaneous depreciation and amortisation, etc.).

Other corporate income and expenses

This heading includes expenses related to the Group’s business activities plus marketing services charged to partners.

Other non-recurring income and expenses

This heading includes a very limited number of unusual and infrequent income and expenses that are material at consolidated level, which the Group has identified separately in its income statement to facilitate understanding of its operating performance before non-recurring items (See Note 8).

4. Scope of consolidation and significant changes

4.1. Scope of consolidation

Companies	2015 Percentage ownership	2015 Percentage control	2015 Consolidation method	2014 Percentage ownership	2014 Percentage control	2014 Consolidation method
Quick Restaurants ...	100.00%	100.00%	IG	100.00%	100.00%	IG
Quick International ex Equilease	100.00%	100.00%	IG	100.00%	100.00%	IG
Caresquick..............	50.00%	50.00%	MEE	50.00%	50.00%	MEE
Happy Quick	55.00%	55.00%	IG	55.00%	55.00%	IG
Logirest Benelux	100.00%	100.00%	IG	100.00%	100.00%	IG
Financière Quick	100.00%	100.00%	IG	100.00%	100.00%	IG
France Quick	100.00%	100.00%	IG	100.00%	100.00%	IG
Quick Invest	100.00%	100.00%	IG	100.00%	100.00%	IG
Montmirail (ex Coquelles)	100.00%	100.00%	IG	100.00%	100.00%	IG
Pyramides...............	100.00%	100.00%	IG	100.00%	100.00%	IG
Agaquick	49.00%	49.00%	IG	49.00%	49.00%	IG
Agaquick Exploit	49.00%	49.00%	IG	49.00%	49.00%	IG
Iena SAS	100.00%	100.00%	IG	100.00%	100.00%	IG
Lodi SAS................	100.00%	100.00%	IG	100.00%	100.00%	IG
Ulm SAS	100.00%	100.00%	IG	100.00%	100.00%	IG
Arcole Immo SAS ...	100.00%	100.00%	IG	100.00%	100.00%	IG
Quick immo............	100.00%	100.00%	IG	100.00%	100.00%	IG
Wagram..................	100.00%	100.00%	IG	100.00%	100.00%	IG
Eylau	100.00%	100.00%	IG	100.00%	100.00%	IG
Friedland	100.00%	100.00%	IG	100.00%	100.00%	IG
Agaquick Invest	49.00%	49.00%	IG	49.00%	49.00%	IG
Tastyrest.................	100.00%	100.00%	IG	100.00%	100.00%	IG
Logirest France	100.00%	100.00%	IG	100.00%	100.00%	IG
AURO202	100.00%	100.00%	IG	100.00%	100.00%	IG
MINADRIVE..........	100.00%	100.00%	IG	100.00%	100.00%	IG
Sec Le Moulin.........	—	—	NI	100.00%	100.00%	IG
Richelieu Hoche......	—	—	NI	100.00%	100.00%	IG
Ligny	100.00%	100.00%	IG	100.00%	100.00%	IG
Montereau	100.00%	100.00%	IG	100.00%	100.00%	IG
DURENSTEIN........	100.00%	100.00%	IG	—	—	NI

Key to consolidation methods:

NI stands for not consolidated

IG stands for full consolidation

MEE stands for equity accounting

List of joint ventures and associates

	Joint ventures	Associates
Agaquick	x	
Agaquick Exploit...	x	
Agaquick Invest...	x	

Caresquick.. x

4.2. *Changes in the scope of consolidation during FY 2015*

The following changes in the scope of consolidation occurred during FY 2015:

Companies	Acquisition/Creation/Transfer of all assets and liabilities	Effective acquisition or creation date	Effective consolidation date	% ownership at 31 Dec. 2015	Consideration transferred (€ 000)	Fair value of assets/liabilities identified	Goodwill (€ 000)
Reims franchise (Claude Louis).........	Acquisition and transfer of all assets and liabilities[1]	1/1/2015	1/1/2015	100%	2,538	197	2,538
SEC Le Moulin.............	Transfer of all assets and liabilities[2]	9/2/2014	9/2/2014	100%	7,119	7,119	0
Richelieu Hoche	Transfer of all assets and liabilities[2]	9/2/2014	9/2/2014	100%	4,971	4,971	0
Durenstein.....................	Creation	12/21/2015	12/21/2015	100%	0	0	0

(1) Acquisition and transfer of all Eylau's and France Quick's assets and liabilities at 1 January 2015

(2) Transfer of all Eylau's assets and liabilities at 1 January 2015

4.3. *Changes in the scope of consolidation during FY 2014*

The following changes in the scope of consolidation occurred during FY 2014:

Companies	Acquisition/Creation/Transfer of all assets and liabilities	Effective acquisition or creation date	Effective consolidation date	% ownership at 31 Dec. 2014	Consideration transferred (€ 000)	Fair value of assets/liabilities identified	Goodwill (€ 000)
Auro202.......................................	Acquisition[1]	12/31/2013	12/31/2013	100%	0	0	(30)
Mina Drive...................................	Acquisition[1]	12/31/2013	12/31/2013	100%	0	0	(1)
SEC Le Moulin............................	Acquisition	9/2/2014	9/2/2014	100%	5,466	3,250	5,466
Richelieu Hoche	Acquisition	9/2/2014	9/2/2014	100%	2,334	2,129	2,334
Ligny..	Creation	7/1/2014	7/1/2014	100%	0	0	0
Montereau....................................	Creation	7/1/2014	10/1/2014	100%	0	0	0

(1) Adjustment of goodwill following an earn-out payment

5. Gross profit and profit from operations.

	2015		2014	
(€ 000)	Amount	%	Amount	%
Sales from company-owned restaurants................	312,004	52%	312,244	50%
Franchise revenues and external sales..................	283,646	48%	313,455	50%
Sales and franchise revenues............................	**595,650**	**100%**	**625,699**	**100%**
Cost of purchases and goods held for resale	(226,692)	−38%	(242,046)	−39%
Restaurant staff costs..	(106,414)	−18%	(103,773)	−17%
Total cost of sales..	**(333,106)**	**−56%**	**(345,819)**	**−55%**
Gross profit...	**262,544**	**44%**	**279,880**	**45%**
Occupancy and operating costs	(139,459)	−23%	(135,414)	−22%
Profit from operations	**123,085**	**21%**	**144,466**	**23%**

Franchise revenues and external sales:

- business lease payments and real estate rental income
- brand royalties received from franchisees
- national advertising contributions invoiced to the franchisees,
- sales of food and equipment invoiced to the franchisees.

Occupancy and operating costs chiefly include energy costs, service and security contract expenses, rent, taxes other than on income (taxes on businesses, land, etc.) and depreciation and amortisation.

6. Other operating income and expenses

(€ 000)	2015	2014
Capital gains on disposals of property, plant and equipment and intangible assets	37	3
Net charge to/(reversal from) provisions for operating items	904	4,852
Network access charge and initial franchise royalty	476	1,650
Other income	1,939	1,548
Total other operating income	**3,356**	**8,053**
Pre-opening costs	(783)	(631)
Other expenses	(2,482)	(637)
Total other operating expenses	**(3,265)**	**(1,268)**
Total other operating income and expenses	**91**	**6,785**

At 31 December 2015, other operating income and expenses consist chiefly of:

- Charges to and reversals from provisions for operating items relating to trade receivables and losses on unrecoverable receivables
- Write-downs of the food, giveaways and equipment inventories
- Proceeds from the disposal of three components of commercial goodwill

At 31 December 2014, other operating income and expenses consist of:

- Access rights and initial lease payments (Turkey, Morocco, Tunisia)
- Charges to and reversals from provisions for operating items relating to trade receivables and losses on unrecoverable receivables
- Eviction indemnity

7. Staff costs.

(€ 000)	2015	2014
Corporate staff costs and related expenses	(28,499)	(26,357)
Restaurant staff costs and related expenses	(104,604)	(100,792)
Training costs	(613)	(544)
Defined-benefit pension plan costs (Note 22)	(164)	(121)
Other staff costs	(9,784)	(8,933)
CICE tax credit	4,512	3,245
Total staff costs	**(139,152)**	**(133,502)**

Staff costs include:

- corporate staff costs: recognised in general and administrative costs in the income statement
- restaurant staff costs excluding retirement benefits: recognised in the cost of sales in the income statement
- training costs recognised in the cost of sales and in general and administrative costs in the income statement
- pension plan expenses recognised in other corporate income and expenses and in financial expenses
- other staff costs chiefly include travel expenses and other restaurant staff costs
- the CICE tax credit

The Quick Group is eligible for the CICE tax credit[2]. It recorded a tax benefit of €4,512 thousand in 2015.

2 CICE tax credit for competitiveness and employment

This amount helped to provide finance for the restaurant refurbishments. In 2015, the Group overhauled 14 restaurants in France at a total cost of €10,016 thousand. The principal refurbishments in 2015 were carried out at the following restaurants:

- Poitier DI at a cost of €1,230 thousand
- Le Mans DI at a cost of €927 thousand
- RIOM at a cost of €838 thousand
- Besançon CV at a cost of €540 thousand
- Reims CV at a cost of €823 thousand
- Saint Denis Grand Stade at a cost of €440 thousand

In 2015, the Group also invested €13,044 thousand in opening restaurants in France. The new units included Douai (€2,904 thousand), Dijon Quetigny (€1,275 thousand), BBQ Aix Jas du Bouffran (€803 thousand) and BBQ Meaux (€675 thousand).

8. Other non-recurring income and expenses.

Non-recurring income and expenses includes charges to and reversals from asset impairment losses, goodwill impairment losses, provisions for litigation, provisions for restaurant closures and any other non-recurring items.

(€ 000)	2015	2014
Reversals from/(charges to) provisions	3,942	(6,073)
Write-down after impairment test	(6,183)	(416)
Other	(162,952)	(8,009)
Total other non-recurring income and expenses	**(165,193)**	**(14,498)**

At 31 December 2015, other non-recurring operating income and expenses consist of:

- Charges to/reversals from provisions for liabilities and charges

- Asset impairment charge for restaurants in line with the methodology presented in Note 3.14

The €(162,942) thousand Other entry reflects:

- The €150,000 thousand impairment in the brand
- The costs arising from the closures in 2015
- Losses on unrecoverable receivables
- Miscellaneous costs incurred in connection with the sale of the Group
- Assets retired following restaurant closures

At 31 December 2014, other non-recurring operating income and expenses consist of:

- Charges to provisions for liabilities and charges
- Asset impairment charge for restaurants in line with the methodology presented in Note 3.14

8. Other non-recurring income and expenses.

The €(8,009) thousand Other entry reflects:

- The costs arising from the closures in 2013 and 2014
- Impairment in the receivable due in Russia
- Transformation project costs

9. Net financial income/(expense).

(€ 000)	2015	2014
Income from cash and cash equivalents	151	346
Gross cost of debt	(34,347)	(37,363)
Net cost of debt	**(34,196)**	**(37,017)**
Other financial income	4,565	524
Other financial expenses	(7,819)	(2,905)
Other financial income and expense	**(3,254)**	**(2,381)**
Total net financial income/(expense)	**(37,450)**	**(39,398)**

The lion's share of net financial income/(expense) consists of interest on the bond issues (88%). The remainder comprises interest on the RCF (drawdowns and commitment fee), cap premiums and swap differentials, miscellaneous bank charges and the net impact of IFRS restatements (€976 thousand on financial instruments and the deferral of €847 thousand in refinancing costs).

10. Income tax.

Tax expense

(€ 000)	2015	2014
Current tax for the FY	(2,944)	(7,417)
Deferred income tax	(1,549)	3,562
Income tax	**(4,493)**	**(3,855)**

Reconciliation of the theoretical tax expense to actual tax expense

(€ 000)	2015	2014
Profit before tax	(166,363)	4,882
Theoretical tax expense	34.08%	32.86%
Income tax calculated at the parent company's nominal tax rate	**56,690**	**(1,604)**
Permanent difference between statutory and tax financial statements	***(618)***	***(1,458)***
Expenses	(2,172)	(2,572)
CICE tax credit	1,554	1,118
Other	0	(4)
Permanent difference between statutory and IFRS financial statements	***(48,176)***	***5,349***
Capitalisation of costs	166	4,260
Valuation differences	(50,985)	0
Other	2,644	1,089
Adjustments to current tax	***(12,311)***	***(6,597)***
Adjustments to previous periods	(589)	135
Tax credits	(112)	0
Reclassification of the CVAE levy under current income tax	(1,723)	(2,038)
Impact of tax consolidation	(12,093)	(4,694)
Other	2,206	0
Adjustments to deferred taxes	***0***	***325***
Use of unrecognised tax losses	0	325
Difference between individual/consolidated tax rate	***(79)***	***129***
Actual tax benefit/(expense)	**(4,493)**	**(3,856)**

Change in net deferred taxes

(€ 000)	2015	2014
Change in net deferred taxes at 1 January	**10,430**	**11,332**
Recognised in equity	(2)	2,509
Recognised in other comprehensive income	51	151
Recognised in income	1,549	(3,562)
Other	0	0
Net deferred taxes at 31 December	**12,028**	**10,430**

Analysis of deferred tax assets and liabilities recognised on the statement of financial position

(€ 000)	2015	2014
Deferred taxes arising from differences between the statutory financial statements/tax accounts		
Capital gains subject to deferred taxation	(14,219)	(14,219)
Provisions	5,432	5,691
Other	1,763	2,186
Total deferred taxes arising from statutory/tax differences	**(7,024)**	**6,342**
Deferred taxes arising from differences between the statutory/IFRS financial statements		
Provisions	(18,473)	(18,545)
Financial instruments	941	1,277
Non-current assets	(3,789)	(3,595)
Other	16,317	16,775
Total deferred taxes arising from statutory/IFRS differences	**(5,004)**	**(4,088)**

Total deferred taxes	**(12,028)**	**(10,430)**

At 31 December 2015, unrecognised deferred tax assets amounted to €132,795 thousand, compared with €5,925 thousand at 31 December 2014. The change derived predominantly from the tax loss recorded for the financial year.

Analysis of deferred tax assets and liabilities recognised on the income statement

(€ 000)	2015	2014
Deferred taxes arising from differences between the statutory financial statements/tax accounts		
Capital gains subject to deferred taxation	0	0
Provisions for doubtful receivables	(259)	(213)
Other temporary differences	(423)	104
Total deferred taxes arising from statutory/tax differences	**(682)**	**(109)**
Deferred taxes arising from differences between the statutory/IFRS financial statements		
LGAI and pension provisions	123	1,323
Financial instruments	(336)	63
Non-current assets	(195)	2,255
Other	(458)	30
Total deferred taxes arising from statutory/IFRS differences	**(867)**	**3,671**
Total deferred taxes	**(1,549)**	**3,562**

11. Intangible assets.

(€ 000)	2014	Acquisitions	Disposals	Net charge for the period	Impairment	Changes in the scope of consolidation	Reclassifications and retirements	2015
Concessions, patents and similar rights	1,671	0	(7)			0	0	1,664
Software	14,100	978	(26)			7	1,640	16,699
Other intangible assets	302,425	0	0			0	0	302,425
Leasehold rights	127,122	396	(40)	0		213	(573)	127,118
Brand	300,000	0	0			0	0	300,000
Intangible assets	**442,893**	**1,374**	**(73)**			**220**	**1,067**	**445,481**
Amortisation/impairment of conc., pat. and other rights	(1,612)		4	(37)	6	0	0	(1,639)
Amortisation/impairment of software	(11,096)		26	(1,926)		(7)	0	(13,003)
Amortisation/impairment of brands	0		0	0	(150,000)	0	0	(150,000)
Amortisation/impairment of leasehold rights	(24,789)	0	26	(934)	(2,992)	0	0	(28,689)
Amortisation/impairment of intangible assets	**(37,497)**		**56**	**(2,897)**	**(152,986)**	**(7)**	**0**	**(193,331)**
Net intangible assets	**405,396**	**1,374**	**(17)**	**(2,897)**	**(152,986)**	**213**	**1,067**	**252,150**

The reduction in net intangible assets predominantly reflected the write-down of the brand following the acquisition of the Group by Burger King France and the plan to convert existing restaurants in France.

12. Goodwill.

(€ 000)	2014	Changes in the scope of consolidation	Other	2015
Goodwill	224 242	2 539	3 879	230 660
Goodwill impairment	(24)	0	0	(24)
Total net goodwill	**224 218**	**2 539**	**3 879**	**230 636**

Goodwill is not amortised but is subject to annual impairment testing.

Goodwill derived largely from Financière Quick SAS's February 2007 acquisition of the entire share capital of Quick Restaurants SA for €188.0 million.

Changes in goodwill primarily reflect the impact of business combinations during the period (Reims franchisee)

Other changes in goodwill reflect the payments made to LGAI, which were allocated to goodwill, the reclassification of commercial goodwill as goodwill and the restaurant buy-out commitments given to franchisees.

In 2015, the change in goodwill derives chiefly from the acquisition of the Reims franchisee's companies and restaurant buy-out commitments in Belgium and France.

In 2014, the change in goodwill derived chiefly from the acquisition of SEC le Moulin and Richelieu Hoche.

13. Impairment of assets.

The following table shows the net amount of impairment losses by asset category with an impact on the income statement.

(€ 000)	2015	2014
Intangible assets	(2 986)	225
Property, plant and equipment	(3 197)	(641)
Total	**(6 183)**	**(416)**

13. Impairment of assets.

Asset impairment testing

The method used to conduct impairment tests is presented in Note 3.14.

The discount rates used by the Group in respect of FY 2015 are as follows:

- a weighted average cost of capital estimated at 7.9% for the test carried out on the brand and assets as a whole
- a cost of equity estimated at 7.9% for the test on the CGUs

The test is carried out on the CGUs, brand and all assets.

The Group reviewed the value of its assets at 31 December 2015. Following this test, the Group's management concluded that their recoverable amount exceeded their carrying amount.

For the cash-generating units, the Group tested each restaurant individually and wrote down assets as required (taking into account the conversion plan in the wake of Burger King France's acquisition of the Group). The net impact on income is a charge of €6,183 thousand.

Sensitivity test.

The Group conducted sensitivity testing at two levels:

- the brand: by projecting a decline of 5% and of 10% in sales under the Group's trading name and also a reduction in the perpetual growth rate of 0.5 points (from 2% to 1.5%) and by applying a discount rate of 7.9%.

- the Group (via its non-current assets): by projecting a reduction in the perpetual growth rate of 0.5 points (from 2% to 1.5%) and by applying a discount rate of 7.9%.

These tests did not reveal any significant potential risk to the value of the Group's assets.

14. Property, plant and equipment.

The principal changes in FY 2015 are as follows:

(€ 000)	2014	Increase	Decrease	Net charge for the period	Impairment	Changes in the scope of consolidation	Reclassifications and retirements	2015
Land	39,227	1,180	(199)	0		1	452	40,661
Buildings	383,399	19,264	(12,255)	0		811	6,242	397,461
Plant, machinery and equipment	53,690	4,582	(2,479)	0		1,293	2,419	59,505
Property, plant and equipment in progress	5,452	14,554	(4,685)	0		0	(12,034)	3,287
Advances and downpayments, PP&E	99	47	(40)	0		0	0	106
Other property, plant and equipment	84,282	6,107	(5,145)	0		473	1,306	87,023
Property, plant and equipment	**566,149**	**45,734**	**(24,803)**	**0**		**2,578**	**(1,615)**	**588,043**
Dep./Imp., Buildings	(245,224)	0	10,020	(24,402)		(799)	15	(260,390)
Dep./Imp., Plant, machinery and equipment	(40,248)	0	2,204	(4,365)	(2,904)	(1,122)	34	(46,401)
Dep./Imp., , Other PP&E	(64,186)	0	4,612	(8,336)	(292)	(448)	(14)	(68,664)
Impairment of land	(9,019)	0	99	(1,131)		(2)	(34)	(10,087)
Dep./Imp., property, plant and equipment	**(358,682)**	**0**	**16,935**	**(38,234)**	**(3,196)**	**(2,371)**	**1**	**(385,547)**
Total net property, plant and equipment	**207,467**	**45,734**	**(7,868)**	**(38,234)**	**(3,196)**	**207**	**(1,614)**	**202,496**

14. Property, plant and equipment.

The principal changes in FY 2015 are as follows:

- Acquisitions: €46 million, including €2 million under finance leases, chiefly comprising investments in refurbishments (€8 million) and new restaurant openings (€11 million)

- Deconsolidations and disposals: €24 million, including €13 million in Belgium and €11 million in France. These items chiefly reflect asset retirements (closure and retirements related to restaurant refurbishments).

Other property, plant and equipment chiefly consists of fixtures and fittings, restaurant furniture and IT equipment for the new restaurant openings and refurbishments during the period.

15. Financial receivables and other non-current assets.

(€ 000)	2015	2014
Loans and guarantees net of provisions	10,512	9,735
Other	7	7
Total	**10,519**	**9,742**

Loans and guarantees chiefly relate to operating leases. They are paid at the inception of a new lease. The increase was chiefly attributable to the adjustment of deposits and guarantees.

16. Inventories.

(€ 000)	2015	2014
Raw materials, supplies and goods held for resale in restaurants	2,227	2,155
Supplies and goods held for resale at Logirest	12,118	13,963
Total, gross	**14,345**	**16,118**
Impairment	(1,681)	(894)
Total, net	**12,664**	**15,224**

The decrease in inventories chiefly reflects:

- A return to a coherent level of inventory for the level of activity during the period. In 2014, giveaways were added to the inventory ahead of the busy period anticipated in early 2015
- The increase in write-downs on food and equipment items

17. Trade receivables.

(€ 000)	2015	2014
Trade receivables	39,126	47,725
Total trade receivables and bills receivable at their nominal value	**39,126**	**47,725**
Impairment of doubtful receivables	(2,689)	(6,245)
Total	**36,437**	**41,480**

No trade receivables were pledged or covered by insurance. See Note 27.4.

18. Other receivables, other current assets and current tax assets.

(€ 000)	2015	2014
Current tax assets	954	6,273
Tax receivables excluding income tax	9,428	7,865
Receivables from disposals of non-current assets	189	97
Prepaid expenses	18,374	17,264
Other	6,475	7,587
Total	**35,420**	**39,086**

The change in current tax assets derived from deconsolidation of the CICE tax credit.

The change in other receivables and other current assets was attributable to:

- the increase in the deductible VAT component of tax receivables excluding income tax

- the increase in prepaid expenses (chiefly rent), reflecting demands for first-quarter 2016 rent payments and a rent-free period obtained from a lessor in 2013.

- the decline in other receivables arising from the collection of various receivables related to asset disposals in 2014.

19. Cash and cash equivalents.

(€ 000)	2015	2014
Cash	133,066	53,304
Deposit accounts	11	58
Cash at bank	133,077	53,362
Bank overdrafts	(54)	(62)
Cash overdraft	(54)	(62)
NET CASH	**133,023**	**53,300**

The increase in cash reflects the capital increase on 17 December 2015.

20. Consolidated equity

20.1. Share capital

At 31 December 2015, Financière Quick's share capital was made up of 20,029,200 ordinary shares.

The nominal value of the shares is €10.

At 31 December 2015, the Group did not hold any treasury shares, and its share capital increased by 9,103,900 shares as a result of the € 91 million capital increase carried out by Burger King France, the new shareholder (the Quick group was acquired by Burger King France on 17 December 2015).

20.2. Dividends

Financière Quick did not pay out any dividend to its shareholders in respect of the financial year to 31 December 2015.

20.3. Cash flow hedging reserves and actuarial gains and losses

(€ 000)	2015	2014
Reserves at 1 January	**(1,785)**	**160**
Change in fair value of portfolio of cash flow hedges	(208)	(1,658)
Change in actuarial gains and losses	96	(287)
Reserves at 31 December	**(1,897)**	**(1,785)**

20.4. Share premium

The share premium amounted to €747 thousand.

21. Provisions.

(€ 000)	Litigation	Employee benefits	Restructuring	Other provisions	Total
At 1 January 2015	**6,292**	**2,475**	**1**	**1,906**	**10,674**
Charges	1,185	205	0	866	2,256
Reversals used	(786)	0	0	(214)	(1,000)
Reversals not used	(2,332)	0	0	(1,316)	(3,648)
Reclassification	0	0	(1)	1	0

Other	0	(147)	0	0	(147)
At 31 December 2015	**4,359**	**2,533**	**0**	**1,243**	**8,135**

At 31 December 2015, the change compared with FY 2014 was chiefly attributable to:

- Labour court disputes and provisions for a tax audit
- Other provisions such as for a market-level rental increase on lease renewals

(€ 000)	Litigation	Employee benefits	Restructuring	Other provisions	Total
At 1 January 2014	**4,818**	**1,831**	**18**	**1,350**	**8,017**
Charges	3,612	176	53	1,440	5,281
Reversals used	(849)	0	(70)	94	(825)
Reversals not used	(1,298)	0	0	(978)	(2,276)
Other	9	468	0	0	477
At 31 December 2014	**6,292**	**2,475**	**1**	**1,906**	**10,674**

At 31 December 2014, the change in provisions compared with FY 2013 was chiefly attributable to the provisions set aside for litigation risks.

22. Employee benefits

In France, the retirement benefits due under salary agreements represent the only defined-benefit post-employment benefits. This plan provides for flat-rate payments calculated based on employees' length of service within the Group and their final salary at retirement.

22.1. Principal assumptions applied for the defined benefit plans

Actuarial assumptions	2015	2014
Discount rate at 31 December	2.10%	1.70%
Salary growth rate	3.00%	3.00%
Retirement age	Managerial and non-managerial employees of Quick's corporate centre: 63 years Managerial and non-managerial employees of Quick's restaurants: 62 years	Managerial and non-managerial employees of Quick's corporate centre: 63 years Managerial and non-managerial employees of Quick's restaurants: 62 years
Mortality table	Insee 2007 - 2009	Insee 2007 - 2009

The discount rate is determined by reference to yields on prime long-term corporate bond issues with a maturity equivalent to the liabilities being considered.

22.2. Amounts shown on the statement of financial position in respect of defined-benefit plans.

Change in net position	2015	2014
Net liabilities at 31 December	2,533	2,475
Total net liabilities	2,533	2,475
Pension provision/assets	2,533	2,475

Change in the present value of defined-benefit plan liabilities

Change in liabilities	2015	2014

Present value of liabilities at 1 January	**2,475**	**1,831**
Standard cost	164	121
Interest cost	41	55
Benefits paid	0	0
Acquisitions	0	30
Gains and losses on changes in actuarial assumptions	(123)	387
Experience gains and losses	(24)	51
Present value of liabilities at 31 December	**2,533**	**2,475**

Recognised in other comprehensive income	2015	2014
Experience gains and losses	(24)	51
Changes in actuarial assumptions	(123)	387
—o/w other assumptions	(123)	387
Total	**(123)**	**438**

22.3. Expenses recognised in the income statement in respect of defined-benefit plans.

Pension costs for the period	2015	2014
Standard cost	164	121
Interest cost	41	55
Costs for the period	**205**	**176**

The expense is recognised under general and administrative costs and financial expenses. The 0.40-point increase in the discount rate did not have a material impact on the measurement of liabilities at 31 December 2015.

23. Other non-current liabilities.

(€ 000)	2015	2014
Deposits and guarantees	4,331	4,091
Fair value of derivatives	2,083	1,094
Total	**6,414**	**5,185**

Other non-current liabilities reflect:

- Deposits and guarantees, which rose between 2014 and 2015.
- the negative fair value of derivatives

24. Leases

24.1. As lessee

Finance leases

The Quick Group classifies as finance leases the leases for restaurant cash registers and the leases on premises. The cash register leases have an average term of 3 to 5 years with an extension and buyout option. The leases on premises have an average term of 12 years.

(€ 000) Amounts payable under finance leases	Future minimum payments		Present value of future minimum payments	
	2015	2014	2015	2014

Less than 1 year	(1,861)	(1,564)	(1,542)	(1,219)
Between the 2nd and 5th year inclusive	(5,535)	(4,435)	(4,720)	(3,500)
More than 5 years	(2,318)	(3,348)	(2,183)	(3,079)
Total capital + interest	**(9,714)**	**(9,347)**	**(8,445)**	**(7,798)**
Less: Future financial expenses	**1269**	**1549**		
Present value of finance lease obligations	**(8,445)**	**(7,798)**	**(8,445)**	**(7,798)**

The present value of the finance lease obligations, which amounts to €8,445 thousand at 31 December 2015 and €7,798 thousand at 31 December 2014, chiefly reflects:

- restaurant cash registers (3 to 5 years)
- restaurant equipment (3 to 5 years)
- real estate leases (12 years)

The increase derives from the arrangement in late 2015 of a new finance lease (restaurant equipment).

Operating leases

These primarily include construction leases and commercial leases.

Minimum future lease payments due under non-cancellable operating leases for each of the following periods:

(€ 000)	**2015**	**2014**
Amount of minimum lease payments due under operating leases recognised in income for the period	**(65,991)**	**(64,277)**
Less than 1 year	(61,960)	(59,632)
Between the 2nd and 5th year inclusive	(222,714)	(221,119)
More than 5 years	(323,667)	(362,674)
Total minimum lease payments due under operating leases	**(608,341)**	**(643,426)**
Company	**(171,171)**	**(186,109)**
Franchise	**(418,920)**	**(435,041)**
Corporate centre	**(18,251)**	**(22,275)**

Minimum future lease payments under leases to premises operated under franchise agreements are covered by the guaranteed minimum income specified in the lease/business lease (see Note 24.2).

In addition, the gross profit generated by the Group significantly exceeds the amount of the lease payments by the Group.

The decrease in the total amount of minimum lease payments in respect of operating leases between 2014 and 2015 is attributable to movements in the restaurant portfolio and to the non-renewal in advance of the commercial leases with Foncière des Murs.

24.2. As lessor

Operating leases

As lessor, the Quick Group classifies as operating leases business management leases, business management leases with investments and real estate agreements.

The business lease agreements (*contrats de location gérance*) have a term of 3 to 12 years.

The shared franchise agreements have a term of 9 years.

Minimum future lease payments receivable under non-cancellable operating leases in total and for each of the following periods:

(€ 000)	2015	2014
Less than 1 year	45,195	44,996
Between the 2nd and 5th year inclusive	138,580	152,229
More than 5 years	65,214	94,159
Total minimum lease payments receivable under operating leases	**248,989**	**291,384**

Lease income received in 2015 totalled €66,914 thousand.

25. Financial liabilities.

25.1. Non-current financial liabilities.

(€ 000)	2015	2014
Non-current finance lease liabilities	**6,903**	**6,579**
Other non-current financial liabilities	**497,095**	**586,200**
Bonds	505,000	595,000
Deferred portion of refinancing costs	(7,905)	(8,800)
Other financial liabilities with a term of over one year	**21,334**	**19,000**
Total	**525,332**	**611,779**

25.2. Current financial liabilities.

(€ 000)	2,015	2,014
Finance lease liabilities maturing during the year	**1,542**	**1,219**
Other borrowings maturing during the year and bank overdrafts	**(4,593)**	**10,925**
Other long-term debt maturing during the year	303	500
Bank overdrafts	54	60
Current portion of bank borrowings	0	12,610
Deferred portion of refinancing costs	(4,950)	(2,245)
Other financial liabilities maturing during the year	**103,230**	**4,306**
Total	**100,179**	**16,450**

Current financial liabilities include bank overdrafts.

25.3. Gross debt.

At 31 December 2015, the Group's gross debt comprised the following items:

(€ 000)	Capital	Accrued interest	Total
FRN	440,000	4,482	444,482
Unsecured FRN	155,000	2,502	157,502
Deferred portion of refinancing costs	(12,855)	0	(12,855)
2014 RCF	13,000	19	13,019

BPI France	5,000	33	5,033
KBC loan	3,637	5	3,642
Finance leases	8,445	0	8,445
Other (o/w bank overdrafts)	4,957	1,286	6,243
Total	**617,184**	**8,327**	**625,511**

At 31 December 2014, the Group's gross debt comprised the following items:

(€ 000)	Capital	Accrued interest	Total
FRN	440,000	4,607	444,607
Unsecured FRN	155,000	2,546	157,546
Deferred portion of refinancing costs	(11,045)	0	(11,045)
2014 RCF	16,000	5	16,005
Oseo	500	2	502
Finance leases	7,798	0	7,798
Other (o/w bank overdrafts)	9,621	195	9,816
Aga SG Lille borrowing	3,000	0	3,000
Total	**620,874**	**7,355**	**628,229**

25.4. Description and characteristics of the borrowings

On 8 April 2014, the Quick group raised additional finance in the high-yield bond market,

On the same day, the Group repaid all the borrowings arranged on 26 January 2007 with a pool of banks to finance the acquisition of Quick Restaurants shares by Financière Quick and cover all the operating companies' requirements, as well as repaying all the convertible bonds and shareholder loans.

High-yield notes

2 tranches:

1) A €440,000 thousand FRN due on 15 April 2019 carrying an interest rate of 3-month Euribor plus a margin of 4.75%

2) An unsecured €155,000 thousand FRN due on 15 October 2019 carrying an interest rate of 3-month Euribor plus a margin of 7.50%

Concomitantly with the €91,039 thousand increase in Financière Quick's capital on 17 December 2015, Financière Quick served notice to the bondholders of the irrevocable early repayment of a portion of the bond debt on 18 January 2016:

- €80,000 thousand on the €440,000 thousand tranche (due in April 2019)
- €10,000 thousand on the €155,000 thousand tranche (due in October 2019)

Accordingly, €90,000 thousand in long-term debt was reclassified as short-term debt.

- Financing lines for the activities of the operating companies:

1) Revolving credit facility

In parallel to the issue on 8 April 2014 of two floating-rate notes, a €40,000 thousand revolving credit facility was put in place. It may be used by the Group's operating companies to finance their investments and cover their working capital requirement and does not contain any clean-down clause. It expires on 8 October 2018.

On 17 December 2015, following Burger King France's acquisition of Financière Quick, the Group renegotiated with the lenders the €40,000 thousand revolving credit facility (RCF) to secure authorisation for the deal, make amendments to certain clauses and reset the ratios. On completion of these negotiations, the size of the RCF was reduced to €32,000 thousand.

At 31 December 2015, a total of €13,000 thousand had been drawn down by France Quick.

The unused balance at 31 December 2015 stood at €19,000 thousand.

The interest rate is Euribor plus a margin of 3.5%.

This line is financed by four banks or financial institutions.

2) Other bilateral lines

The Group arranged new credit lines in 2015, the two principal lines being:

- a €5,000 thousand credit line with BPI France repayable in April 2022, and
- a €3,600 thousand credit line with KBC repayable in November 2027.

3) 49%-owned Agaquick's financing lines

At 31 December 2015, Agaquick had €5 million in confirmed credit lines. No drawdowns were made during the period.

25.5. Covenant financial ratios.

Under the new bank covenants, the Group has to comply with one single quarterly ratio (net debt/EBITDA) with respect to its €32,000 thousand revolving credit facility. It complied with this ratio at 31 December 2015.

25.6. Analysis of gross debt by maturity.

(€ 000)	Maturing during the year	Between 2 and 5 years	> 5 years	Total > 1 year	Total
Non-current finance lease liabilities	0	4,720	2,183	6,903	**6,903**
Other non-current financial liabilities	0	522,712	3,622	526,334	**526,334**
Finance lease liabilities maturing during the year	1,542	0	0	0	**1,542**
Other borrowings maturing during the year and bank overdrafts	99,922	0	0	0	**99,922**
Other financial liabilities maturing during the year(1)	3,665	0	0	0	**3,665**
Deferred portion of refinancing costs	(4,950)	(7,905)	0	(7,905)	**(12,855)**
Total at 31 December 2015	**100,179**	**519,527**	**5,805**	**525,332**	**625,511**

(1) Reflects the option to buy out minority interests in Happy Quick

The Group's credit lines were arranged in euros.

(€ 000)	Maturing during the year	Between 2 and 5 years	> 5 years	Total > 1 year	Total

Non-current finance lease liabilities	0	3,500	3,079	6,579	**6,579**
Other non-current financial liabilities	0	614,000	0	614,000	**614,000**
Finance lease liabilities maturing during the year	1,219	0	0	0	**1,219**
Other borrowings maturing during the year and bank overdrafts	13,170	0	0	0	**13,170**
Other financial liabilities maturing during the year(1)	4,306	0	0	0	**4,306**
Deferred portion of refinancing costs	(2,245)	(8,800)	0	(8,800)	**(11,045)**
Total at 31 December 2014	**16,450**	**608,700**	**3,079**	**611,779**	**628,229**

(1) Reflects the option to buy out minority interests in Happy Quick

26. Other current liabilities.

(€ 000)	2015	2014
Prepaid income	5,115	613
Dividends payable	27	27
Other financial liabilities	3,880	894
Total	**9,022**	**1,534**

Other current liabilities include in 2015:

- prepaid income (rental income received in advance on certain sub-rentals and rentals), and eviction indemnities received.
- Other financial liabilities derive from commitments to buy out restaurants.

In 2014, other financial liabilities reflect rent received in advance on certain sub-rentals and rentals, and commitments to buy out restaurants.

27. Risk management and financial instruments

27.1. Capital management policy

The Group's principal objective under its capital management policy is to maintain a good credit risk rating and healthy capital ratios to facilitate its business activities and maximise value for shareholders. The management objectives, policies and procedures were unchanged by comparison with the previous year. The Group uses different financial indicators (See Note 25 above).

27.2. Risk management policy

In the normal course of its business, the Group is exposed to interest-rate and currency risk.

The Group is exposed to the risk of a rise in the interest rates payable on its floating-rate debt. It manages this using caps, collars, FRAs and swaps with prime counterparties.

Currency risks are very limited because imports in currencies other than the euro are few and far between, and none of the Group's receipts are denominated in foreign currencies.

The Group has little exposure to credit risk because its receipts primarily derive from restaurants in which customers pay almost immediately (cash, bank cards, meal vouchers, etc.) and from its franchisees, and most of these are in a good financial condition.

27.3. Interest-rate risk.

The instruments used are designated as hedges and accounted for as cash flow hedges.

A hedge is considered as fully effective when the Euribor fixings on the borrowings are strictly identical to the fixings for the hedging instrument.

(€ 000)	Derivatives not eligible for hedge accounting	Qualifying fair value hedging derivatives	Qualifying cash flow hedging derivatives	Total at 31 Dec. 2015
Interest-rate derivative assets ...			0	0
Interest-rate derivative liabilities..............................			2,083	2,083
Total			**2,083**	**2,083**

(€ 000)	Derivatives not eligible for hedge accounting	Qualifying fair value hedging derivatives	Qualifying cash flow hedging derivatives	Total at 31 Dec. 2014
Interest-rate derivative assets ...			0	0
Interest-rate derivative liabilities..............................			1094	1094
Total			**1,094**	**1,094**

The following table shows the effective interest rate of interest-bearing financial liabilities at the reporting date:

At 31 Dec. 2015	Carrying amount of net debt	Interest rate	Rates used for the sensitivity analysis
(€ 000)..	501,624	−0.13%	Between 0% and 1%

Any increase or decrease of 1% in interest rates theoretically increases or decreases the Group’s financial expense by €5,000 thousand.

These figures do not take into account existing the interest-rate hedges, which combine purchases of caps and interest-rate swaps, serving to cap the risk of an increase in financial expenses in the event of a 1-point rise in interest rates to around €800 thousand, and unlocking a saving of around €2,100 thousand in the event of a 1-point decline in interest rates.

At 31 Dec. 2014	Carrying amount of net debt	Interest rate	Rates used for the sensitivity analysis
(€ 000)..	581,607	0.08%	Between 0% and 1%

27.4. Credit risk.

Credit risk encompasses all forms of default by a counterparty. Credit risk is monitored rigorously by the Group.

The Group believes that the risk is very limited on following financial assets:

Financial receivables and other non-current assets, particularly guarantees provided for rental purposes with recognised financial institutions.

Other receivables and other non-current assets, primarily consisting of prepaid expenses.

With cash and cash equivalents, the risks are very limited given:

- the sums are placed with prime banking institutions
- the investments have an average term of 1 day, and their term never exceeds 1 week
- investments are made solely in money-market vehicles.
- Investments are predominantly made in interest-bearing demand accounts held with prime banks.

Risk monitoring on trade receivables:

Trade receivables are the amounts due from franchisees. Credit risk analysis is conducted and a decision made to recognise an impairment loss on trade receivables on a case-by-case basis.

In addition, given the large number of customers, there is no risk of concentration in terms of trade receivables.

Maturity schedule of trade receivables at 31 December 2015:

(€ 000)	Carrying amount at 31 Dec. 2015	Unimpaired and unmatured amount at 31 Dec. 2015	Matured—up to 3 months	Matured—between 3 and 6 months	Matured—more than 6 months
Gross	39,126	33,486	3,638	241	1,761
Impairment	(2,689)	0	(390)	(204)	(2,095)
Net	**36,437**	**33,486**	**3,248**	**37**	**(334)**

Maturity schedule of trade receivables at 31 December 2014:

(€ 000)	Carrying amount at 31 Dec. 2014	Unimpaired and unmatured amount at 31 Dec. 2014	Matured—up to 3 months	Matured—between 3 and 6 months	Matured—more than 6 months
Gross	47,725	31,413	10,151	1,183	4,978
Impairment	(6,245)	0	(464)	(553)	(5,228)
Net	**41,480**	**31,413**	**9,687**	**630**	**(250)**

The Group has not identified any unrecognised assets that have been given or received as a guarantee.

27.5. Currency risk

The Group's exposure to currency risk is very limited, since it carries out most of its business activities in Europe. The principal exposure is to the US dollar, as certain goods held for resale are purchased in this currency.

The Group uses derivatives to hedge currency risk arising on these foreign-currency purchases. Hedges are put in place using either derivatives or currency options. Each hedge is subject to prior approval by the Group's Executive Management.

At 31 December 2015 and at 31 December 2014, there were no currency hedge commitments outstanding.

Given the Group's limited exposure to currency risk at 31 December 2015, the volatility in the US dollar between 1 January and 31 December 2015 did not have a material impact on the income statement.

27.6. Liquidity risk

Management believes that the Group was not exposed to liquidity risk at the reporting date because it cannot be obliged to repay its liabilities except in contractually agreed circumstances where it has generated surplus cash or in the event of a change of control.

27.7. Breakdown of net financial income/(expense) by category of financial instruments.

The Group's net financial income/(expense) at 31 December 2015 breaks down as follows:

(€ 000)	Loans and receivables	Liabilities at amortised cost	Assets and liabilities at fair value through profit or loss	Derivatives	Non-financial assets and liabilities	Total
Investment income	151					151
Gross cost of debt		(34,347)				(34,347)
Net cost of debt	**151**	**(34,347)**				**(34,196)**
Net foreign exchange gains/(losses)					(39)	(39)
Income and expenses on derivatives			975	(2,440)		(1,465)
Cost of unwinding discounts					(41)	(41)
Other financial income and expense	3,589				(5,298)	(1,709)
Other financial income and expense	**3,589**		**975**	**(2,440)**	**(5,378)**	**(3,254)**
Net financial income/(expense)	**3,740**	**(34,347)**	**975**	**(2,440)**	**(5,378)**	**(37,450)**
o/w income	3,740	0	975	0	0	4,715
o/w expenses		(34,347)	0	(2,440)	(5,378)	(42,165)

The Group's net financial income/(expense) at 31 December 2014 breaks down as follows:

(€ 000)	Loans and receivables	Liabilities at amortised cost	Assets and liabilities at fair value through profit or loss	Derivatives	Non-financial assets and liabilities	Total
Investment income	346					346
Gross cost of debt		(37,363)				(37,363)
Net cost of debt	**346**	**−37,363**	**0**	**0**	**0**	**(37,017)**
Net foreign exchange gains/(losses)					37	37
Income and expenses on derivatives			182			182
Cost of unwinding discounts					(55)	(55)
Other financial income and expense	342				(2,887)	(2,545)

Other financial income and expense	**342**		**182**	**0**	**(2,905)**	**(2,381)**
Net financial income/(expense)	**688**	**(37,363)**	**182**	**0**	**(2,905)**	**(39,398)**
o/w income	688	0	182	0	37	907
o/w expenses		(37,363)	0	0	(2,942)	(40,305)

27.8. Analysis of the fair value of derivatives by category.

The following tables present the Group's financial assets and liabilities at 31 December 2015 classified by category:

(€ 000)	Designated initially as at fair value	Held for trading	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Total
Financial receivables and other non-current assets				10,519		**10,519**
Trade receivables				36,437		**36,437**
Tax receivables excluding income tax				9,428		**9,428**
Other receivables and other current assets				25,038		**25,038**
Cash and cash equivalents		3		133,074		**133,077**
Financial assets at fair value at 31 Dec. 2015		**3**	**0**	**214,496**	**0**	**214,499**

27. Risk management and financial instruments

The following tables present the Group's financial assets and liabilities at 31 December 2014 classified by category:

(€ 000)	Designated initially as at fair value	Held for trading	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Total
Financial receivables and other non-current assets	0			9,742		**9,742**
Trade receivables				41,480		**41,480**
Tax receivables excluding income tax				7,865		**7,865**
Other receivables and other current assets				24,949		**24,949**
Cash and cash equivalents		3		53,359		**53,362**
Financial assets at fair value at 31 Dec. 2014		**3**	**0**	**137,395**	**0**	**137,398**

Financial liabilities at fair value through profit or loss at 31 Dec. 2015

(€ 000)	Designated initially as at fair value	Held for trading	Financial liabilities at amortised cost	Total
Non-current financial liabilities	0	0	525,332	525,332
Other non-current liabilities	2,083	0	4,331	6,414
Current financial liabilities	0	0	100,179	100,179
Trade payables	0	0	71,916	71,916
Other tax liabilities	0	0	11,170	11,170
Employee and social security liabilities	0	0	25,568	25,568
Other current liabilities	0	0	9,022	9,022
Financial liabilities at fair value at 31 Dec. 2015	**2,083**	**0**	**747,518**	**749,601**

Financial liabilities at fair value through profit or loss at 31 Dec. 2014

(€ 000)	Designated initially as at fair value	Held for trading	Financial liabilities at amortised cost	Total
Non-current financial liabilities	0	0	611,780	611,780
Other non-current liabilities	1,094	0	4,091	5,185
Current financial liabilities	0	0	16,450	16,450
Trade payables	0	0	78,450	78,450
Other tax liabilities	0	0	11,409	11,409
Employee and social security liabilities	0	0	25,397	25,397
Other current liabilities	0	0	1,534	1,534
Financial liabilities at fair value at 31 Dec. 2014	**1,094**	**0**	**749,111**	**750,205**

27.9. Fair value of financial instruments.

The following table shows the carrying amount by category and the fair value of the financial instruments held by the Group:

	31/12/2015		31/12/2014	
(€ 000)	Carrying amount	Fair value	Carrying amount	Fair value
Financial receivables and other non-current assets	10,519	10,519	9,742	9,742
Trade receivables	36,437	36,437	41,480	41,480
Tax receivables excluding income tax	9,428	9,428	7,865	7,865
Other receivables and other current assets	25,038	25,038	24,949	24,949
Cash and cash equivalents	133,077	133,077	53,362	53,362
Total financial assets	**214,499**	**214,499**	**137,398**	**137,398**

	31/12/2015		31/12/2014	
(€ 000)	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial liabilities	525,332	525,332	611,780	611,780
Other non-current liabilities	6,414	6,414	5,185	5,185
Current financial liabilities	100,179	100,179	16,450	16,450
Trade payables	71,916	71,916	78,450	78,450
Other tax liabilities	11,170	11,170	11,409	11,409
Employee and social security liabilities	25,568	25,568	25,397	25,397
Other current liabilities	9,022	9,022	1,534	1,534
Total financial liabilities	**749,601**	**749,601**	**750,205**	**750,205**

28. Non-controlling interests

(€ 000)	2015	2014
Total assets (as per the statement of financial position):	**27,107**	**28,758**
Non-current assets	22,076	24,268
Current assets	5,031	4,490
Total liabilities (as per the statement of financial position):	**6,712**	**9,944**
Non-current liabilities	2,325	5,269
Current liabilities	4,387	4,675
Net assets (100%)	**20,395**	**18,814**
Net assets, attributable to equity holders of the parent (49%)	8,357	7,582
Attributable to non-controlling interests (Agaquick sub-group)	12,039	11,232
Joint venture income/(expenses) (as per the statement of income)	**1,580**	**1,661**
Sales and franchise revenues	**28,664**	**31,286**
Cost of sales	(14,578)	(15,804)
Gross profit	**14,086**	**15,482**
Operating and occupancy costs	(7,408)	(7,733)
Profit from operations	**6,678**	**7,749**
Other operating income and expenses	(1,109)	(1,223)
Selling costs	(1,246)	(1,401)
General and administrative costs and APCS	287	66
Operating profit before non-recurring items (EBIT)	**3,043**	**3,453**
Other non-recurring income and expenses	(350)	(735)
Operating profit after non-recurring items	**2,693**	**2,718**
Net financial income/(expense)	**(54)**	**(50)**
Income tax	(1,059)	(1,007)
Net profit	**1,580**	**1,661**
Attributable to non-controlling interests (Agaquick sub-group)	806	847
Attributable to equity holders of the parent (49%)	774	814

29. Investment in associates

(€ 000)	2015	2014
Carrying amount of associate companies	**2189**	**2016**
—Impact of restatements	65	65
—Consolidated equity	2254	2081
Investment in associates (Caresquick 50%)	**1127**	**1041**

30. Off-balance sheet commitments.

(€ 000)	2015	2014
Commitments given (excluding leases—Note 25)		
Buildings under construction	1,343	5,875
Total	**1,343**	**5,875**

31. Related parties

31.1. Executive remuneration.

(€ 000)	2015	2014
Total remuneration awarded in respect of the financial year to Management Board members (including expenses)	3,340	3,111

At 31 December 2015, all the Supervisory Board members, the Chairman and all the Management Board members tendered their resignation.

New Articles of Association were adopted on 17 December 2015.

The new governance framework consists of a Chairman, Bertrand Corp. represented by Olivier Bertrand, and a Chief Executive Officer, Jérôme Tafani.

At 16 December 2015, Financière Quick's Management Board had six members.

- Cédric Dugardin: Chairman of the Management Board
- Marie-Pierre Mottin: Head of Group Marketing
- François Charpy: Head of Operations France
- Rudy Hulsman: Head of Belux and International Operations
- Céline Vercollier: Group Chief Administrative and Financial Officer
- Pascale Place: Head of Human Resources

31.2. Related party transactions.

Related party transactions reflect transactions between:

- The Group and Caresquick.

At 31 December 2015:

(€ 000)	Income	Expenses	Receivables	Liabilities	Current accounts
Joint ventures	0	474	0	12	0
Total	**0**	**474**	**0**	**12**	**0**

At 31 December 2014:

(€ 000)	Income	Expenses	Receivables	Liabilities	Current accounts
Joint ventures	2	546	0	24	0
Total	**2**	**546**	**0**	**24**	**0**

32. Statutory Auditors' fees.

(€ 000)	2015	2014
Services provided by the Statutory Auditors, certifications, reviews of the individual and consolidated financial statements	483	649

33. Subsequent events.

Cédric Dugardin, the former Chairman, left the Group on 31 January 2016 and was replaced by Jérôme Tafani on 1 February 2016.

On 18 January 2016, the Group repaid:

- €80,000 thousand on the €440,000 thousand tranche (due in April 2019)
- €10,000 thousand on the €155,000 thousand tranche (due in October 2019)

KPMG S.A.
Tour Eqho—2, avenue Gambetta—CS 60055
92066 Paris La Défense Cedex
France

Financiere Quick S.A.S

Statutory Auditors' report on the consolidated financial statements Year ended December 31, 2015

Financiere Quick S.A.S.
50, avenue du Président Wilson
Parc des Portes de Paris—Bât 123
93214 La Plaine Saint-Denis Cedex

This report contains 68 pages

KPMG S.A.
Tour Eqho—2, avenue Gambetta—CS 60055
92066 Paris La Défense Cedex
France

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with professional auditing standards applicable in France and the professional doctrine of the French national auditing body (Compagnie nationale des commissaires aux comptes.

Financiere Quick S.A.S.

Registered office: 50, avenue du Président Wilson—Parc des Portes de Paris—Bât 123
93214 La Plaine Saint-Denis Cedex
Share capital: €.200,292,000

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2015

To the Shareholder,

In compliance with the assignment entrusted to us by your General annual meeting, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying consolidated financial statements of Financiere Quick S.A.S.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by your President. Our role is to express an opinion on these consolidated financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of its operations for the year then ended in accordance with IFRS as adopted in the European Union.

2 Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*), we bring to your attention the following matter(s).

At year end, your company carried out an impairment test of goodwill, intangible and tangible assets, in accordance with terms described in the note 3.14 “Impairment of assets” of the paragraph “Summary of significant accounting policies” and the note 13 “Impairment of assets” of notes to the consolidated financial statements. We have examined the procedures for implementing this impairment test, as well as the cash flow used and we have verified that note 3.14 and note 13 to the consolidated financial statements give an appropriate information.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group’s management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense, on the April 29, 2016
French original signed by
KPMG S.A.

Eric Ropert
Partner

2014 consolidated financial statements—Quick Group

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ 000)	Notes	2014	2013
NON-CURRENT ASSETS		**850,132**	**834,181**
Goodwill	*12*	224,218	210,811
Intangible assets	*11*	405,396	406,456
Property, plant and equipment	*14*	207,467	205,263
Investment in associates	*29*	1,041	908
Financial receivables and other non-current assets	*15*	9,742	9,438
Deferred tax assets	*10*	2,268	1,305
CURRENT ASSETS		**149,152**	**182,360**
Inventories	*16*	15,224	12,359
Trade receivables	*17*	41,480	48,069
Current tax assets	*18*	6,273	2,937
Tax receivables excluding income tax	*18*	7,865	10,745
Financial receivables and other current assets	*19*	24,948	17,088
Cash and cash equivalents	*19*	53,362	91,162
TOTAL ASSETS		**999,284**	**1,016,541**
TOTAL EQUITY		**221,144**	**222,005**
Share capital	*20*	109,253	109,253
Share premiums		747	747
Retained earnings (including net profit for the period)		100,160	101,719
Attributable to non-controlling interests	*28*	10,984	10,286
NON-CURRENT LIABILITIES		**640,399**	**633,980**
Non-current provisions	*21*	10,736	8,017
Financial liabilities	*25*	611,780	608,888
Other non-current liabilities	*23*	5,185	4,438
Deferred tax liabilities	*10*	12,698	12,637
CURRENT LIABILITIES		**137,741**	**160,556**
Financial liabilities	*25*	16,450	36,520
Trade payables		78,450	79,483
Current tax liabilities		4,501	2,412
Other tax liabilities		11,410	11,268
Employee and social security liabilities		25,397	27,724
Other current liabilities	*26*	1,533	3,149
TOTAL EQUITY AND LIABILITIES		**999,284**	**1,016,541**

CONSOLIDATED STATEMENT OF INCOME

(€ 000)	Notes	2014	2013
Sales and franchise revenues		**625,699**	**650,578**
Cost of sales		(345,819)	(362,453)
Gross profit	*5*	**279,880**	**288,125**
Operating and occupancy costs	*5*	(135,414)	(132,958)
Profit from operations	*5*	**144,466**	**155,167**
Other operating income	*6*	8,058	1,336
Other operating expenses	*6*	(1,268)	(3,846)
Selling costs		(64,295)	(60,596)
Gross operating profit of restaurants		**86,956**	**92,061**
General and administrative costs		(47,908)	(48,875)
Other corporate income and expenses		19,597	16,797
Operating profit before non-recurring items (EBIT)		**58,645**	**59,983**
Other non-recurring income and expenses	*8*	(14,498)	(8,418)
Operating profit after non-recurring items		**44,147**	**51,565**
Financial income		870	1,987
Financial expenses		(40,281)	(45,797)
Net financial income/(expense)	*9*	**(39,398)**	**(43,810)**
Share in income of associates		**133**	**(80)**
Profit before tax		**4,882**	**7,675**
Income tax	*10*	(3,855)	(5,262)
Net profit		**1,028**	**2,413**
Attributable to non-controlling interests		698	1,488
Attributable to equity holders of the parent		330	924

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ 000)	Notes	2014	2013
Net profit for the period		**1,028**	**2,412**
Other comprehensive income			
Cash flow hedge	*20.3*	(1 657)	1 621
Remeasurements of net liabilities in respect of post-employment benefits	*22.2*	(438)	159
Deferred taxes recognised		151	(55)
Total other comprehensive income		(1 944)	1 725
Comprehensive income		(916)	4 137
Comprehensive income attributable to:			
Equity holders of the parent		(1 614)	2 649
Non-controlling interests		698	1 488

The tax effect arising from the gains and losses on hedging instruments is presented in Note 10. Income tax.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ 000)	Share capital	Share premiums	Cash flow hedging reserve and actuarial gains and losses	Retained earnings and net profit for the year	Other	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
At 1 Jan. 2013 Restated*..	**109 253**	**747**	**(1 565)**	**106 802**	**0**	**215 237**	**8 799**	**224 036**
Net profit for the period				*924*		*924*	*1 488*	*2 412*
Other comprehensive income.......................			*1 725*			*1 725*		*1 725*
Total comprehensive income...........................	**0**	**0**	**1 725**	**924**	**0**	**2 649**	**1 488**	**4 137**
Option to buy out minority interests in Happy Quick(1)					(4 612)	(4 612)	0	(4 612)
Other changes					(1 556)	(1 556)	0	(1 556)
At 31 Dec. 2013	**109 253**	**747**	**160**	**107 726**	**(6 168)**	**211 719**	**10 287**	**222 005**
Net profit for the period				*330*		*330*	*698*	*1 028*
Other comprehensive income.......................			*(1 944)*			*(1 944)*		*(1 944)*
Total comprehensive income...........................	**0**	**0**	**(1 944)**	**330**	**0**	**(1 614)**	**698**	**(916)**
Changes in the scope of consolidation(2)..............					(251)	(251)	0	(251)
Option to buy out minority interests in Happy Quick(1)					306	306	0	306
At 31 Dec. 2014	**109 253**	**747**	**(1 785)**	**108 056**	**(6 113)**	**210 160**	**10 984**	**221 144**

(*) Published 2012 financial statements restated for the impact of the first-time adoption of IFRS 10 and IFRS 11: See Note 3.1

(1) See Note 25.6

(2) Impact on equity of the acquisitions of SEC Le Moulin and Richelieu Hoche. See Note 4.2

CONSOLIDATED STATEMENT OF CASH FLOW

(€ 000)	Notes	2014	2013
Profit before tax		**4 882**	**7 675**
Income from associates		**(133)**	**80**
Profit/(loss) associated with the sale of property, plant and equipment and intangible assets		3 756	10
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		43 968	42 018
Interest income		0	207
Interest expense		37 358	40 594
Miscellaneous non-cash items on the income statement		(446)	(271)
Cash generated by operating activities before changes in the working capital requirement and provisions		**89 385**	**90 313**
Change in the working capital requirement		**(9 718)**	**2 077**
Income tax (paid)/received		**(5 547)**	**(13 703)**
Cash generated by operating activities		**74 120**	**78 687**
Acquisitions of shares in consolidated companies, net of cash acquired(1)		(18 608)	(3 057)
Disposals of shares in consolidated companies, net of cash transferred		0	300
Purchases of property, plant and equipment and intangible assets		(48 042)	(45 318)
Disposals of property, plant and equipment and intangible assets		10 333	943
Cash generated/(used) by investing activities		**(56 317)**	**(47 132)**
Interest paid		(53 985)	(16 677)
New borrowings	*25*	604 787	32 198
Redemptions of borrowings	*25*	(605 273)	(29 096)
Cash generated/(used) by financing activities		**(54 471)**	**(13 575)**
Change in cash		**(36 668)**	**17 980**
Cash and cash equivalents at beginning of the period	*19*	89 968	71 988
Cash and cash equivalents at end of the period	*19*	53 300	89 968

(1) Impact of additions to the scope of consolidation (see Note 4.2) during the period net of cash acquired

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Presentation of the Group and its business activities

Financial Quick SAS is a *société par actions simplifiée* (simplified joint stock corporation) registered in France. Its head office is located at 50 avenue du Président Wilson, 93214 La Plaine Saint-Denis Cedex. The Company is registered on the Bobigny Trade and Companies Registry under number 452 430 416.

Financière Quick SAS operates fast-food restaurants selling mostly hamburgers under the Quick banner in France, Belgium, Luxembourg and in international markets.

The consolidated financial statements show the accounting position of Financière Quick SAS and its subsidiaries (hereinafter "the Group"), plus its interests in joint ventures. They are stated in thousands of euros.

The consolidated financial statements for the financial year ended 31 December 2014 were approved by the Management Board on 24 March 2015 and will be submitted for shareholders' approval at the Annual General Meeting of 26 March 2015.

2. Significant events during the year.

Sales under the Group's trading name

The out-of-home dining market in France was under pressure again during 2014 as a result of a grim economic climate and a fall in purchasing power. Depressed consumer sentiment had a negative impact on the market, with guest numbers dropping 3.9% and sales down 2.8%.

Of the various out-of-home dining segments, the fast food market proved the most resilient, recording a decline of 2.4% on its 2013 level. Quick's performance (−5.9%) should be considered over a two-year period, since it was 2.5% lower in 2014 than in 2012, putting it slightly ahead of the trend in the fast-food market over the same period.

A sense of doom and gloom was also palpable in Belgium during 2014. After a positive first quarter, a trend reversal kicked in, and Quick's sales ended the year down 1.5% on a comparable basis. Fiercer competition also contributed to this downtrend, and even though it was a disappointing year, Quick's performance remained in positive territory over two years (up 1.3%).

In 2014, sales under the Group's trading name came to €1,029 million, down 4.1% on 2013.

In France, sales under the Group's trading name totalled €818 million, down 4.9% on a reported basis and down 5.9% on a comparable basis to 2013.

In Belgium and Luxembourg, sales under the Group's trading name came to €210 million, edging up 0.4% on a reported basis and down 1.6% on a comparable basis to 2013.

Profitability

Despite a contraction in sales under the Group's trading name of over €44 million on 2013, the Group successfully maintained its profitability. Its EBITDA totalled €100 million, down 2.4% on 2013 and stable at 15.9% of sales and franchise revenues.

This financial performance demonstrates the Group's resilience in a depressed market and its ability to sustain the measures launched in 2013. It also reflects the success of its new restaurant openings and the beginnings of its international expansion.

Development

Various innovations and new concepts were launched in 2014:

- the Burger Bar by Quick (1st opening in the Quartz shopping centre in the Paris region)
- the foodtruck (a BBQ on wheels)
- the new restaurant décor, which will be rolled out from early 2015 at all the Group's restaurant refurbishments and openings.

A new brand platform featuring a new logo, new communication, and a new brand signature was also launched during the year.

Domestic markets

Over 2014 as a whole, the Group opened 12 restaurants, increasing its network to 495 restaurants—394 in France and in French overseas departments and territories, 100 in Belgium and Luxembourg, and 1 BBQ in France.

To bolster its network, Quick committed €60 million in capital expenditure in 2014 (including in acquisition-led growth). The lion's share of this was devoted to new openings, acquisitions of new sites, and the revitalisation of its portfolio through the refurbishment of 51 restaurants during the year.

International markets

International development is a strategic priority for Quick.

The Group launched its international expansion drive by entering into three master franchise agreements—in Turkey, Tunisia and Morocco—in the second half of 2014. Five openings are planned in Turkey during the first half of 2015—two in Tunisia, and two in Morocco during 2015.

Acquisitions

In September 2014, the Group acquired two companies that own seven Quick banner restaurants in France, previously operated as full franchises.

Refinancing

On 8 April 2014, Financière Quick successfully refinanced its debt in the high-yield market by raising a total of €595 million by means of the following issues:

- a €440 million Senior Secured Floating Rate Note due April 2019 paying 3-month Euribor + 4.75%
- a €155 million Unsecured Floating Rate Note due in October 2019 paying 3-month Euribor + 7.5%
- a €40 million Super Senior Revolving Facility

Additional interest-rate hedges were arranged on 4 July 2014 covering €500 million for three years.

3. Summary of significant accounting policies

3.1. Compliance with accounting standards and changes in consolidation methods

The consolidated financial statements of Financière Quick have been prepared in accordance with IFRSs published by the International Accounting Standards Board (IASB) and as approved by the European Union. Their adoption is mandatory for annual reporting periods beginning on or after 1 January 2014. IFRSs as adopted for use in the European Union can be viewed on the European Commission's website.[1]

The new standards, amendments and interpretations in force in the European Union for mandatory adoption for annual reporting periods beginning on or after 1 January 2014 are presented below:

- Amendments to IAS 32 clarifying the principles for offsetting financial assets and liabilities
- Amendments to IAS 36—Impairment of Assets concerning recoverable value disclosures for non-financial assets
- Amendments to IFRS 10—Consolidated Financial Statements, IFRS 11—Joint Arrangements and IFRS 12—Disclosure of Interests in Other Entities—Transition Guidance
- Amendments to IFRS 10—Consolidated Financial Statements, IFRS 12—Disclosure of Interests in Other Entities—Transition Guidance and revised IAS 27 (as amended in 2011)—Separate Financial Statements—Investment Entities
- Amendments to IAS 39—Financial Instruments: Recognition and Measurement—Novation of Derivatives and Continuation of Hedge Accounting.

The Group has exercised the option to apply IFRS 10-11-12 early from the financial year ending 31 December 2013.

IFRS 12 amends the contents of the information provided in the Notes concerning interests held in other entities.

The other standards for mandatory adoption with effect from 1 January 2014 did not have a material impact on the Group's financial statements.

New IFRS standards, amendments and interpretations published and adopted early by the Group from 1 January 2014:

None

IFRS standards, amendments and interpretations adopted by the IASB, but not applicable at 31 December 2014:

The Group did not opt to apply early any of the new standards and interpretations referred to hereinafter, adoption of which was not mandatory at 1 January.

- IFRS 9—Financial Instruments—Classification and Measurement of Financial Assets and Liabilities
- IFRS 9—Financial Instruments—Hedge Accounting
- IFRS 15—Revenue from Contracts with Customers
- Amendments to IAS 16—Property, Plant and Equipment and IAS 38—Intangible Assets—Clarification of Acceptable Methods of Depreciation and Amortisation
- Annual improvements—2010-2012 cycle

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[1] http://ec.europa.eu/finance/accounting/ias/index_en.htm

- Annual improvements—2011-2013 cycle
- IFRIC 21—Levies

With the exception of IFRIC 21, these new standards, amendments and interpretations have not yet been adopted by the European Union and may not be applied early, even though the standard so permits.

The Group has completed or is currently assessing the effects of the first-time adoption of these new standards and other items.

3.2. Basis of preparation

The significant accounting policies applied during the preparation of the consolidated financial statements are described below. Unless stated otherwise (see Note 3.1), the consolidated financial statements have been prepared on a historical cost basis, except for the following items, which are measured on a different basis at each reporting date (financial instruments, any consideration related to business combinations, net liabilities in respect of defined-benefit plans, etc.). These methods have been applied consistently in all the reporting periods presented here.

The consolidated financial statements have been prepared for the accounting period ended 31 December 2014.

3.3. Use of estimates and judgments

In the preparation of its financial statements, the Quick group's management has made judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosures in the notes to the financial statements.

The Group's management has made these estimates and assumptions continuously based on its past experience and various factors deemed to be reasonable that represent the basis for these judgments.

Certain facts and circumstances may lead to changes in these estimates and assumptions, which would affect the value of the Group's assets, liabilities, equity and income.

The principal estimates made by Quick group's management relate to its intangible assets (the brand and leasehold rights, in particular), provisions and asset impairment testing.

Information about the critical judgments made for the purposes of IAS 17—Leases are included in Note 24—Leases.

3.4. Methods of consolidation

The consolidated financial statements include the financial statements of Financière Quick SAS and its subsidiaries and joint ventures.

A list of the Group's main subsidiaries, joint ventures and associates is provided in Note 4.1.

Subsidiary consolidation

IFRS 10 replaces and supersedes the revised IAS 27—Consolidated and Separate Financial Statements and SIC 12—Consolidation—Special Purpose Entities. The control model is based on the following three criteria, which must be satisfied simultaneously for the parent company to be deemed to exercise control:

- The parent company holds power over the investee, when the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns). Power may arise from existing voting rights and/or potential voting rights or from contractual arrangements. Voting rights must be substantial (it should be possible to exercise them at any time, without restrictions, and in particular when decisions are made concerning significant activities. The assessment of whether power is held depends on the nature of the investee's relevant activities, the decision-making processes it applies and the distribution of rights among the investee's other shareholders

- The parent company is exposed to or has rights to variable returns from its involvement with the investee, which may vary according to its performance. The concept of returns is defined broadly, and includes dividends and other forms of economic benefits, the value of the investment, cost savings, synergies, etc.

- The parent company can use its power to affect the returns generated by the investee. Power that does not afford this influence cannot be deemed as control.

All the companies that Financière Quick controls are fully consolidated.

A group's consolidated financial statements are presented as those of a single economic entity with two categories of owners—owners of the parent company (shareholders in Financière Quick), and holders of non-controlling interests (minority shareholders in the subsidiaries). A non-controlling interest is defined as the percentage ownership of a subsidiary that is not held directly or indirectly by a parent company (hereinafter "non-controlling interests"). Accordingly, changes in a parent company's percentage interest in a subsidiary that do not lead to a loss of control affect only equity since control does not change within the economic entity.

Accounting for joint arrangements

IFRS 11 replaces and supersedes IAS 31—Investments in Joint Ventures and SIC 13—Jointly Controlled Entities—Non-Monetary Contributions by Venturers. It sets out the reporting principles to be used for entities that hold interests in jointly controlled entities (or joint arrangements).

In a joint arrangement, the parties are bound by a contractual arrangement affording them joint control of an arrangement. A party to a joint arrangement has to determine whether the contractual arrangement confers all the parties, or one party among them, joint control of the arrangement. Joint control is then established where decisions concerning the relevant activities require the unanimous consent of the parties that collectively share control.

There are two categories of joint arrangements:

- Joint operations: whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. These parties are referred to as the "joint operators". The joint operator accounts for 100% of the arrangement's assets and liabilities, income and expenses in sole ownership plus its share in the jointly held items.

- Joint ventures: whereby the parties that have joint control of the arrangement have rights to its net assets. These parties are referred to as the "joint venturers". Each joint venturer accounts for its right to the net assets of the arrangement under the equity method in accordance with IAS 28 (see below).

The impact on Financière Quick of the scrapping of proportional consolidation for joint ventures is presented in Note 3.1.

Equity accounting

Financial Quick applies the equity method of accounting to associate companies over which it holds significant influence, and to joint ventures.

Significant influence is presumed to exist when Financière Quick holds, directly or indirectly, 20% or more of an entity's voting power, unless it can be clearly demonstrated otherwise. The existence of significant influence can be evidenced by other criteria such as representation on the board of directors or equivalent governing body of the investee, participation in the policy-making process, material transactions between the investor and the investee or the interchange of managerial personnel.

3.5. Foreign currency translation

The euro is the Group's reporting currency.

Foreign currency transactions

Foreign currency transactions by the Group's various entities are translated at the exchange rate ruling at the transaction date.

Foreign currency assets and liabilities are translated at the exchange rate ruling at the reporting date. Any translation differences are recognised in income.

3.6. Revenue recognition

Revenue

Revenue is recognised when it is probable that the future economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable taking the amount of any commercial discount, VAT and other sales taxes into account.

3. Summary of significant accounting policies

Revenue is recognised under the "Sales and franchise revenues" heading on the statement of income. This figure represents the total amount the following items:

- Proceeds from direct sales at company-operated restaurants. These are the sales excluding taxes recorded by each cash register in company-operated restaurants, by opposition to restaurants operated under franchise.

- Franchise income and expenses: Franchise income and expenses include brand royalties, real estate and business lease income, less any rebates granted. Initial lease payments are recognised in other operating income (see Note 6).

- Brand royalties are a percentage of sales charged to franchisees for their use of the Quick brand.

- Real estate and business lease income represents a percentage of sales charged to each franchisee in respect of their tenancy (real estate and business lease payments) and leasehold rights (for the business lease). There are various types of franchise (full franchise, shared franchise, business lease, business lease with investments). The percentage royalty depends on the type of the agreement.

- Rebates granted represent a reduction in the contractual amount charged to each franchisee issued in the form of a credit note. The rebates granted may be definitive or carried forward. These rebates are recognised as a reduction in sales.

- National advertising sales: These represent the amounts invoiced to franchisees in respect of their contribution to the national advertising budget. It is calculated as a percentage of their sales.

- Logirest sales: Logirest sales represent the sales of goods and equipment charged by Logirest France and Logirest Benelux to restaurants operated under franchise.

Interest income

Interest income is recognised in the income statement taking into account the investment's effective interest rate.

3.7. Recognition of other expense types

Interest expense

All interest and costs arising on borrowings are expensed as they are incurred.

Expenses under operating leases

Operating lease payments are expensed on a straight-line basis over the full term of the lease.

3.8. Employee benefits

Post-employment benefits granted by the Group vary according to statutory obligations and local policy.

The Group's employees receive short-term benefits (paid leave, sick leave, etc.) and post-employment benefits under defined-contribution and defined-benefit plans (end-of-career benefits, top-up pension plans).

Short-term employee benefits are expensed by each Group entity as they are incurred.

Defined-contribution plans

Under these plans, periodic contributions are made to external organisations, which are responsible for their administration and financial management. These plans release the employer from any subsequent obligation, since the external organisation handles payment of the amounts due to employees (French social security basic pension, ARRCO/AGIRC top-up pension, defined-contribution pension funds).

The Group's payments are expensed as and when they are made.

Defined-benefit plans

For defined-benefit plans, the present value of pension liabilities is determined every year by a qualified actuary using the projected unit credit method.

These assessments include demographic assumptions (salary growth rate, retirement age, mortality rate, staff turnover) and financial parameters, such as the discount rate.

The amount recognised on the statement of financial position is the present value of the obligation less the fair value of plan assets, where the commitment is covered by an insurance contract.

Changes in actuarial assumptions, or the difference between these assumptions and the actual position, give rise to remeasurements of net liabilities under the defined-benefit plans, which are recognised in other comprehensive income.

Employee profit-sharing

A three-year corporate profit-sharing agreement was signed in June 2012. It provides for an incentive payment to its beneficiaries contingent upon attainment of certain Group-level performance criteria.

Nonetheless, no incentive payments will be paid in respect of FY 2014, since the criteria triggering the payment were not reached.

3.9. Income tax.

Income tax expense for the period includes current and deferred tax. Income tax is recognised in the income statement unless it relates to items recognised directly in equity and in other comprehensive income, in which case it, too, is recognised outside profit or loss.

Current tax consists of tax due on taxable profit for the period, calculated based on tax rates in force at the reporting date, taking into account any adjustments related to previous periods.

Deferred tax assets and liabilities must be measured using tax rates that are expected to apply to the period in which the asset will be realised or the liability settled, based on tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised where it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be utilised.

In addition, deferred tax liabilities associated with investments in unconsolidated subsidiaries and joint ventures are recognised except where the date on which the temporary difference will reverse cannot be controlled and it is probable that the reversal will not occur in the foreseeable future.

Based on a review of the applicable standards, the Group considered that the CVAE levy (based on corporate value-added) satisfies the definition of income tax as laid down in IAS 12.2 (Taxes due on the basis of taxable profit).

The competitiveness and employment tax credit (CICE) is a tax incentive introduced in France in January 2013 for entities with employees and is akin to a reduction in their payroll charges. The CICE is offset against the corporate income tax payable in respect of a year in which the remuneration used to calculate the CICE was paid. The CICE is repayable where the entity does not have a sufficient income tax liability, and it is analysed as an operating grant and accounted for as a reduction in staff costs.

The source receivable, i.e. calculated in the same year as payment of the remuneration on which the tax credit is based was paid and prior to settlement of the tax liability in 2014, was sold to a credit institution.

3.10. Borrowing costs

The revised version of IAS 23 requires that borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

At 31 December 2014, the Group did not identify any qualifying assets satisfying the requirements of IAS 23 as amended.

3.11. Business combinations and goodwill.

Business combinations are accounted for using the purchase method. The identifiable assets and liabilities of the acquiree satisfying the IFRS recognition criteria are generally recognised at their fair value at the acquisition date.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the acquiree) plus the amount of any non-controlling interests in the acquiree, less the net amount recognised (generally at fair value) in respect of the identifiable assets acquired and liabilities assumed. Non-controlling interests may be measured on a transaction-by-transaction basis either at the proportionate share of net identifiable assets or at fair value.

Where the difference calculated is negative, and after remeasurement of the various items, it may be recognised immediately in income.

Subsequently, goodwill is measured at cost less any impairment losses representing losses in value. Impairment is recognised immediately in income and may not be reversed subsequently.

Any increase or reduction in interests not leading to loss of control over a subsidiary does not represent a business combination, but a transaction with non-controlling interests, which is recognised directly in equity.

3.12. Intangible assets.

Intangible assets that are acquired separately are recognised at cost, and intangible assets acquired as part of a business combination are recognised at fair value at the acquisition date.

Intangible assets are not remeasured subsequently. Intangible assets with a finite useful life are amortised on a straight-line basis over their useful life. Useful lives are reviewed at each reporting date. Intangible assets with an indefinite life are not amortised but are tested for impairment annually or more frequently if there is any indication of impairment (See Note 11).

The Quick brand

The Quick brand was measured for the first time at the level of Quick Restaurants on 31 December 2007 in connection with the acquisition of Quick Restaurants on 9 February 2007 by Financière Quick and in accordance with IFRS 3—Business Combinations.

Owing to its age (close to 40 years old) and reputation, the Quick brand is treated as an intangible asset with an indefinite life. There is no foreseeable limit to the period over which the brand is expected to generate net cash inflows for the Group.

Research and development

The cost of research devoted to acquiring new scientific and technical knowledge is expensed as incurred.

The cost of development, by means of which the discoveries arising from research are applied to a plan or concept with a view to producing new or significantly enhanced products or processes, is capitalised if all the conditions laid down in IAS 38—Intangible Assets have been satisfied.

Leasehold rights

- Leasehold rights acquired in a business combination: These are commercial and construction leasehold rights acquired by Financière Quick upon the acquisition of Quick Restaurants, which were initially recognised at fair value in accordance with IFRS 3—Business Combinations. The same amortisation rules apply to them as to leasehold rights acquired separately.

- Leasehold rights acquired separately: These are commercial and construction leasehold rights acquired subsequent to Financière Quick’s acquisition of Quick Restaurants.

In France, construction leasehold rights are amortised over the term of the lease (between 30 and 35 years) and are accounted for as intangible assets with a finite useful life.

Commercial leasehold rights are not amortised in France and are accounted for as intangible assets with an indefinite useful life. In France, the lessee under a commercial lease has the right to renew the lease an almost unlimited number of times. If the landlord wants to terminate the lease, the tenant has the right to receive an eviction indemnity equal to the value of the commercial goodwill at the termination date. Accordingly, the useful life of the leasehold right is indefinite because there is no foreseeable limit to the period over which the leasehold right is expected to generate net cash inflows for the Group.

In Belgium, leasehold rights are known “key money” and are amortised on a straight-line basis over the term of the lease.

Other intangible assets with a finite useful life.

Other intangible assets with a finite useful life mainly comprise software and patents, licences and concessions. Amortisation of other intangible assets with a finite useful life is calculated on a straight-line basis over their estimated useful life.

Their estimated useful lives are as follows:

	Number of years
Software	3 to 7
Patents, licences and concessions	5

3.13. Property, plant and equipment.

Property, plant and equipment is measured at cost less accumulated depreciation and any impairment losses. The cost includes the acquisition cost or production cost and all costs necessary to bring the asset to its location and working condition. When an item of property, plant and equipment includes significant components with different useful lives, these are recognised and depreciated separately.

Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life. The useful lives applied are reviewed at each reporting date.

The estimated useful lives used for property, plant and equipment are as follows:

	Number of years
Buildings	20 to 30
Fixtures and fittings	8 to 12
Restaurant equipment and furniture	5
Other non-current assets	5

3.14. Impairment of assets.

Whenever adverse events or material internal or external circumstances occur, the Group assesses whether the goodwill, other intangible assets, property, plant and equipment and non-current assets in progress are likely to have been impaired. In addition, goodwill, intangible assets with an indefinite useful life and non-current assets in progress are tested annually for impairment.

This impairment testing consists in comparing the recoverable amount of the asset (or cash-generating unit (CGU) to which it is assigned) to its carrying amount.

The recoverable amount of an asset (or the CGU to which is assigned) is the higher of its value in use and fair value less costs of disposal.

The value in use of the assets to which independent cash flows can be allocated is determined on an individual basis. The other assets are grouped into the CGU to which they belong to determine the value in use of the group of assets. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

When the recoverable amount is lower than the carrying amount of the asset or group of assets tested, an impairment loss is recognised in respect of the difference. For a group of assets, it is allocated first as a reduction in goodwill.

The impairment losses recorded in respect of assets (excluding goodwill) may be reversed subsequently if the recoverable amount becomes higher than the carrying amount, provided that it does not exceed what the depreciated historical cost would have been if the impairment had not been recognised. Conversely, impairment recorded in respect of goodwill may not be reversed.

The Group has carried out asset impairment tests at three different levels:

The CGUs, which are identified at Quick Group level as being restaurants, whether they be company-operated or operated under franchise. The recoverable amount of a CGU is the present value of its future cash flows after tax over a period 5 years plus a terminal value.

The brand, which is tested based on the future cash flows after tax that it is expected to generate for the Group if all the restaurants were operated under franchise.

The Group, i.e. all its non-current assets including goodwill, the brand and all the other property, plant and equipment and intangible assets. The test compares the future cash flows after tax over a period of 5 years plus a terminal value to the carrying amount of the assets referred to above.

These three tests represent the various stages of implementation of the impairment tests.

3.15. Leases

Leases are classified as a finance lease if substantially all the risks and rewards incidental to ownership are transferred to the Group.

Leases under which substantially all the risks and rewards incidental to ownership are retained by the lessor are classified as an operating lease.

<u>As lessee</u>:

Finance leases

Upon their commencement, finance leases give rise to the recognition of assets and liabilities equal to the fair value of the leased item or, where lower, the present value of the minimum lease payments. The discount rate used to calculate the present value of minimum payments is the interest rate implicit in the lease if that can be readily determined. Otherwise, the lessee should use its incremental borrowing rate. Any initial direct costs of the lessor are added to the amount recognised as an asset.

Subsequent to initial recognition, minimum lease payments must be broken down into the finance charge and the repayment of the outstanding financial liability. The finance charge must be allocated to each period of the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability in respect of each period. In addition, the leased assets are depreciated using a depreciation method consistent with that applicable to depreciable assets that the Group owns.

3. Summary of significant accounting policies

Operating leases

Operating lease payments are expensed on a straight-line basis over the term of the lease. Any amounts received or receivable in respect of tenancy benefits to secure the agreement are also recognised in income on a straight-line basis over the term of the lease.

<u>As lessor</u>:

Finance leases

The lessor must recognise assets held under a finance lease on the statement of financial position as a receivable at an amount equal to the net investment in the lease.

Under a finance lease, the lessor transfers substantially all the risks and rewards incidental to ownership. Accordingly, it recognises payments receivable in respect of the lease as a repayment of principal and as financial income as a return for its investment and its services.

Operating leases

Assets leased under operating leases must be recognised according to the type of asset. Income received under operating leases must be recognised in income on a straight-line basis over the full term of the lease or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis.

Initial direct costs incurred by lessors arising from the negotiation or drafting of an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term, in the same manner as the lease income.

The method of depreciation for the depreciable assets leased must be consistent with the usual method of depreciation applied by the lessor to similar assets.

3.16. Inventories

Inventories must be measured in accordance with IAS 2—Inventories. Inventories are measured at the lower of cost and net realisable value.

The Group's inventories consist of supplies, equipment and food products. They are recognised in the financial statements at cost, which includes the purchase price plus customs duties and any other non-recoverable taxes, transport and handling costs incurred in bringing the inventories to their present location and condition.

Equipment inventories are measured using the weighted average cost method.

Food product inventories are measured using the FIFO (First In, First Out) method in view of the rules applicable to the management of food products and their fast-moving nature.

3.17. Financial assets

The Group's financial assets consist of financial receivables and other non-current assets, trade receivables, cash and cash equivalents.

These financial assets are classified into the four categories defined by IAS 39—Financial Instruments: Recognition and Measurement (please refer to Note 27.8).

The different categories are accounted for in different ways:

- **Available-for-sale financial assets:** These assets are initially measured at fair value plus transaction costs. Subsequently, these assets are measured at fair value.

Changes in fair value are recognised in other comprehensive income and are reversed to income only when the relevant assets are sold.

- **Loans and receivables:** These financial assets are recognised initially at their fair value plus any directly attributable transaction costs, then at amortised cost at each reporting date using the effective interest rate method.

This category includes trade receivables, deposits and guarantees, and receivables from investments.

Loans and receivables are monitored for objective evidence of impairment. A financial asset is monitored on an individual basis and is written down if its carrying amount is higher than its recoverable amount as estimated during impairment testing. Any impairment losses are recognised in income and may be reversed if the recoverable amount is likely to increase over the subsequent periods.

- **Financial assets at fair value through profit or loss:** These assets are measured at fair value with changes in their fair value accounted for in profit or loss. This category encompasses:

- Held for trading financial assets, which include assets held for the purpose of selling in the short term to secure a capital gain, or those belonging to a portfolio of financial instruments for which there is a recent pattern of short-term profit taking. This applies to cash equivalents.

- Assets designated explicitly by the Group upon their initial recognition as being financial instruments with changes in their fair value being recognised through profit or loss.

- **Held-to-maturity investments:** Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that an entity intends and is able to hold to maturity. These investments are measured and recognised at amortised cost using the effective interest rate method.

They are monitored for objective evidence of impairment. A financial asset is monitored on an individual basis and is written down if its carrying amount is higher than its recoverable amount as estimated during impairment testing. The impairment loss is recognised in income.

Financial receivables and other non-current assets

Under financial receivables and other non-current assets, the Quick Group accounts for caps and collars (derivative financial instruments), deposits and guarantees, loans and receivables due from investments comprising loans made to unconsolidated subsidiaries within the Group and loans to non-Group entities.

Trade receivables

Trade receivables include receivables from franchisees corresponding to amounts invoiced in respect of purchases of equipment, goods held for resale, contributions to national advertising contributions, brand royalties and lease or business lease charges.

Cash and cash equivalents

Cash and cash equivalents include cash and demand deposits invested in risk-free money-market instruments. Time deposits are recognised in cash where they meet the following conditions:

- There are exit options:

- exercisable at any time or at most every three months.

- provided for in the contract at its inception

- that may be exercised without any penalty for the depositor or significant risk of changes in the value of the amount of cash to be received upon redemption,

- There is no value risk associated with the minimum level of return earned (i.e. that obtained in the event of an early exit) because this payment will be identical for the entire term and at all times to that obtained from an investment of at most three months meeting the definition of a cash equivalent. This may apply when the rate is variable or adjustable.

3.18. Financial liabilities

Financial liabilities other than derivative financial instruments held by the Group comprise:

- non-current financial liabilities consisting of the long-term portion of bank borrowings, convertible bonds, finance lease liabilities, and other financial liabilities

- current financial liabilities consisting of the short-term portion of bank borrowings, finance lease liabilities, other financial liabilities and bank overdrafts.

The Group's financial liabilities other than derivatives are classified as financial liabilities at amortised cost, as defined by IAS 39—Financial Instruments: Recognition and Measurement. The Group does not have any financial liabilities at fair value through profit or loss.

Bank borrowings

Bank borrowings are initially recognised at fair value less costs directly attributable to these borrowings. Subsequently, these borrowings are measured at amortised cost using the effective interest rate method. This rate represents the internal rate of return that discounts the series of cash flows expected over the life of the borrowing.

Bond issues (see Note 25.4)

On 8 April 2014, Financière Quick arranged two bond issues:

- A €440 million Senior Secured Floating Rate Note issue with a nominal value of €100,000 in multiples of €1,000 above €100,000, and a 5-year maturity (due on 15 April 2019) carrying an interest rate of 3-month Euribor + 4.75% and listed on Euronext Brussels.

- A €155 million Senior Unsecured Note issue with a nominal value of €100,000 in multiples of €1,000 above €100,000, and a $5^{1}/_{2}$-year maturity (due on 15 October 2019) carrying an interest rate of 3-month Euribor + 7.50% and listed on Euronext Amsterdam.

The proceeds of these notes were used to repay all the LBO debt (Tranche A, B, C, Second Lien, Mezzanine, Capex, RCF) and all the convertible bonds and shareholders' loans outstanding at the closing date of 8 April 2014, which totalled €598 million.

The bond issuance costs amounted to €12.4 million.

3.19. Derivatives

In accordance with IAS 39—Financial Instruments: Recognition and Measurement, derivative financial instruments are recognised at fair value.

The Group uses derivatives, such as caps, swaps and collars to hedge its exposure to fluctuations in interest rates. The Group's policy is to trade in the capital markets solely to hedge commitments associated with its business activities and not for speculative purposes.

Hedging derivatives

For hedge accounting purposes, hedges are designated as either:

- a fair value hedge when they hedge exposure to changes in fair value of a recognised asset or liability or firm commitment, such as a fixed-rate loan or borrowing or a foreign-currency asset or liability

- a cash flow hedge when they hedge exposure to changes in cash flows attributable to:

- an asset or liability, such as floating-rate loans or borrowings,
- a highly probable forecast transaction,
- or a firm commitment to hedge currency risk.

At the inception date of a hedge, the Group formally designates the financial instrument to which hedge accounting will be applied and documents the hedging relationship and the effectiveness of the hedging relationship by conducting effectiveness tests at inception and continuously throughout the periods for which the hedge has been designated.

Hedging instruments satisfying the requirements for hedge accounting are recognised as follows:

- **fair value hedge:** changes in the fair value of the hedging instrument and the hedged item are recognised in the same manner and period in the income statement for the period. The hedging instrument and the hedged item are recognised at their market value on the statement of financial position
- **cash flow hedges:** the gain or loss net of tax on the effective portion of the hedging instrument is recognised in other comprehensive income and the ineffective portion is recognised in income. The amounts recorded in equity are recognised in income for the period in which the hedged item affects the income statement.

Derivatives not eligible for hedge accounting

Gains and losses deriving from changes in the fair value of derivatives that are not designated as hedging instruments as defined in IAS 39 are recognised in the income statement.

3.20. Provisions

A provision is recognised when the Group has a legal or constructive obligation at the reporting date:

- resulting from a past event
- likely to trigger to an outflow of resources
- the amount of which can be estimated reliably.

The amount recognised as a provision is the best estimate of the expense required to settle the present obligation at the reporting date.

Restructuring-related commitments are recognised when they are announced to the relevant parties.

3.21. Financial indicators

Definition of the Group's principal financial indicators:

Net debt

Net debt represents the total amount of current and non-current bank borrowings and bonds, less cash at bank.

EBIT (operating profit before non-recurring items)

This performance metric is calculated as operating profit, less general and administrative costs, other income and expenses, and corporate expenses.

EBITDA

This performance metric is calculated as EBIT plus depreciation and amortisation.

General and administrative costs

This heading encompasses all corporate overheads such as external charges (energy, office supplies, professional fees, travel expenses, IT expenses, etc.), corporate staff costs, taxes other than on income, and occupancy costs (rent, miscellaneous depreciation and amortisation, etc.).

3. Summary of significant accounting policies

Other corporate income and expenses

This heading includes expenses related to the Group's business activities plus marketing services charged to partners.

Other non-recurring income and expenses

This heading includes a very limited number of unusual and infrequent income and expenses that are material at consolidated level, which the Group has identified separately in its income statement to facilitate understanding of its operating performance before non-recurring items (See Note 8).

4. Scope of consolidation and significant changes

4.1. Scope of consolidation

	2014			2013		
Companies	**Percentage ownership**	**Percentage control**	**Consolidation method**	**Percentage ownership**	**Percentage control**	**Consolidation method**
Quick Restaurants ...	100.00%	100.00%	IG	100.00%	100.00%	IG
Equilease	100.00%	100.00%	IG	100.00%	100.00%	IG
Caresquick..............	50.00%	50.00%	MEE	50.00%	50.00%	MEE
Happy Quick	55.00%	55.00%	IG	55.00%	55.00%	IG
Logirest Benelux	100.00%	100.00%	IG	100.00%	100.00%	IG
Financière Quick	100.00%	100.00%	IG	100.00%	100.00%	IG
France Quick	100.00%	100.00%	IG	100.00%	100.00%	IG
Quick Invest	100.00%	100.00%	IG	100.00%	100.00%	IG
Montmirail (ex Coquelles)	100.00%	100.00%	IG	100.00%	100.00%	IG
Pyramides...............	100.00%	100.00%	IG	100.00%	100.00%	IG
Agaquick	49.00%	49.00%	IG	49.00%	49.00%	IG
Agaquick Exploit	49.00%	49.00%	IG	49.00%	49.00%	IG
Ulm SAS	100.00%	100.00%	IG	100.00%	100.00%	IG
Arcole Immo SAS ...	100.00%	100.00%	IG	100.00%	100.00%	IG
Quick immo............	100.00%	100.00%	IG	100.00%	100.00%	IG
Wagram..................	100.00%	100.00%	IG	100.00%	100.00%	IG
Eylau	100.00%	100.00%	IG	100.00%	100.00%	IG
Friedland	100.00%	100.00%	IG	100.00%	100.00%	IG
AURO202	100.00%	100.00%	IG	100.00%	100.00%	IG
MINADRIVE..........	100.00%	100.00%	IG	100.00%	100.00%	IG
Agaquick Invest	49.00%	49.00%	IG	49.00%	49.00%	IG
Sec Le Moulin.........	100.00%	100.00%	IG	—	—	NI
Richelieu Hoche......	100.00%	100.00%	IG	—	—	NI
Ligny	100.00%	100.00%	IG	—	—	NI
Montereau	100.00%	100.00%	IG	—	—	NI
Tastyrest.................	100.00%	100.00%	IG	100.00%	100.00%	IG

Logirest France	100.00%	100.00%	IG	100.00%	100.00%	IG

Key to consolidation methods:

NI stands for not consolidated

IG stands for full consolidation

MEE stands for equity accounting

List of joint ventures and associates

	Joint ventures	Associates
Agaquick	x	
Agaquick Exploit	x	
Agaquick Invest	x	
Caresquick..		x

4.2. Changes in the scope of consolidation during FY 2014

The following changes in the scope of consolidation occurred during FY 2014:

Companies	Acquisition/ Creation/ Transfer of all assets and liabilities	Effective acquisition or creation date	Effective consolidation date	% ownership at 31 Dec. 2014	Consideration transferred (€ 000)	Fair value of assets/ liabilities identified	Goodwill (€ 000)
Auro202	Acquisition(1)	31/12/2013	31/12/2013	100%	0	0	(30)
Mina Drive	Acquisition(1)	31/12/2013	31/12/2013	100%	0	0	(1)
SEC Le Moulin	Acquisition	02/09/2014	02/09/2014	100%	5,466	3,250	5,466
Richelieu Hoche............	Acquisition	02/09/2014	02/09/2014	100%	2,334	2,129	2,334
Ligny	Creation	01/07/2014	01/07/2014	100%	0	0	0
Montereau	Creation	01/07/2014	01/10/2014	100%	0	0	0

(1) Adjustment of goodwill following an earn-out payment

4.3. Changes in the scope of consolidation during FY 2013

The following changes in the scope of consolidation occurred during FY 2013:

Companies	Acquisition/ Creation/ Transfer of all assets and liabilities	Effective acquisition or creation date	Effective consolidation date	% ownership at 31 Dec. 2013	Consideration transferred (€ 000)	Fair value of assets/ liabilities identified	Goodwill (€ 000)
Eylau	Creation	12/12/2013	12/12/2013	100%	0	0	0
Friedland	Creation	12/12/2013	12/12/2013	100%	0	0	0
Wagram.........................	Creation	12/12/2013	12/12/2013	100%	0	0	0
Megabun 660.................	Acquisition(1)	01/10/2013	01/10/2013	100%	502	0	502
Auro202	Acquisition	31/12/2013	31/12/2013	100%	908	37	871
Mina Drive	Acquisition	31/12/2013	31/12/2013	100%	312	(265)	577
Mandelieu......................	Acquisition(2)	01/07/2013	01/07/2013	100%	1,183	0	1,183
Mougin	Acquisition(2)	01/07/2013	01/07/2013	100%	1,567	0	1,567

(1) Entity acquired during the year and merged with Montmirail

(2) Entity acquired during the year and merged with Pyramides

Companies	Exit	Effective exit date	Effective deconsolidation date	% ownership at 31 Dec. 2013	Disposal cost (€ 000)	Fair value of assets/ liabilities identified	Goodwill (€ 000)
Giant BV	Disposal	31/03/2013	31/03/2013	0%	300	0	1,004
QLS	Winding-up	20/12/2013	31/12/2013	0%	0	0	0

5. Gross profit and profit from operations.

(€ 000)	2014 Amount	2014 %	2013 Amount	2013 %
Sales from company-owned restaurants	312,244	50%	310,512	48%
Franchise revenues and external sales	313,455	50%	340,066	52%
Sales and franchise revenues	**625,699**	**100%**	**650,578**	**100%**
Cost of purchases and goods held for resale	(242,046)	−39%	(262,397)	−40%
Restaurant staff costs	(103,773)	−17%	(100,056)	−15%
Total cost of sales	**(345,819)**	**−55%**	**(362,453)**	**−56%**
Gross profit	**279,880**	**45%**	**288,125**	**44%**
Occupancy and operating costs	(135,414)	−22%	(132,958)	−20%
Profit from operations	**144,466**	**23%**	**155,167**	**24%**

Franchise revenues and external sales:

- rental income
- brand royalties received from franchisees
- national advertising contributions
- food and equipment sales

Occupancy and operating costs include energy costs, service and security contract expenses, rent, taxes other than on income (taxes on businesses, land, etc.) and depreciation and amortisation.

6. Other operating income and expenses

(€ 000)	2014	2013
Capital gains on disposals of property, plant and equipment and intangible assets	3	0
Net charge to/(reversal from) provisions for operating items	4,852	0
Network access charge and initial franchise royalty	1,650	646
Other income	1,548	690
Total other operating income	**8,053**	**1,336**
Capital loss on disposals of property, plant and equipment and intangible assets	0	(72)
Net charge to/(reversal from) provisions for operating items	0	(2,842)
Pre-opening costs	(631)	(639)
Other expenses	(637)	(293)
Total other operating expenses	**(1,268)**	**(3,846)**
Total other operating income and expenses	**6,785**	**(2,510)**

At 31 December 2014, other operating income and expenses consist of:

- Access rights and initial lease payments (Turkey, Morocco, Tunisia)

- Charges to and reversals from provisions for operating items relating to trade receivables and losses on unrecoverable receivables

- Eviction indemnities

At 31 December 2013, other operating income and expenses consist of:

- Initial lease payments

- Charges to and reversals from provisions for operating items relating to current assets and losses on unrecoverable receivables

7. Staff costs.

(€ 000)	2014	2013
Corporate staff costs and related expenses	(26,357)	(29,164)
Restaurant staff costs and related expenses	(100,792)	(95,852)
Training costs	(544)	1,247
Defined-benefit pension plan costs (Note 23)	(121)	(168)
Other staff costs	(8,933)	(10,377)
CICE tax credit	3,245	1,935
Total staff costs	**(133,502)**	**(132,379)**

Staff costs include:

- corporate staff costs: recognised in general and administrative costs in the income statement

- restaurant staff costs excluding retirement benefits: recognised in the cost of sales in the income statement

- training costs recognised in the cost of sales and in general and administrative costs in the income statement

- pension plan expenses recognised in other corporate income and expenses and in financial expenses

- other staff costs chiefly include travel expenses and other restaurant staff costs

- the CICE tax credit

The Quick Group is eligible for the CICE tax credit. It recorded a tax benefit of €3,245 thousand in 2014.

This amount helped to provide finance for the brisk pace of restaurant refurbishments. In 2014, the Group overhauled 31 restaurants in France at a total cost of €17,200 thousand. The principal refurbishments in 2014 were carried out at the following restaurants:

- Geispolsheim at a cost of €1,102 thousand

- Saint Thibault des Vignes at a cost of €845 thousand

- Lescot at a cost of €787 thousand

- Perpignan Drive at a cost of €783 thousand

- Le Havre CV at a cost of €607 thousand

- Poitiers CV at a cost of €558 thousand

In 2014, the Group also invested €12,610 thousand in opening restaurants in France. The new units included Perpignan Polygone (€2,480 thousand), Troyes Rosières (€2,119 thousand), Aubenas (€1,938 thousand) and Belle Epine (€1,200 thousand).

8. Other non-recurring income and expenses.

Non-recurring income and expenses includes charges to and reversals from asset impairment losses, goodwill impairment losses, provisions for litigation, provisions for restaurant closures and any other non-recurring items.

(€ 000)	2014	2013
Reversals from/(charges to) provisions	(6,073)	376
Write-down after impairment test	(416)	2,597
Other	(8,009)	(11,391)
Total other non-recurring income and expenses	**(14,498)**	**(8,418)**

At 31 December 2014, other non-recurring operating income and expenses consist of:

- Charges to provisions for liabilities and charges
- Asset impairment charge for restaurants in line with the methodology presented in Note 3.14

The €(8,009) thousand Other entry reflects:

- The costs arising from the closures in 2013 and 2014
- Impairment in the receivable due in Russia
- Transformation project costs

At 31 December 2013, other non-recurring operating income and expenses consist of:

- reversals of provisions for liabilities and charges
- reversals of an asset impairment charge to provisions for restaurants in line with the methodology presented in Note 3.14

The €(11,391) thousand Other entry reflects:

- miscellaneous provisions for litigation
- expenses arising from the closure of during the period and asset retirements resulting from restaurant refurbishments
- fees relating to the banking deal agreed in February 2013
- fees relating to the transformation project launched in 2013

9. Net financial income/(expense).

(€ 000)	2014	2013
Income from cash and cash equivalents	346	460
Gross cost of debt	(37,363)	(40,643)
Net cost of debt	**(37,017)**	**(40,183)**

Other financial income	524	1,527
Other financial expenses	(2,905)	(5,154)
Other financial income and expense	**(2,381)**	**(3,627)**
Total net financial income/(expense)	**(39,398)**	**(43,810)**

Net financial expense primarily consists of: financial expenses on the syndicated loan tranches (A, B, C, Second Lien, Mezzanine) and financial expenses on bond issues prior to 8 April 2014, and then financial expenses arising on the two new bond issues after 8 April 2014.

Other financial income and expense recorded in 2014 chiefly includes the IFRS impact of €0.2 million related to interest-rate hedges, the €(0.8) million impact of premiums on caps, the €(0.3) million cost of interest-rate swaps, €(0.4) million in miscellaneous fees and commission, €0.3 million in income from investments and the €(1.3) million share of refinancing costs.

10. Income tax.

Tax expense

(€ 000)	2014	2013
Current tax for the FY	(7,417)	(7,561)
Deferred income tax	3,562	2,298
Income tax	**(3,855)**	**(5,263)**

10. Income tax.

Reconciliation of the theoretical tax expense to actual tax expense

(€ 000)	2014	2013
Profit before tax	4,882	7,675
Theoretical tax expense	32.86 %	34.42 %
Income tax calculated at the parent company's nominal tax rate	**(1,604)**	**(2,642)**
Permanent difference between statutory and tax financial statements	***(1,458)***	***394***
Expenses	(2,572)	(216)
Dividends	0	0
CICE tax credit	1,118	653
Other	(4)	(43)
Permanent difference between statutory and IFRS financial statements	***5,349***	***55***
Tax-regulated provisions	0	20
Capitalisation of costs	4,260	0
Cancellation of intragroup provisions	0	1
Financial instruments (IAS 39)	0	(2)
Other	1,089	36
Adjustments to current tax	***(6,597)***	***(4,401)***
Adjustments to previous periods	135	(167)
Tax credits	0	4
Reclassification of the CVAE levy under current income tax	(2,038)	(2,082)
Impact of tax consolidation	(4,694)	(2,205)
Other	0	49
Adjustments to deferred taxes	***325***	***1,399***
Use of unrecognised tax losses	325	1,399
Other	0	0
Difference between individual/consolidated tax rate	***129***	***(69)***
Actual tax benefit/(expense)	**(3,856)**	**(5,264)**

Change in net deferred taxes

(€ 000)	2014	2013
Change in net deferred taxes at 1 January	**11,332**	**12,057**
Recognised in equity	2,509	1,627
Recognised in other comprehensive income	151	(55)
Recognised in income	(3,562)	(2,298)
Other	0	1
Net deferred taxes at 31 December	**10,430**	**11,332**

Analysis of deferred tax assets and liabilities recognised on the statement of financial position

(€ 000)	2014	2013
Deferred taxes arising from differences between the statutory financial statements/tax accounts		
Capital gains subject to deferred taxation	(14,219)	(14,219)
Provisions	5,691	5,904
Other	2,186	2,082
Total deferred taxes arising from statutory/tax differences	**(6,342)**	**(6,233)**
Deferred taxes arising from differences between the statutory/IFRS financial statements		
Provisions	(18,545)	(19,868)
Financial instruments	1,277	1,214
Non-current assets	(3,595)	(3,039)
Other	16,775	16,594
Total deferred taxes arising from statutory/IFRS differences	**(4,088)**	**(5,099)**
Total deferred taxes	**(10,430)**	**(11,332)**

At 31 December 2014, unrecognised deferred tax assets amounted to € 5,925 thousand, compared with €5,132 thousand at 31 December 2013.

Analysis of deferred tax assets and liabilities recognised on the income statement

(€ 000)	2014	2013
Deferred taxes arising from differences between the statutory financial statements/tax accounts		
Capital gains subject to deferred taxation	0	0
Provisions for doubtful receivables	(213)	(538)
Other temporary differences	104	1,135
Total deferred taxes arising from statutory/tax differences	**(109)**	**597**
Deferred taxes arising from differences between the statutory/IFRS financial statements		
LGAI and pension provisions	1,323	(159)
Financial instruments	63	115
Non-current assets	2,255	1,943
Other	30	(198)
Total deferred taxes arising from statutory/IFRS differences	**3,671**	**1,701**
Total deferred taxes	**3,562**	**2,298**

11. Intangible assets.

(€ 000)	Software	Patents, licences and concessions	Leasehold rights	Brand	Total

Intangible assets					
At 31 December 2013	**11,190**	**1,658**	**128,706**	**300,000**	**441,554**
Acquisitions	733	1	660	0	1,394
Changes in the scope of consolidation	1	0	0	0	1
Disposals	(136)	0	(2,244)	0	(2,380)
Reclassifications and retirements	2,312	12	0	0	2,324
At 31 December 2014	**14,100**	**1,671**	**127,122**	**300,000**	**442,893**
Amortisation/impairment					
At 31 December 2013	**(9,710)**	**(1,585)**	**(23,803)**	**0**	**(35,098)**
Amortisation	(1,371)	(27)	(761)		(2,159)
Impairment	0	0	(225)		(225)
Disposals/retirements	(15)	0	0		(15)
At 31 December 2014	**(11,096)**	**(1,612)**	**(24,789)**	**0**	**(37,497)**
Net intangible assets					
At 31 December 2013	**1,480**	**73**	**104,903**	**300,000**	**406,456**
At 31 December 2014	**3,004**	**59**	**102,333**	**300,000**	**405,396**

12. Goodwill.

(€ 000)	At 31 December 2013	Changes in the scope of consolidation	Other	At 31 December 2014
Goodwill	210,835	7,769	5,638	224,242
Goodwill impairment	(24)	0	0	(24)
Total net goodwill	**210,811**	**7,769**	**5,638**	**224,218**

Goodwill is not amortised but is subject to annual impairment testing.

Goodwill derived largely from Financière Quick SAS's February 2007 acquisition of the entire share capital of Quick Restaurants SA for € 188.0 million.

Changes in goodwill primarily reflect the impact of business combinations during the period (SEC Le Moulin, Richelieu Hoche, Auro 202 and Mina Drive)

Other changes in goodwill reflect the payments made to LGAI, which were allocated to goodwill, and the reclassification of the commercial goodwill (SEC Le Moulin, Richelieu Hoche) as goodwill.

In 2014, the change in goodwill derived chiefly from the acquisition of SEC le Moulin and Richelieu Hoche.

In 2013, the change was attributable to the acquisition of Auro202 and Mina drive, and the allocation of franchise severance payments.

13. Impairment of assets.

The following table shows the net amount of impairment losses by asset category with an impact on the income statement.

(€ 000)	2014	2013
Intangible assets	225	1,654
Property, plant and equipment	(641)	943
Total	**(416)**	**2,597**

- **Asset impairment testing**

The method used to conduct impairment tests is presented in Note 3.14.

The discount rates used by the Group in respect of FY 2014 are as follows:

- a weighted average cost of capital estimated at 5.62% for the test carried out on the brand and overall assets

- a cost of equity estimated at 6.22% for the test on the CGUs

The test is carried out on the CGUs, brand and all assets.

The Group reviewed the value of its assets at 31 December 2014. Following this test, the Group's management concluded that their recoverable amount exceeded their carrying amount.

For the cash-generating units, the Group tested each restaurant individually and wrote down assets as required. The net impact on income is a charge of €416 thousand.

- **Sensitivity test.**

The Group conducted sensitivity testing at two levels:

- the brand: by projecting a decline of 5% and of 10% in sales under the Group's trading name and also a reduction in the perpetual growth rate of 0.5 points (from 2% to 1.5%) and by applying a discount rate of 6.62%.

- the Group (via its non-current assets): by projecting a reduction in the perpetual growth rate of 0.5 points (from 2% to 1.5%) and by applying a discount rate of 6.62%.

These tests did not reveal any significant potential risk to the value of the Group's assets.

14. Property, plant and equipment.

The principal changes in FY 2014 are as follows:

(€ 000)	Land and contructions	Plant, machinery and equipment	Assets under contruction	Other property, plant and equipment	Total
Tangible assets					
At 31 December 2013	**404,991**	**50,492**	**4,147**	**83,041**	**542,671**
Acquisitions	22,501	5,277	11,461	5,930	45,169
Changes in the scope of consolidation	3,759	1,280	(9,382)	1,982	(2,361)
Disposals	9,201	594	0	587	10,382
Reclassifications and retirements	(17,286)	(3,953)	(675)	(7,258)	(29,172)
At 31 December 2014	**422,626**	**53,690**	**5,551**	**84,282**	**566,149**
Amortisation/impairment					
At 31 December 2013	**(238,669)**	**(38,912)**	**0**	**(59,827)**	**(337,408)**
Amortisation	(26,320)	(3,904)	0	(9,841)	(40,065)
Impairment	641	0		0	641
Disposals/retirements	10,100	2,624		5,426	18,150
At 31 December 2014	**(254,248)**	**(40,192)**	**0**	**(64,242)**	**(358,682)**
Net tangible assets					
At 31 December 2013	**166,322**	**11,580**	**4,147**	**23,214**	**205,263**

At 31 December 2014	**168,378**	**13,498**	**5,551**	**20,040**	**207,467**

The principal changes in FY 2014 are as follows:

- Land, buildings and assets in progress:
- Acquisitions: €45 million, chiefly including investments in refurbishments (€18 million) and the new restaurant openings (€ 15 million)
- Deconsolidations and disposals: €30 million, including €8 million in Belgium and €22 million in France. These items chiefly reflect asset retirements (closure and retirements related to restaurant refurbishments).
- The Other column chiefly reflects fixtures and fittings, restaurant furniture and IT equipment for the new restaurant openings and refurbishments during the period.

15. Financial receivables and other non-current assets.

(€ 000)	2014	2013
Loans and guarantees net of provisions	9,735	9,067
Fair value of derivatives	0	350
Other	7	21
Total	**9,742**	**9,438**

Loans and guarantees chiefly relate to operating leases. They are paid at the inception of a new lease. The increase was chiefly attributable to the adjustment of deposits and guarantees.

16. Inventories.

(€ 000)	2014	2013
Raw materials, supplies, goods held for resale:		
o/w raw materials, supplies and goods held for resale in restaurants	2,155	2,075
o/w raw materials, supplies and goods held for resale at Logirest	13,963	11,486
Total, gross	**16,118**	**13,561**
Impairment	(894)	(1,202)
Total, net	**15,224**	**12,359**

The increase in inventories chiefly reflects:

- additions to the inventory of giveaways for the busy period in early 2015
- food increased, but there was no change in number of days' purchases.

17. Trade receivables.

(€ 000)	2014	2013
Trade receivables	47,725	57,586
Total trade receivables and bills receivable at their nominal value	**47,725**	**57,586**
Impairment of doubtful receivables	(6,245)	(9,517)
Total	**41,480**	**48,069**

No trade receivables were pledged or covered by insurance. See Note 27.4.

18. Other receivables, other current assets and current tax assets.

(€ 000)	2014	2013
Current tax assets	6,273	2,937
Tax receivables excluding income tax	7,865	10,745
Receivables from disposals of non-current assets	97	139
Prepaid expenses	17,264	14,981
Other	7,587	1,968
Total	**39,086**	**30,770**

Prepaid expenses are primarily linked to rent. The change represents a rent-free period obtained from a lessor in 2013.

19. Cash and cash equivalents.

(€ 000)	2014	2013
Cash	53,304	81,162
Deposit accounts	58	10,000
Cash at bank	53,362	91,162
Bank overdrafts	(62)	(1,194)
Cash overdraft	(62)	(1,194)
NET CASH	**53,300**	**89,968**

20. Consolidated equity

20.1. Share capital

At 31 December 2014, Financière Quick's share capital was made up of 10,925,300 ordinary shares.

The nominal value of the shares is €10.

At 31 December 2014, the Group did not hold any treasury shares, and there was no change in the share capital.

20.2. Dividends

Financière Quick did not pay out any dividend to its shareholders in respect of the financial year to 31 December 2014.

20.3. Cash flow hedging reserves and actuarial gains and losses

(€ 000)	2014	2013
Reserves at 1 January	**160**	**(1,565)**
Change in fair value of portfolio of cash flow hedges	(1,657)	**1,566**
Change in actuarial gains and losses	(287)	159
Reserves at 31 December	**(1,784)**	**160**

20.4. Share premium

The share premium amounted to €747 thousand.

21. Provisions.

(€ 000)	Litigation	Employee benefits	Restructuring	Other provisions	Total
At 1 January 2014	**4,818**	**1,831**	**18**	**1,350**	**8,017**

Charges	3,612	176	53	1,440	5,281
Reversals used	(849)	0	(70)	94	(825)
Reversals not used	(1,298)	0	0	(978)	(2,276)
Other	9	468	0		477
At 31 December 2014	**6,292**	**2,475**	**1**	**1,906**	**10,674**

At 31 December 2014, the change compared with FY 2013 was chiefly attributable to provisions for litigation.

(€ 000)	Litigation	Employee benefits	Restructuring	Other provisions	Total
At 1 January 2013	**4,343**	**1,822**	**4**	**1,881**	**8,050**
Charges	4,788	132	78	659	5,657
Reversals used	(1,273)	(18)	(60)	(59)	(1,410)
Reversals not used	(1,328)	0	(4)	(683)	(2,015)
Other	(1,712)	(105)	0	(448)	(2,265)
At 31 December 2013	**4,818**	**1,831**	**18**	**1,350**	**8,017**

At 31 December 2013, the change in provisions compared with FY 2012 was chiefly attributable to the provisions set aside for litigation risks.

22. Employee benefits

In France, the retirement benefits due under salary agreements represent the only defined-benefit post-employment benefits. This plan provides for flat-rate payments calculated based on employees' length of service within the Group and their final salary at retirement.

22.1. Principal assumptions applied for the defined benefit plans

Actuarial assumptions	2014	2013
Discount rate at 31 December	1,70%	3,10%
Salary growth rate	3,00%	3,00%
Retirement age	Managerial and non-managerial employees of Quick's corporate centre: 63 years Managerial and non-managerial employees of Quick's restaurants: 62 years	Managerial and non-managerial employees of Quick's corporate centre: 63 years Managerial and non-managerial employees of Quick's restaurants: 62 years
Mortality table	Insee 2007 - 2009	Insee 2007 - 2009

The discount rate is determined by reference to yields on prime long-term corporate bond issues with a maturity equivalent to the liabilities being considered.

22.2. Amounts shown on the statement of financial position in respect of defined-benefit plans.

Change in net position	2014	2013
Net liabilities at 31 December	2,475	1,831
Total net liabilities	2,475	1,831
Pension provision/assets	2,475	1,831

Change in the present value of defined-benefit plan liabilities

Change in liabilities	2014	2013

Present value of liabilities at 1 January	**1,831**	**1,822**
Standard cost	121	132
Interest cost	55	54
Benefits paid	0	−18
Acquisitions	30	0
Gains and losses on changes in actuarial assumptions	387	−22
Experience gains and losses	51	−137
Present value of liabilities at 31 December	**2,475**	**1,831**

Recognised in other comprehensive income	2014	2013
Experience gains and losses	51	−137
Changes in actuarial assumptions	387	−22
—o/w other assumptions	387	−22
Total	**438**	**−159**

22.3. Expenses recognised in the income statement in respect of defined-benefit plans.

Pension costs for the period	2014	2013
Standard cost	121	132
Interest cost	55	54
Costs for the period	**176**	**168**

The expense is recognised under general and administrative costs and financial expenses. The 1.40-point decline in the discount rate has a material impact on the measurement of liabilities at 31 December 2014.

23. Other non-current liabilities.

(€ 000)	2014	2013
Deposits and guarantees	4 091	4 438
Fair value of derivatives	1 094	0
Total	**5 185**	**4 438**

Other non-current liabilities reflect:

- deposits and guarantees, which declined between 2013 and 2014.
- the negative fair value of derivatives

24. Leases

24.1. As lessee

Finance leases

The Quick Group classifies as finance leases the leases for restaurant cash registers and the leases on premises. The cash register leases have an average term of 3 to 5 years with an extension and buyout option. The leases on premises have an average term of 12 years.

(€ 000) Amounts payable under finance leases	Future minimum payments		Present value of future minimum payments	
	2014	2013	2014	2013
Less than 1 year	(1 564)	(2 346)	(1 219)	(1 926)
Between the 2nd and 5th year inclusive	(4 435)	(5 318)	(3 500)	(4 210)
More than 5 years	(3 348)	(4 378)	(3 079)	(3 932)
Total capital + interest	**(9 347)**	**(12 042)**	**(7 798)**	**(10 068)**

Less: Future financial expenses	**1549**	**1 974**		
Present value of finance lease obligations	**(7 798)**	**(10 068)**	**(7 798)**	**(10 068)**

The present value of the finance lease obligations, which amounts to €7,798 thousand at 31 December 2014 and €10,068 thousand at 31 December 2013, chiefly reflects:

- restaurant cash registers (3 to 5 years)
- restaurant equipment (3 to 5 years)
- real estate leases (12 years)

Operating leases

These primarily include construction leases and commercial leases.

Minimum future lease payments due under non-cancellable operating leases for each of the following periods:

(€ 000)	2014	2013
Amount of minimum lease payments due under operating leases recognised in income for the period	**(64,277)**	**(62,626)**
Less than 1 year	(59,632)	(64,000)
Between the 2nd and 5th year inclusive	(221,119)	(225,843)
More than 5 years	(362,674)	(288,427)
Total minimum lease payments due under operating leases	**(643,426)**	**(578,270)**
Company	**(186,109)**	**(182,880)**
Franchise	**(435,041)**	**(371,109)**
Corporate centre	**(22,275)**	**(24,281)**

Minimum future lease payments under leases to premises operated under franchise agreements are covered by the guaranteed minimum income specified in the lease/business lease (see Note 24.2).

In addition, the gross profit generated by the Group significantly exceeds the amount of the lease payments by the Group.

The increase in the total amount of minimum lease payments in respect of operating leases between 2013 and 2014 is attributable to the early renewal of commercial leases with Foncière des Murs.

24.2 As lessor

Operating leases

As lessor, the Quick Group classifies as operating leases business management leases, business management leases with investments and real estate agreements.

The business lease agreements *contrats de location gérance* have a term of 3 to 12 years.

The shared franchise agreements have a term of 9 years.

Minimum future lease payments receivable under non-cancellable operating leases in total and for each of the following periods:

(€ 000)	2014	2013
Less than 1 year	44,996	46,561

Between the 2nd and 5th year inclusive	152,229	169,136
More than 5 years	94,159	130,509
Total minimum lease payments receivable under operating leases	**291,384**	**346,206**

Lease income received in 2014 totalled €76,578 thousand.

25. Financial liabilities.

25.1. Non-current financial liabilities.

(€ 000)	2014	2013
Non-current finance lease liabilities	**6 579**	**8 142**
Other non-current financial liabilities	**586 200**	**594 985**
Bank borrowings		397 671
Convertible bonds	0	197 314
Bonds	595 000	0
Deferral of refinancing costs	(8 800)	0
Other financial liabilities due in > 1 year	**19 000**	**5 760**
Total	**611 779**	**608 888**

25. Financial liabilities.

25.2. Current financial liabilities.

(€ 000)	2014	2013
Finance lease liabilities maturing during the year	**1 219**	**1 926**
Other borrowings maturing during the year and bank	**10 925**	**29 982**
Other long-term debt maturing during the year	500	869
Bank overdrafts	60	1 194
Current portion of bank borrowings	12 610	27 919
Deferred portion of refinancing costs	(2 245)	0
Other financial liabilities maturing during the year	**4 306**	**4 612**
Total	**16 450**	**36 520**

Current financial liabilities include bank overdrafts.

25.3. Gross debt.

At 31 December 2014, the Group's gross debt comprised the following items:

(€ 000)	Capital	Accured interest	Total
FRN	440 000	4 607	444 607
Unsecured FRN	155 000	2 546	157 546
Deferred portion of refinancing costs	(11 045)	0	(11 045)

2014 RCF	16 000	5	16 005
Oseo	500	2	502
Convertible bonds	0	0	0
Shareholder loans	0	0	0
Finance leases	7 798	0	7 798
Other (o/w bank overdrafts)	9 621	195	9 816
Happy Quick bank loan	0	0	0
Aga SG Lille borrowing	3 000	0	3 000
Agaquick finance lease	0	0	0
Total	**620 874**	**7 355**	**628 229**

At 31 December 2013, the Group's gross debt comprised the following items:

(€ 000)	**Capital**	**Accured interest**	**Total**
A1 facility	14 873	63	14 936
B facility	103 974	664	104 638
C facility	103 992	686	104 678
Second Lien	37 554	231	37 785
Mezzanine	95 687	4 983	100 670
Capex	28 897	114	29 011
Revolving Credit Facility	25 119	49	25 168
Oseo	1 000	4	1 004
Convertible bonds	180 220	17 093	197 313
Shareholder loans	5 759	2	5 761
Finance leases	10 021	0	10 021
Other (o/w bank overdrafts)	7 997	74	8 071
Happy Quick bank loan	1 000	5	1 005
Aga SG Lille borrowing	5 300	0	5 300
Agaquick finance lease	47	0	47
Total	**621 440**	**23 968**	**645 408**

25.4. Description and characteristics of the borrowings

On 8 April 2014, the Quick group raised additional finance in the high-yield bond market,

On the same day, the Group repaid all the borrowings arranged on 26 January 2007 with a pool of banks to finance the acquisition of Quick Restaurants shares by Financière Quick and cover all the operating companies' requirements, as well as repaying all the convertible bonds and shareholder loans.

- **High-yield notes**

2 tranches:

1) A €440,000 thousand FRN due on 15 April 2019 carrying an interest rate of 3-month Euribor plus a margin of 4.75%

2) An unsecured €155,000 thousand FRN due on 15 October 2019 carrying an interest rate of 3-month Euribor plus a margin of 7.50%

- **Financing lines for the activities of the operating companies:**

In parallel to the issue on 8 April 2014 of two floating-rate notes, a €40,000 thousand revolving credit facility was put in place. It may be used by the Group's operating companies to finance their investments and cover their working capital requirement and does not contain any clean-down clause. It expires on 8 October 2018.

At 31 December 2014, a total of €16,000 thousand had been drawn down by France Quick.

The unused balance at 31 December 2014 stood at €24,000 thousand.

The Euribor interest rate is 3.5%.

This line is financed by five banks or financial institutions.

49%-owned Agaquick's financing lines

At 31 December 2014, Agaquick had €5 million in confirmed credit lines, of which €3 million had been drawn down.

25.5. Covenant financial ratios.

Under the new bank covenants, the Group has to comply with one single quarterly ratio (net debt/EBITDA) with respect to its €40,000 thousand revolving credit facility. It complied with this ratio at 31 December 2014.

25.6. Analysis of gross debt by maturity.

(€ 000)	Maturing during the year	Between 2 and 5 years	> 5 years	Total > 1 year	Total
Non-current finance lease liabilities	0	3 500	3 079	6 579	**6 579**
Other non-current financial liabilities	0	614 000	0	614 000	**614 000**
Finance lease liabilities maturing during the year	1 219	0	0	0	**1 219**
Other borrowings maturing during the year and bank overdraft	13 170	0	0	0	**13 170**
Other financial liabilities maturing during the year(1)	4 306	0	0	0	**4 306**
Deferred portion of refinancing costs	(2 245)	(8 800)	0	(8 800)	**(11 045)**
Total at 31 December 2014	16 450	608 700	3 079	611 779	**628 229**

(1) Reflects the option to buy out minority interests in Happy Quick

The Group's credit lines were arranged in euros.

(€ 000)	Maturing during the year	Between 2 and 5 years	> 5 years	Total > 1 year	Total
Non-current finance lease liabilities	0	4 210	3 933	8 143	**8 143**
Other non-current financial liabilities	0	600 745	0	600745	**600 745**
Finance lease liabilities maturing during the year	1 926	0	0	0	**1 926**
Other borrowings maturing during the year and bank overdraft	29 982	0	0	0	**29 982**
Other financial liabilities maturing during the year(1)	4 612	0	0	0	**4 612**
Total at 31 December 2013	36 520	604 955	3 933	608 888	**645 408**

(1) Reflects the option to buy out minority interests in Happy Quick

26. Other current liabilities.

(€ 000)	2014	2013

Prepaid income	613	1 318
Dividends payable	27	32
Other financial liabilities	893	1 799
Total	**1 533**	**3 149**

Other current liabilities include in 2014:

- prepaid income (rental income received in advance on certain sub-rentals and rentals), and
- Other financial liabilities (buy-out commitment)

In 2013, other financial liabilities relate to the outstanding financial liabilities in relation to acquisitions of company shares entered into in 2012 and 2013.

27. Risk management and financial instruments

27.1. Capital management policy

The Group's principal objective under its capital management policy is to maintain a good credit risk rating and healthy capital ratios to facilitate its business activities and maximise value for shareholders. The management objectives, policies and procedures were unchanged by comparison with the previous year. The Group uses different financial indicators (See Note 25 above).

27.2. Risk management policy

In the normal course of its business, the Group is exposed to interest-rate and currency risk.

The Group is exposed to the risk of a rise in the interest rates payable on its floating-rate debt. It manages this using caps, collars, FRAs and swaps with prime counterparties.

Currency risks are very limited because imports in currencies other than the euro are few and far between, and none of the Group's receipts are denominated in foreign currencies.

The Group has little exposure to credit risk because its receipts primarily derive from restaurants in which customers pay almost immediately (cash, bank cards, meal vouchers, etc.) and from its franchisees, and most of these are in a good financial condition.

27.3. Interest-rate risk.

The instruments used are designated as hedges and accounted for as cash flow hedges.

A hedge is considered as fully effective when the Euribor fixings on the borrowings are strictly identical to the fixings for the hedging instrument.

(€ 000)	Derivatives not eligible for hedge accounting	Qualifying fair value hedging derivatives	Qualifying cash flow hedging derivatives	Total at 31 Dec. 2014
Interest-rate derivative assets			0	0
Interest-rate derivative liabilities			1 094	1 094
Total			**1 094**	**1 094**

(€ 000)	Derivatives not eligible for hedge accounting	Qualifying fair value hedging derivatives	Qualifying cash flow hedging derivatives	Total at 31 Dec. 2013
Interest-rate derivative assets			350	350
Interest-rate derivative liabilities			0	0
Total			**350**	**350**

The following table shows the effective interest rate of interest-bearing financial liabilities at the reporting date:

At 31 Dec. 2014	Carrying amount of net debt	Interest rate	Rates used for the sensitivity analysis
(€ 000)	581 607	0,08%	Between 0% and 1%

If we apply the reasonably expected increase/decrease in market interest rates stated above to our floating-rate liabilities at 31 December 2014, the additional benefit or charge for the period from 1 January to 31 December 2015, would be: €5,420 thousand for an increase and €470 thousand for a decrease.

These figures do not take into account the interest-rate hedges, capping the possible additional charge at around €1,600 thousand.

At 31 Dec. 2013	Carrying amount of net debt	Interest rate	Rates used for the sensitivity analysis
(€ 000)	346 560	0,22%	Between 0.1% and 1.5%

If we apply the reasonably expected increase/decrease in market interest rates stated above to our floating-rate liabilities at 31 December 2013, the additional benefit or charge for the period from 1 January to 31 December 2014, would be €4,511 thousand for an increase and €407 thousand for a decrease.

27.4. Credit risk.

Credit risk encompasses all forms of default by a counterparty. Credit risk is monitored rigorously by the Group.

The Group believes that the risk is very limited on following financial assets:

Financial receivables and other non-current assets, particularly guarantees provided for rental purposes with recognised financial institutions.

Other receivables and other non-current assets, primarily consisting of prepaid expenses.

With cash and cash equivalents, the risks are very limited given:

- the sums are placed with prime banking institutions
- the investments have an average term of 1 day, and their term never exceeds 1 week
- investments are made solely in money-market instruments.

27. Risk management and financial instruments

Risk monitoring on trade receivables:

Trade receivables are the amounts due from franchisees. Credit risk analysis is conducted and a decision made to recognise an impairment loss on trade receivables on a case-by-case basis.

In addition, given the large number of customers, there is no risk of concentration in terms of trade receivables.

Maturity schedule of trade receivables at 31 December 2014:

(€ 000)	Carrying amount at 31 Dec. 2014	Unimpaired and unmatured amount at 31 Dec. 2014	Matured-up to 3 months	Matured - between 3 and 6 months	Matured - more than 6 months
Gross	47 725	31 413	10 151	1 183	4 978
Impairment	(6 245)	0	(464)	(553)	(5 228)
Net	**41 480**	**31 413**	**9 687**	**630**	**(250)**

Maturity schedule of trade receivables at 31 December 2013:

(€ 000)	Carrying amount at Dec. 31, 2013 Restated	Unimpaired and unmatured amount at 31 Dec. 2013 Restated	Matured - up to 3 months	Matured - between 3 and 6 months	Matured - more than 6 months
Gross	57 586	44 323	1 343	1 130	10 790
Impairment	(9 517)	(738)	(26)	(905)	(7 848)
Net	**48 069**	**43 585**	**1 317**	**225**	**2 942**

The Group has not identified any unrecognised assets that have been given or received as a guarantee.

27.5. Currency risk

The Group's exposure to currency risk is very limited, since it carries out most of its business activities in Europe. The principal exposure is to the US dollar, as certain goods held for resale are purchased in this currency.

The Group uses derivatives to hedge currency risk arising on these foreign-currency purchases. Hedges are put in place using either derivatives or currency options. Each hedge is subject to prior approval by the Group's Executive Management.

At 31 December 2014 and at 31 December 2013, there were no currency hedge commitments outstanding.

Given the Group's limited exposure to currency risk at 31 December 2014, the volatility in the US dollar between 1 January and 31 December 2014 did not have a material impact on the income statement.

27.6. Liquidity risk

Management believes that the Group was not exposed to liquidity risk at the reporting date because it cannot be obliged to repay its liabilities except in contractually agreed circumstances where it has generated surplus cash or in the event of a change of control.

27.7. Breakdown of net financial income/(expense) by category of financial instruments.

The Group's net financial income/(expense) at 31 December 2014 breaks down as follows:

(€ 000)	Loans and receivables	Liabilities at amortised cost	Assets and liabilities at fair value through profit or loss	Derivatives	Non-financial assets and liabilities	Total
Investment income	346					346
Gross cost of debt		(37 363)				(37 363)

Net cost of debt	**346**	**(37 363)**				**(37 017)**
Dividends						0
Net foreign exchange gains/(losses)					37	37
Income and expenses on derivatives			182			182
Cost of unwinding discounts					(55)	(55)
Other financial income and expense	342				(2 887)	(2 545)
Other financial income and expense	**342**		**182**	**0**	**(2 905)**	**(2 381)**
Net financial income/(expense)	**688**	**(37 363)**	**182**	**0**	**(2 905)**	**(39 398)**
o/w income	688	0	182	0	37	907
o/w expenses		(37 363)	0	0	(2 942)	(40 305)

The Group's net financial income/(expense) at 31 December 2013 breaks down as follows:

(€ 000)	Loans and receivables	Liabilities at amortised cost	Assets and liabilities at fair value through profit or loss	Derivatives	Non-financial assets and liabilities	Total
Investment income	460					460
Gross cost of debt		(40 643)				(40 643)
Net cost of debt	**460**	**(40 643)**				**(40 183)**
Dividends						0
Net foreign exchange gains/(losses)					25	25
Income and expenses on derivatives			(135)	(2 632)		(2 767)
Cost of unwinding discounts						0
Other financial income and expense	(885)					(885)
Other financial income and expense	**(885)**		**(135)**	**(2 632)**	**25**	**(3 627)**
Net financial income/(expense)	**(425)**	**(40 643)**	**(135)**	**(2 632)**	**25**	**(43 810)**
o/w income	630	0	1 357	0	0	1 987
o/w expenses	(1 055)	(40 643)	(1 492)	(2 632)	25	(45 797)

27.8. Analysis of the fair value of derivatives by category

The following tables present the Group's financial assets and liabilities at 31 December 2014 classified by category:

(€ 000)	Designated initially as at fair value	Held for trading	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Total
Financial receivables and other non- current assets				9 742		9 742
Trade receivables				41 480		41 480
Tax receivables excluding income tax				7 865		7 865
Other receivables and other current assets				24 948		24 948

Cash and cash equivalents	3		53 359		53 362
Financial assets at fair value at 31 Dec. 2014.	**3**	**0**	**137 394**	**0**	**137 397**

The following tables present the Group's financial assets and liabilities at 31 December 2013 classified by category:

(€ 000)	Designated initially as at fair value	Held for trading	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Total
Financial receivables and other non- current assets	350			9 088		9 438
Trade receivables				48 069		48 069
Tax receivables excluding income tax				10 745		10 745
Other receivables and other current assets ...				17 088		17 088
Cash and cash equivalents		10 000		81 162		91 162
Financial assets at fair value at 31 Dec. 2013 ...		**10 000**	**0**	**166 152**	**0**	**176 502**

Financial liabilities at fair value through profit or loss at 31 Dec. 2014

(€ 000)	Designated initially as at fair value	Held for trading	Financial liabilities at amortised cost	Total
Non-current financial liabilities	0	0	611 780	611 780
Other non-current liabilities	1 094	0	4 091	5 185
Current financial liabilities..................................	0	0	16 450	16 450
Trade payables	0	0	78 450	78 450
Other tax liabilities...	0	0	11 410	11 410
Employee and social security liabilities	0	0	25 397	25 397
Other current liabilities	0	0	1 533	1 533
Financial liabilities at fair value at 31 Dec. 2014...	**1 094**	**0**	**749 111**	**750 205**

Financial liabilities at fair value through profit or loss at 31 Dec. 2013

(€ 000)	Designated initially as at fair value	Held for trading	Financial liabilities at amortised cost	Total
Non-current financial liabilities	0	0	608 888	608 888
Other non-current liabilities	0	0	4 438	4 438
Current financial liabilities..................................	0	0	36 520	36 520
Trade payables	0	0	79 483	79 483
Other tax liabilities...	0	0	11 268	11 268
Employee and social security liabilities	0	0	27 724	27 724
Other current liabilities	0	0	3 149	3 149

Financial liabilities at fair value at 31 Dec. 2013	**0**	**0**	**771 470**	**771 470**

27.9. Fair value of financial instruments.

The following table shows the carrying amount by category and the fair value of the financial instruments held by the Group:

(€ 000)	31/12/2014 Carrying amount	31/12/2014 Fair value	31/12/2013 Carrying amount	31/12/2013 Fair value
Financial receivables and other non- current assets	9 742	9 742	9 438	9 438
Trade receivables	41 480	41 480	48 069	48 069
Tax receivables excluding income tax	7 865	7 865	10 745	10 745
Other receivables and other current assets	24 948	24 948	17 088	17 088
Cash and cash equivalents	53 362	53 362	91 162	91 162
Total financial assets	**137 397**	**137 397**	**176 502**	**176 502**

(€ 000)	31/12/2014 Carrying amount	31/12/2014 Fair value	31/12/2013 Carrying amount	31/12/2013 Fair value
Non-current financial liabilities	611 780	611 780	608 888	608 888
Other non-current liabilities	5 185	5 185	4 438	4 438
Current financial liabilities	16 450	16 450	36 520	36 520
Trade payables	78 450	78 450	79 483	79 483
Other tax liabilities	11 410	11 410	11 268	11 268
Employee and social security liabilities	25 397	25 397	27 724	27 724
Other current liabilities	1 533	1 533	3 149	3 149
Total financial liabilities	**750 205**	**750 205**	**771 470**	**771 470**

28. Non-controlling interests

(€ 000)	2014	2013
Total assets (as per the statement of financial position):	**28 758**	**30 392**
Non-current assets	24 268	25 997
Current assets	4 490	4 395
Total liabilities (as per the statement of financial position):	**9 944**	**13 240**
Non-current liabilities	5 269	7 235
Current liabilities	4 675	6 005
Net assets (100%)	**18 814**	**17 152**
Net assets, attributable to equity holders of the parent (49%)	7 582	6 767
Attributable to non-controlling interests (Agaquick sub-group)	11 232	10 385
Joint venture income/(expenses) (as per the statement of income)	**1 661**	**3 102**
Sales and franchise revenues	**31 286**	**35 493**
Cost of sales	(15 804)	(17 982)
Gross profit	**15 482**	**17 511**
Operating and occupancy costs	(7 733)	(8 264)
Profit from operations	**7 749**	**9 247**
Other operating income and expenses	(1 223)	(1 414)
Selling costs	(1 401)	(1 518)
General and administrative costs and APCS	66	(1 423)
Operating profit before non-recurring items (EBIT)	**3 453**	**4 892**
Other non-recurring income and expenses	(735)	105
Operating profit after non-recurring items	**2 718**	**4 997**

Net financial income/(expense)	**(50)**	**(163)**
Income tax	(1 007)	(1 732)
Net profit	**1 661**	**3 102**
Attributable to non-controlling interests (Agaquick sub-group)	847	1 582
Attributable to equity holders of the parent (49%)	814	1 520

29. Investment in associates

(€ 000)	2014	2013
Carrying amount of associate companies	2016	1751
—Impact of restatements	65	65
—Consolidated equity	2081	1816
Investment in associates (Caresquick 50%)	1041	908

30. Off-balance sheet commitments.

(€ 000)	2014	2013
Commitments given (excluding leases—Note 25)		
Buildings under construction	5 875	4 768
Total	**5 875**	**4 768**

31. Related parties

31.1. Executive remuneration.

(€ 000)	2014	2013
Total remuneration awarded in respect of the financial year to Management Board members (including expenses	3 111	4 569

At 31 December 2014, Financière Quick's Management Board had six members.

- Cédric Dugardin: Chairman of the Management Board
- Marie-Pierre Mottin: Head of Group Marketing
- François Charpy: Head of Operations France
- Rudy Hulsman: Head of Belux and International Operations
- Céline Vercollier: Group Chief Administrative and Financial Officer
- Pascale Place: Head of Human Resources

31.2. Related party transactions.

Related party transactions reflect transactions between:

- The Group and Caresquick.

At 31 December 2014:

(€ 000)	Income	Expenses Receivables		Liabilities	Current accounts
Joint ventures	2	546	0	24	0

Total	**2**	**546**	**0**	**24**	**0**

At 31 December 2013:

(€ 000)	Income	Expenses Receivables		Liabilities	Current
Joint ventures	0	488	0	52	0
Total	**0**	**488**	**0**	**52**	**0**

32. Statutory Auditors' fees.

(€ 000)	2014	2013
Services provided by the Statutory Auditors, certifications, reviews of the individual and consolidated financial statements	649	543

33. Subsequent events.

On 2 January 2015, the Group acquired five companies that each own one Quick banner restaurant in France previously operated under shared franchise and business lease agreements.

At 3 February 2015, the composition of Financière Quick's Management Board was changed to the following:

- Cédric Dugardin: Chairman of the Management Board,
- Marie-Pierre Mottin: Head of Group Marketing,
- Pascale Place: Head of Human Resources,
- Céline Vercollier: Group Chief Administrative and Financial Officer,
- François Charpy: Head of Group Transformation and Development,
- Hugues Courthieu: Head of Group Communications and Digital,
- Philippe Geoffroy: Head of Operations France,
- Rudy Hulsman: Chief Operating Officer, Belgium and Luxembourg
- Thierry Rousset: Head of International.

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Financiere Quick S.A.S

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2014

Financiere Quick S.A.S.
50, avenue du Président Wilson
Parc des Portes de Paris—Bât 123
93214 La Plaine Saint-Denis Cedex
This report contains 65 pages

KPMG S.A.
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France

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with professional auditing standards applicable in France and the professional doctrine of the French national auditing body (Compagnie nationale des commissaires aux comptes.

Financiere Quick S.A.S.

Registered office: 50, avenue du Président Wilson—Parc des Portes de Paris—Bât 123
93214 La Plaine Saint-Denis Cedex
Share capital: €.109,253,000

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2014

To the Shareholder,

In compliance with the assignment entrusted to us by your General annual meeting, we hereby report to you, for the year ended 31 December 2014, on:

- the audit of the accompanying consolidated financial statements of Financiere Quick S.A.S.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by your President. Our role is to express an opinion on these consolidated financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2014 and of the results of its operations for the year then ended in accordance with IFRS as adopted in the European Union.

2 Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*), we bring to your attention the following matter(s).

At year end, your company carried out an impairment test of goodwill, intangible and tangible assets, in accordance with terms described in the note 3.14 "Impairment of assets" of the paragraph "Summary of significant accounting policies" and the note 13 "Impairment of assets" of notes to the consolidated financial statements. We have examined the procedures for implementing this impairment test, as well as the cash flow used and we have verified that note 3.14 and note 13 to the consolidated financial statements give an appropriate information.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense on the 9 March 2015

French original signed by

KPMG S.A.

Eric Ropert

Partner

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LISTING MEMORANDUM

Burger King France

€60,000,000 Floating Rate Senior Secured Notes due 2023

Joint Global Coordinators and Joint Bookrunners

Goldman Sachs International

Credit Suisse

J.P. Morgan

January 18, 2018