



Press Release

FINANCIÈRE QUICK PROVIDES A STRATEGIC UPDATE AND ANNOUNCES CERTAIN PRELIMINARY RESULTS FOR THE YEAR 2016

Saint-Denis, France — April 10, 2017, 8:00 am. Financière Quick (the “**Company**”), a subsidiary of Burger King France S.A.S., provides today updated information regarding its strategy following its acquisition by Burger King France in December 2015. References to “Quick” refer to restaurants bearing the Quick brand and references to “Burger King” refer to restaurants in France bearing the Burger King brand.

This press release constitutes a public disclosure of inside information by Financière Quick under Regulation (EU) 596/2014 (16 April 2014) and Implementing Regulation (EU) No 2016/1055 (10 June 2016).

Strategic Update

In December 2015, we were acquired by Burger King France, who seized the opportunity to secure its growth trajectory of the Burger King brand throughout mainland France. Following the acquisition, we have started to implement an ambitious plan to accelerate our development through the selective and controlled conversion of Quick restaurants to Burger King brand restaurants, while continuing to support and improve the Quick brand and network. Since the beginning of the implementation of this plan, we have demonstrated a successful track-record of converting Quick restaurants to the Burger King brand and have increased comparable restaurant sales as well as increased restaurant-level profitability, in particular through improved operating metrics at the converted restaurants.

For the year ended December 31, 2016, the annualized ARS (as defined below) for our Burger King brand restaurants was approximately €4.0 million as compared to the annualized ARS for our Quick restaurants of approximately €1.9 million. The significantly improved ARS of our converted restaurants, combined with the efficiency of our different operating models, has resulted in an improvement of the EBITDA margins generated by our network.

We plan to complete 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.



In order to promote a smooth transition and avoid adversely affecting our franchisees' operations, we have developed a rigorous and structured 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 are implementing our conversion plan, we are also refocusing our strategy on our core geographical market, mainland France. As a result, we disposed of 101 Quick restaurants in Belgium and Luxembourg in September of 2016, as well as 15 Quick restaurants in the Reunion and New Caledonia in December of 2016.

Quick brand restaurant like-for-like System-wide sales performance and preliminary EBITDA update for the year ended December 31, 2016

The like-for-like system-wide sales (“LFL SWS”) performance of Quick brand restaurants for the year ended December 31, 2016 was -3.6%. Following the acquisition of Financière Quick by Burger King France, management implemented a turnaround plan to focus on Quick’s core menu offering. The positive impact of these efforts was evidenced by Quick brand restaurants’ LfL SWS performance of 1.6% in the fourth quarter of 2016 and of 0.6% for the two months ended February 28, 2017. In the two months ended February 28, 2017, we converted six Quick restaurants into Burger King restaurants.

In addition, according to management's analysis of preliminary management accounts, the EBITDA of Financière Quick and its subsidiaries on a consolidated basis for the year ended December 31, 2016 was approximately €54 million.

The preceding information has been prepared by, and is the responsibility of, management and is solely based on preliminary financial information and operating data used by management. There can be no assurance that these estimates will be realized or that actual results will not be higher or lower than estimated. The preliminary financial results presented herein are based on unaudited management information and are not intended to be a comprehensive statement of the Company’s consolidated financial or operational results for any period. The independent auditors of the Company have not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial results for the purpose of their inclusion herein.



Certain other key data related to the Quick and Burger King France networks

The following information relates to both the Quick and the Burger King France networks included in the broader Burger King France S.A.S. perimeter following the acquisition of Financière Quick by Burger King France S.A.S. in December 2015. As a consequence, the Burger King France data includes data relating to Burger King restaurants that are not included in the Financière Quick perimeter. Burger King restaurants in existence before the acquisition of Financière Quick by Burger King France, as well as newly-opened Burger King restaurants since the acquisition, are outside the Financière Quick perimeter, whereas the Burger King restaurants that were converted from Quick restaurants since the acquisition of Financière Quick by Burger King France are included in the Financière Quick perimeter.

Total Restaurants

Total restaurants	December 31,					
	2014		2015		2016	
	BK	Quick	BK	Quick	BK	Quick
	(number of restaurants)					
France (mainland only)	16	382	42	393	108 ⁽¹⁾	347 ^(*)
Of which Company Restaurants	4	103	16	111	32	101 ^(*)
Of which Pure Franchise Restaurants ⁽²⁾	12	22	26	25	50	23 ^(*)
Of which Franchise with Lease Management Restaurants ⁽²⁾ ..	-	257	-	257	26	223 ^(*)
International ⁽³⁾	-	1	-	8	-	7
Subtotal		399		443		462
Belgium ⁽⁴⁾	-	91	-	92	-	-
Luxembourg ⁽⁴⁾	-	9	-	9	-	-
Reunion and New Caledonia ⁽⁵⁾	-	12	-	13	-	-
Total retail point of sale		511		557		462

(*) 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.

(1) Includes 43 restaurants that are part of the Financière Quick restricted group perimeter of which 36 are conversions and 7 new openings.

(2) 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".

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

(4) Belgium and Luxembourg had 92 and nine Quick restaurants as of September 1, 2016, respectively, when those operations were sold to QSR Belgium.

(5) 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 the Burger King Corporation.



Average Restaurant Sales

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

- (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.

System-wide sales

	For the year ended December 31,		
	2014	2015	2016
		<i>(pro forma)</i> ⁽³⁾	
		(€in millions)	
System-wide sales (SWS)	- ⁽¹⁾	883.4	981.8
<i>Of which Burger King</i>	30.8	105.8	241.8
<i>Of which Company Restaurants</i>	3.9	43.4	85.6
<i>Of which Franchise Restaurants</i>	26.8	62.4	156.2
<i>Of which Quick</i>	1,029.4 ⁽²⁾	777.6	740.1
<i>Of which Company Restaurants</i>	312.2	261.0	246.3
<i>Of which Franchise Restaurants</i>	717.2	516.5	493.8

- (1) We did not own Quick for the year ended December 31, 2014 and therefore a total of System-wide sales for that year is not meaningful.
- (2) This figure includes the System-wide sales attributable to Quick's former activities in Belgium and Luxembourg. Without such activities, the System-wide sales would have been €819.5 million.
- (2) Pro forma information for the year ended December 31, 2015 presents our SWS as if we had disposed of the Belgium and Luxembourg restaurants as of January 1, 2015.

Risk Factors Update

Our conversion plan involves a number of risks. In particular, if we 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.

Pursuant to the master franchise agreement with Burger King Europe GmbH, we are not permitted to operate Quick restaurants and must exclusively operate Burger King restaurants in France after 2020, which means we may be required to close or dispose of Quick restaurants that have not been converted by then. 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.

Moreover, the Quick brand and the performance of the remaining restaurants may be adversely affected by the progressive decrease in the size of the Quick network. Our failure in properly managing this conversion 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. More generally, the implementation of the conversion plan, in particular the changes in operating models for our converted restaurants in connection therewith, may also have a negative impact on our profitability, 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.

In addition, Financière Quick's subsidiary France Quick is facing two legal proceedings brought by two international master franchisees of the Quick brand that operate or operated a limited number of Quick restaurants outside of France. Both legal proceedings are ongoing and while the outcome of legal proceedings are inherently uncertain and could result in an adverse judgment that could require us to pay significant damages, we intend to defend vigorously.

Forward Looking Statements

This press release may include forward looking statements. These forward looking statements can be identified by the use of forward looking terminology, including the terms as "believe", "expect", "anticipate", "may", "assume", "plan", "intend", "will", "should", "estimate", "risk" and or, in each case, their negative, or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts and include statements regarding the Company's or any of its affiliates' intentions, beliefs or current expectations concerning, among other things, the Company's or any of its affiliates' results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which they 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. Readers are cautioned that forward looking statements are not guarantees of future performance and that the Company's or any of its affiliates' actual results of operations, financial condition and liquidity, and the development of the industries in which they operate may differ materially from those made in or suggested by the forward looking statements contained in this press release. In addition, even if the Company's or any of its affiliates' results of operations, financial condition and liquidity, and the development of the industries in which they operate are consistent with the forward looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.