

KFC HOLDINGS (MALAYSIA) BHD (65787-T)

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED
30 SEPTEMBER 2008**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		1/7/2008 - 30/9/2008 RM'000	1/7/2007 30/9/2007 RM'000	1/1/2008 - 30/9/2008 RM'000	1/1/2007 - 30/9/2007 RM'000
Revenue	A8	552,440	428,738	1,577,881	1,237,108
Operating expenses		(507,530)	(390,270)	(1,449,609)	(1,129,586)
Other operating income		1,131	1,968	4,789	7,337
Profit from operations		46,041	40,436	133,061	114,859
Finance costs		(1,917)	(2,137)	(5,628)	(9,426)
Profit before tax	A8	44,124	38,299	127,433	105,433
Income tax expense		(12,300)	(11,800)	(35,800)	(32,000)
Profit for the period		<u>31,824</u>	<u>26,499</u>	<u>91,633</u>	<u>73,433</u>
Attributable to :					
Equity holders of the Company		31,451	26,226	90,150	72,555
Minority interests		373	273	1,483	878
		<u>31,824</u>	<u>26,499</u>	<u>91,633</u>	<u>73,433</u>
Earnings per share (sen) :					
(a) Basic		15.86	13.23	45.47	36.59
(b) Fully diluted		-	-	-	-

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

KFC HOLDINGS (MALAYSIA) BHD (65787-T)
CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF CURRENT QUARTER 30/9/2008 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2007 (AUDITED) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	574,426	529,658
Investment Property	-	2,000
Prepaid land lease payments	63,751	63,941
Goodwill on consolidation	43,399	42,762
Intangible assets	26,427	25,301
Other investment - unquoted	-	4,500
Fixed deposits	-	6,324
	<u>708,003</u>	<u>674,486</u>
Current assets		
Inventories	166,830	112,312
Trade and other receivables	115,017	78,972
Other investment - unquoted	4,500	-
Other investments	20,000	-
Cash and bank balances	104,911	140,358
	<u>411,258</u>	<u>331,642</u>
TOTAL ASSETS	<u>1,119,261</u>	<u>1,006,128</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	198,275	198,275
Other reserves		
<i>Share premium</i>	18,736	18,736
<i>Capital reserve</i>	1,790	1,790
<i>Exchange fluctuation reserve</i>	498	497
<i>Revaluation reserve</i>	29,396	29,940
Retained earnings	425,870	352,783
	<u>674,565</u>	<u>602,021</u>
Minority interests	10,250	6,920
Total equity	<u>684,815</u>	<u>608,941</u>
Non-current liabilities		
Retirement benefit obligations	3,903	3,758
Borrowings	54,466	110,907
Deferred tax liabilities	25,149	25,036
	<u>83,518</u>	<u>139,701</u>
Current liabilities		
Borrowings	78,853	12,080
Trade and other payables	271,921	242,110
Current tax payable	154	3,296
	<u>350,928</u>	<u>257,486</u>
Total liabilities	<u>434,446</u>	<u>397,187</u>
TOTAL EQUITY AND LIABILITIES	<u>1,119,261</u>	<u>1,006,128</u>
Net assets per share (RM)	3.40	3.04

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

KFC HOLDINGS (MALAYSIA) BHD (65787-T)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←-----Attributable to equity holders of the Company -----→							Minority Interests	Total Equity
	←-----Non-Distributable -----→				Distributable				
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2008	198,275	18,736	1,790	497	29,940	352,783	602,021	6,920	608,941
Profit for the period	-	-	-	-	-	90,150	90,150	1,483	91,633
Dividend - 2007 Final	-	-	-	-	-	(17,607)	(17,607)	(61)	(17,668)
Transfer to retained earnings on disposal of property, plant and equipment	-	-	-	-	(544)	544	-	-	-
Acquisition of minority interest	-	-	-	-	-	-	-	1,908	1,908
Translation differences	-	-	-	1	-	-	1	-	1
At 30 September 2008	<u>198,275</u>	<u>18,736</u>	<u>1,790</u>	<u>498</u>	<u>29,396</u>	<u>425,870</u>	<u>674,565</u>	<u>10,250</u>	<u>684,815</u>
At 1 January 2007	198,275	18,736	1,790	382	29,269	280,024	528,476	5,865	534,341
Profit for the period	-	-	-	-	-	72,555	72,555	878	73,433
Dividend - 2006 Final	-	-	-	-	-	(20,264)	(20,264)	-	(20,264)
Transfer to retained earnings on disposal of property, plant and equipment	-	-	-	-	(36)	50	14	-	14
Translation differences	-	-	-	20	-	-	20	-	20
At 30 September 2007	<u>198,275</u>	<u>18,736</u>	<u>1,790</u>	<u>402</u>	<u>29,233</u>	<u>332,365</u>	<u>580,801</u>	<u>6,743</u>	<u>587,544</u>

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

KFC HOLDINGS (MALAYSIA) BHD (65787-T)
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	CUMULATIVE QUARTERS AS AT 30/9/2008 RM'000	CUMULATIVE QUARTERS AS AT 30/9/2007 RM'000
Operating activities		
Profit before tax	127,433	105,433
Adjustments for :		
Interest expense	5,628	9,426
Non-cash items	49,135	45,617
Operating profit before working capital changes	<u>182,196</u>	<u>160,476</u>
Changes in working capital :		
Net change in current assets	(84,186)	(12,102)
Net change in current liabilities	27,581	5,250
Cash generated from operations	<u>125,591</u>	<u>153,624</u>
Interest paid	(5,628)	(9,426)
Taxes paid	(38,829)	(37,800)
Net cash generated from operating activities	<u>81,134</u>	<u>106,398</u>
Investing activities		
Equity investments	(1,351)	-
Other investments	(111,309)	(60,407)
Net cash used in investing activities	<u>(112,660)</u>	<u>(60,407)</u>
Financing activities		
Payment of dividends	(17,607)	(20,264)
Payment of dividend to Minority shareholders	(61)	-
Bank borrowings	7,423	(72,360)
Reduction in deposits pledged with licensed bank	6,324	3,563
Net cash used in financing activities	<u>(3,921)</u>	<u>(89,061)</u>
Net change in cash and cash equivalents	(35,447)	(43,070)
Cash and cash equivalents at beginning of period	140,358	149,237
Cash and cash equivalents at end of period	<u>104,911</u>	<u>106,167</u>
The cash and cash equivalents consist of the following:-		
<i>Deposits with financial institutions</i>	51,595	66,487
<i>Cash and bank balances</i>	53,316	39,680
	<u>104,911</u>	<u>106,167</u>

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