The Management's Discussion and Analysis of Financial Condition and Results of Operations for Restaurant Brands International Inc. is also included in the Form 10-Q for the period ended June 30, 2015 filed on SEDAR on July 31, 2015 in its entirety.

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

You should read the following discussion together with our unaudited condensed consolidated financial statements and the related notes thereto included in Part I, Item 1 "Financial Statements."

On December 12, 2014, a series of transactions (the "Transactions") were completed resulting in RBI indirectly acquiring Tim Hortons Inc. (now The TDL Group Corp, "Tim Hortons") and Burger King Worldwide, Inc. ("Burger King Worldwide").

Unless the context otherwise requires, all references in this section to "we," "us," or "our" are to RBI and its subsidiaries, collectively.

We are the sole general partner of Partnership, which is the indirect parent of Tim Hortons and Burger King Worldwide. As a result of our controlling interest, we consolidate the financial results of Partnership and record a noncontrolling interest for the portion of Partnership we do not own in our consolidated financial statements. Net income (loss) attributable to noncontrolling interests on the consolidated statements of operations represents the portion of earnings or loss attributable to the economic interest in Partnership owned by the holders of the noncontrolling interests. As sole general partner, we manage all of Partnership's operations and activities in accordance with the partnership agreement of Partnership.

We prepare our financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP"). However, this Management's Discussion and Analysis of Financial Condition and Results of Operations also contains certain non-GAAP financial measures to assist readers in understanding RBI's performance. Non-GAAP financial measures either exclude or include amounts that are not reflected in the most directly comparable measure calculated and presented in accordance with GAAP. Where non-GAAP financial measures are used, we have provided the most directly comparable measures calculated and presented in accordance with U.S. GAAP and a reconciliation to GAAP measures.

The following discussion includes information regarding future financial performance and plans, targets, aspirations, expectations, and objectives of management, which constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of Canadian securities laws as described in further detail under "Cautionary Note Regarding Forward-Looking Statements" that is set forth below. Actual results may differ materially from the results discussed in the forward-looking statements because of a number of risks and uncertainties, including the matters discussed in the "Cautionary Note Regarding Forward-Looking Statements" below. In addition, please refer to the risks set forth under the caption "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC and Canadian securities regulatory authorities on March 2, 2015, for a further description of risks and uncertainties affecting our business and financial results. Historical trends should not be taken as indicative of future operations and financial results. Other than as required under the U.S. Federal securities laws or the Canadian securities laws, we do not assume a duty to update these forward-looking statements, whether as a result of new information, subsequent events or circumstances, changes in expectations or otherwise.

Operating results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for the fiscal year and our key business measures, as discussed below, may decrease for any future period. Unless otherwise stated, comparable sales growth and sales growth are presented on a system-wide basis, which means they include sales at both restaurants owned by us ("Company restaurants") and franchise restaurants. Franchise sales represent sales at all franchise restaurants and are revenues to our franchisees. We do not record franchise sales as revenues; however, our franchise revenues include royalties based on franchise sales. System-wide results are driven by our franchise restaurants, as approximately 100% of current Tim Hortons and Burger King system-wide restaurants are franchised.

Overview

We are a Canadian corporation originally formed on August 25, 2014 to serve as the indirect holding company for Tim Hortons and its consolidated subsidiaries and Burger King Worldwide and its consolidated subsidiaries. We are one of the world's largest quick service restaurant ("QSR") companies with over 19,000 restaurants in approximately 100 countries and U.S. territories as of June 30, 2015 with over 110 years of combined brand heritage. Our *Tim Hortons®* and *Burger King®* brands, have similar franchised business models with complementary daypart mixes. Our two iconic brands are managed independently while benefitting from global scale and sharing of best practices.

Tim Hortons restaurants are quick service restaurants with a menu that includes premium blend coffee, tea, espresso-based hot and cold specialty drinks, fresh baked goods, including donuts, Timbits®, bagels, muffins, cookies and pastries, grilled paninis, classic sandwiches, wraps, soups and more. Burger King restaurants are quick service restaurants that feature flame-grilled hamburgers, chicken and other specialty sandwiches, french fries, soft drinks and other affordably-priced food items.

We generate revenue from four primary sources: (i) franchise revenues, consisting primarily of royalties based on a percentage of sales reported by franchise restaurants and franchise fees paid by franchisees; (ii) property revenues from properties we lease or subleases to franchisees; (iii) retail sales at Company restaurants; and (iv) distribution sales to Tim Hortons franchisees related to our supply chain operations, including manufacturing, procurement, warehousing and distribution.

As discussed in Note 20 to our unaudited condensed consolidated financial statements, we completed an internal reorganization of our business following the acquisition of Tim Hortons that resulted in two operating and reportable segments: (1) Tim Hortons ("TH") and (2) Burger King ("BK"). This change had no effect on our previously reported consolidated results of operations, financial position or cash flows. In connection with this change, we have reclassified historical amounts to conform to our current segment presentation.

Operating Metrics and Key Financial Measures

We evaluate our restaurants and assess our business based on the following operating metrics and key financial measures:

- System-wide sales growth refers to the change in sales at all franchise restaurants and Company restaurants in one period from the same period in the prior year.
- System-wide sales represent sales at all Company restaurants and franchise restaurants. We do not record franchise sales as revenues; however, our franchise revenues include royalties based on a percentage of franchise sales.
- Comparable sales growth refers to the change in restaurant sales in one period from the same prior year period for restaurants that have been opened for thirteen months or longer.
- Net restaurant growth ("NRG") represents the opening of new restaurants during a stated period, net of closures.
- Adjusted EBITDA, which represents earnings (net income or loss) before interest, taxes, depreciation and amortization, adjusted to exclude specifically identified items that management believes do not directly reflect our core operations. See *Non-GAAP Reconciliations*.

System-wide sales growth and comparable sales growth are measured on a constant currency basis, which means the results exclude the effect of foreign currency translation and are calculated by translating prior year results at current year monthly average exchange rates. We analyze certain key financial measures on a constant currency basis as this helps identify underlying business trends, without distortion from the effects of currency movements ("FX impact").

The Transactions

Tim Hortons Acquisition

We have consolidated the results of operations of our TH business commencing on the acquisition date of December 12, 2014, and the changes in our results of operations for the three and six months ended June 30, 2015 as compared to the three and six months ended June 30, 2014 are largely driven by the inclusion of the results of operations of Tim Hortons. The TH statement of operations data for the three and six months ended June 30, 2015 is summarized as follows:

Tim Hortons Impact (millions)	Three Months Ended June 30, 2015	Six Months Ended June 30, 2015
Revenues:		
Sales	$ 539.0	$ 1,019.1
Franchise and property revenues	224.2	426.5
Total revenues	763.2	1,445.6
Cost of sales	450.9	867.6
Franchise and property expenses	92.5	186.3
Selling, general and administrative expenses (1)	40.2	92.9
(Income) loss from equity method investments	(3.4)	(6.2)
Other operating expenses (income), net	(1.3)	(0.4)
Total operating costs and expenses	578.9	1,140.2
Income from operations	$ 184.3	$ 305.4

(1) TH selling, general and administrative expenses include $6.1 million and $10.9 million for the three and six months ended June 30, 2015, respectively, of transaction costs associated with the Transactions and $9.0 million and $20.0 million for the three and six months ended June 30, 2015, respectively, of restructuring costs associated with severance benefits and other severance-related expenses, which are further discussed below.

TH Transaction and Restructuring Costs

In connection with the Transactions, we incurred certain non-recurring financing, legal and advisory fees totaling $16.2 million and $33.2 million during the three and six months ended June 30, 2015, respectively, including the $6.1 million and $10.9 million for the three and six months ended June 30, 2015, respectively, noted above under – *Tim Hortons Acquisition*, all classified as general and administrative expenses. We also incurred non-recurring costs to realign our global structure to better accommodate the needs of the combined business and support successful global growth. In addition, after consummation of the Transactions, we implemented a restructuring plan that resulted in work force reductions throughout our TH business and as a result incurred incremental costs of approximately $9.0 million and $20.0 million during the three and six months ended June 30, 2015, respectively, all classified as general and administrative expenses. The restructuring is part of our on-going cost reduction efforts with the goal of driving efficiencies and creating fiscal resources that will be reinvested into our TH business. The non-recurring general and administrative expenses include financing, legal and advisory fees, severance benefits and other compensation costs, and training expenses. Lastly, in connection with issuing $1,250.0 million of 4.625% first lien senior secured notes due January 15, 2022 (the “2015 Senior Notes”) and entering into a first amendment (the “2015 Amended Credit Agreement”) to our credit agreement in May 2015, we incurred non-recurring financing, legal and advisory fees totaling $2.2 million during the three and six months ended June 30, 2015, all classified as general and administrative expenses.

Results of Operations for the three and six months ended June 30, 2015 and 2014

Tabular amounts in millions unless noted otherwise.

The following tables present our results of operations and key business metrics for the three and six months ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Variance Favorable (Unfavorable)	Six Months Ended June 30,		Variance Favorable (Unfavorable)
	2015	2014		2015	2014	
Revenues:						
Sales	$ 567.8	$ 18.3	$ 549.5	$1,067.3	$ 36.8	$ 1,030.5
Franchise and property revenues	473.6	242.9	230.7	906.1	465.3	440.8
Total revenues	1,041.4	261.2	780.2	1,973.4	502.1	1,471.3
Cost of sales	475.9	15.7	(460.2)	909.5	31.2	(878.3)
Franchise and property expenses	125.6	35.7	(89.9)	255.6	73.1	(182.5)
Selling, general and administrative expenses	102.1	47.0	(55.1)	213.1	95.2	(117.9)
(Income) loss from equity method investments	5.3	5.9	0.6	2.5	9.9	7.4
Other operating expenses (income), net	34.2	5.4	(28.8)	69.7	9.9	(59.8)
Total operating costs and expenses	743.1	109.7	(633.4)	1,450.4	219.3	(1,231.1)
Income from operations	298.3	151.5	146.8	523.0	282.8	240.2
Interest expense, net	123.8	50.6	(73.2)	247.7	100.6	(147.1)
(Gain) loss on early extinguishment of debt	39.9	—	(39.9)	39.6	—	(39.6)
Income (loss) before income taxes	134.6	100.9	33.7	235.7	182.2	53.5
Income tax expense	43.8	25.8	(18.0)	91.9	46.7	(45.2)
Net income (loss)	90.8	75.1	15.7	143.8	135.5	8.3
Net income (loss) attributable to noncontrolling interests	13.7	—	(13.7)	5.2	—	(5.2)
Preferred shares dividend	67.5	—	(67.5)	136.2	—	(136.2)
Net income (loss) attributable to common shareholders	$ 9.6	$ 75.1	$ (65.5)	$ 2.4	$ 135.5	$ (133.1)

BK Segment FX Impact Favorable/(Unfavorable)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Consolidated total revenues	$ (18.9)	$ (0.5)	$ (33.4)	$ (3.8)
Consolidated franchise and property expenses	1.2	(0.4)	2.4	(0.5)
Consolidated SG&A	1.8	(0.4)	3.3	(0.7)
Consolidated income from operations	(11.1)	(1.5)	(35.4)	(5.0)
Consolidated net income	(11.1)	(1.6)	(33.1)	(5.6)
Consolidated Adjusted EBITDA	(16.8)	(0.5)	(29.6)	(3.7)

Key Business Metrics	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014 (a)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014 (a)
System-wide sales growth				
TH	8.4%	6.5%	8.3%	5.8%
BK	11.6%	5.4%	10.6%	6.1%
System-wide sales				
TH	$1,657.6	$1,702.0	$3,117.1	$3,198.7
BK	$4,406.1	$4,292.9	$8,430.0	$8,241.9
Comparable sales growth				
TH	5.5%	2.8%	5.4%	2.2%
BK	6.7%	0.9%	5.7%	1.4%
System Net Restaurant Growth (NRG)				
TH	52	22	105	61
BK	141	131	156	141
Restaurant count at period end				
TH	4,776	4,546	4,776	4,546
BK	14,528	13,808	14,528	13,808
System	19,304	18,354	19,304	18,354

(a) TH 2014 figures are shown for informational purposes only and represent amounts prior to the Transactions.

System Comparable Sales Growth

TH global system comparable sales growth of 5.5% and 5.4% during the three and six months ended June 30, 2015, respectively, reflects effective product launches and promotions, continued daypart expansion and increased combo penetration.

BK global system comparable sales growth of 6.7% and 5.7% during the three and six months ended June 30, 2015, respectively, reflects successful new products and promotions.

Sales and Cost of Sales

Sales include TH distribution sales and sales from Company restaurants, including consolidated restaurant VIEs. TH distribution sales comprise sales of products, supplies and restaurant equipment, excluding equipment sales related to initial restaurant establishment or renovations that are shipped directly from our warehouses or by third-party distributors to restaurants or retailers through our supply chain. Sales from Company restaurants, including consolidated restaurant VIEs, comprise restaurant-level sales to our guests.

Cost of sales includes costs associated with the management of our TH supply chain, including cost of goods, direct labor and depreciation, as well as the cost of goods delivered by third-party distributors to the restaurants for which we manage the supply chain logistics, and for canned coffee sold through grocery stores. Cost of sales also includes food, paper and labor costs of Company restaurants, including consolidated restaurant VIEs.

During the three and six months ended June 30, 2015, the increase in sales was driven primarily by the inclusion of $539.0 million and $1,019.1 million, respectively, of TH distribution sales and TH Company restaurant sales as a result of the Transactions.

During the three and six months ended June 30, 2015, the increase in cost of sales was driven primarily by the inclusion of $450.9 million and $867.6 million, respectively, of TH distribution cost of sales and TH Company restaurant cost of sales as a result of the Transactions.

Franchise and Property

Franchise and property revenues consist primarily of royalties earned on franchise sales, rents from real estate leased or subleased to franchisees, franchise fees, including revenues derived from equipment packages at initiation of a restaurant and in connection with renewal or renovation, and other revenue. Franchise and property expenses consist primarily of depreciation of properties leased to franchisees, rental expense associated with properties subleased to franchisees, costs of equipment packages sold at initiation of a restaurant and in connection with renewal or renovation, amortization of franchise agreement and favorable lease intangible assets and bad debt expense (recoveries).

During the three and six months ended June 30, 2015, the increase in franchise and property revenues, excluding FX impact, was driven by the inclusion of $224.2 million and $426.5 million, respectively, of TH franchise and property revenues as a result of the Transactions. To a lesser extent, the increase in franchise and property revenues was also due to an increase in BK franchise and property revenues driven by NRG and comparable sales growth. During the three and six months ended June 30, 2015, franchise and property revenues had an $18.9 million and $33.4 million, respectively, unfavorable FX impact related to our BK segment.

During the three and six months ended June 30, 2015, franchise and property expenses increased primarily due to the inclusion of $92.5 million and $186.3 million, respectively, of TH franchise and property expenses as a result of the Transactions.

Selling, general and administrative expenses

Our selling, general and administrative expenses were comprised of the following:

	Three Months Ended June 30,		Variance Favorable	Six Months Ended June 30,		Variance Favorable
	2015	2014	(Unfavorable)	2015	2014	(Unfavorable)
Selling expenses	$ 3.5	$ 0.1	$ (3.4)	$ 8.3	$ 0.3	$ (8.0)
Management general and administrative expenses	58.8	39.3	(19.5)	118.7	80.6	(38.1)
Share-based compensation and non-cash incentive compensation expense	8.1	4.2	(3.9)	22.0	7.7	(14.3)
Depreciation and amortization	4.3	3.4	(0.9)	8.7	6.6	(2.1)
TH transaction and restructuring costs	27.4	—	(27.4)	55.4	—	(55.4)
Total general and administrative expenses	98.6	46.9	(51.7)	204.8	94.9	(109.9)
Selling, general and administrative expenses	$ 102.1	$ 47.0	$ (55.1)	$ 213.1	$ 95.2	$ (117.9)

Selling expenses consist primarily of Company restaurant advertising fund contributions and the increase in selling expenses for the three and six month period was primarily a result of advertising fund contributions from TH Company restaurants, including Restaurant VIEs.

Management general and administrative expenses (“Management G&A”) are comprised primarily of salary and employee related costs for our non-restaurant employees, professional fees, information technology systems, and general overhead for our corporate offices. The increase in Management G&A in 2015 was driven primarily by the inclusion of $18.6 million and $40.0 million during the three and six months ended June 30, 2015, respectively, of Management G&A from the TH business as a result of the Transactions, partially offset by a decrease in BK salary and fringe benefits and professional services and favorable FX impact.

During the three and six months ended June 30, 2015, the increase in share-based compensation and non-cash incentive compensation expense was primarily due to incremental expense of $0.5 million and $8.9 million for the three and six months ended June 30, 2015, respectively, of share-based compensation related to the remeasurement of liability-classified stock options to fair value and additional stock options granted during 2015 and 2014.

The increase in depreciation and amortization expense is primarily due to the inclusion of the TH business as a result of the Transactions and corporate capital expenditures during the trailing twelve-month period.

We recorded TH transaction and restructuring costs during the three and six months ended June 30, 2015 which were primarily related to non-recurring financing, legal, and professional advisory fees associated with the Transactions, non-recurring severance benefits and other compensation costs associated with implementing a restructuring plan and non-recurring financing, legal and professional advisory fees in connection with the issuance of the 2015 Senior Notes and entering into the 2015 Amended Credit Agreement. TH transaction and restructuring costs includes $0.8 million and $3.5 million during the three and six months ended June 30, 2015, respectively, of share-based compensation related to the remeasurement of liability-classified stock options to fair value.

(Income) loss from equity method investments

(Income) loss from equity method investments reflects our share of investee net income or loss. The (income) loss from equity method investments includes $3.4 million and $6.2 million for the three and six months ended June 30, 2015, respectively, of investee net income from TH equity method investments. During 2015, we also recorded a $10.9 million noncash dilution gain included in (income) loss from equity method investments on the issuance of capital stock by BK Brasil Operacao E Assesoria A Restaurantes S.A. (“Brazil JV”), one of our BK equity method investees. This issuance of capital stock reduced our ownership interest in the Brazil JV from approximately 25 percent to approximately 20 percent. The dilution gain reflects an adjustment to the difference between the amount of our underlying equity in the net assets of the Brazil JV before and after the issuance of capital stock. The investee net income from TH equity method investments and dilution gain are offset by net losses from BK equity method investments.

Other operating expenses (income), net

Our other operating expenses (income), net were comprised of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net losses (gains) on disposal of assets, restaurant closures and refranchisings	$ (5.1)	$ 5.1	$ (2.9)	$ 7.9
Litigation settlements and reserves, net	0.5	2.1	1.7	2.2
Net losses (gains) on derivatives	26.6	—	41.6	—
Net losses (gains) on foreign exchange	9.6	(2.9)	25.4	(2.5)
Other, net	2.6	1.1	3.9	2.3
Other operating expenses (income), net	$ 34.2	$ 5.4	$ 69.7	$ 9.9

Net losses (gains) on disposal of assets, restaurant closures and refranchisings for the three and six months ended June 30, 2015 primarily reflects gains in connection with a lease termination as well as the write-off of unfavorable lease balances related to this lease termination.

Net losses (gains) on derivatives for the three and six months ended June 30, 2015 primarily reflects the reclassification of losses on cash flow hedges from accumulated other comprehensive income (loss) to earnings as a result of de-designation and settlement of certain interest rate swaps.

The increase in net losses (gains) on foreign exchange is primarily related to revaluation of foreign denominated assets and liabilities.

Interest expense, net

Our interest expense, net and weighted average interest rate on our long-term debt were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Interest expense, net	$ 123.8	$ 50.6	$247.7	$100.6
Weighted average interest rate on long-term debt	4.9%	6.8%	5.0%	6.7%

During the three and six months ended June 30, 2015, interest expense, net increased compared to the three and six months ended June 30, 2014 primarily due to an increase in outstanding debt as a result of the Transactions, partially offset by a reduction in our weighted average interest rate.

(Gain) loss on early extinguishment of debt

In connection with the refinancing and prepayment of a portion of the term loans outstanding under our 2014 Credit Facilities as well as the redemption of our Tim Hortons Notes, we recorded a $39.9 million and $39.6 million loss on early extinguishment of debt during three and six months ended June 30, 2015, respectively. The loss on early extinguishment of debt primarily reflects the write-off of unamortized debt issuance costs and the write-off of unamortized discounts.

Income tax expense

During the six months ended June 30, 2015, we completed a series of transactions which resulted in a change to our legal and capital structure. The restructuring impacts the comparability of the current period effective tax rate to prior periods.

Our effective tax rate was 32.5% and 39.0% for the three and six months ended June 30, 2015. The effective tax rate during these periods was primarily a result of the mix of income from multiple tax jurisdictions and the revaluation of certain monetary assets and liabilities as a result of changes in foreign currency exchange rates, partially offset by the favorable impact from costs incurred in connection with entering into the 2015 Amended Credit Agreement and issuing the 2015 Senior Notes.

Our effective tax rate was 25.6% for the three and six months ended June 30, 2014, primarily as a result of the mix of income from multiple tax jurisdictions.

Net income (loss)

Our net income increased by $15.7 million during the three months ended June 30, 2015, primarily as a result of an increase in income from operations of $146.8 million, partially offset by an increase in interest expense, net of $73.2 million, loss on early extinguishment of debt in the current period of $39.9 million, and an increase in income tax expense of $18.0 million. The increase in income from operations was driven by an increase in sales, an increase in franchise and property revenues and a decrease in loss from equity method investments, partially offset by an increase in cost of sales, an increase in franchise and property expenses, an increase in selling, general and administrative expenses and an increase in other operating expenses (income), net, as discussed above.

Our net income increased by $8.3 million during the six months ended June 30, 2015, primarily as a result of an increase in income from operations of $240.2 million, partially offset by an increase in interest expense, net of $147.1 million, loss on early extinguishment of debt in the current period of $39.6 million, and an increase in income tax expense of $45.2 million. The increase in income from operations was driven by an increase in sales, an increase in franchise and property revenues and a decrease in loss from equity method investments, partially offset by an increase in cost of sales, an increase in franchise and property expenses, an increase in selling, general and administrative expenses and an increase in other operating expenses (income), net, as discussed above.

Non-GAAP Reconciliations

The table below contains information regarding EBITDA and Adjusted EBITDA, which are non-GAAP measures. EBITDA is defined as earnings (net income or loss) before interest, (gain) loss on early extinguishment of debt, taxes, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding the impact of share-based compensation and non-cash incentive compensation expense, other operating expenses (income), net, (income) loss from equity method investments, net of cash distributions received from equity method investments, and all other specifically identified costs associated with non-recurring projects, including acquisition accounting impact on cost of sales and Tim Hortons transaction and restructuring costs. Adjusted EBITDA is used by management to measure operating performance of the business, excluding specifically identified items that management believes do not directly reflect our core operations, and represents our measure of segment income.

	Three Months Ended June 30,		Variance Favorable	Six Months Ended June 30,		Variance Favorable
	2015	2014	(Unfavorable)	2015	2014	(Unfavorable)
Segment income:						
TH	$ 234.3	$ —	$ 234.3	$418.2	$ —	$ 418.2
BK	192.9	182.8	10.1	363.6	342.5	21.1
Adjusted EBITDA	427.2	182.8	244.4	781.8	342.5	439.3
Share-based compensation and non-cash incentive compensation expense	8.1	4.2	(3.9)	22.0	7.7	(14.3)
Acquisition accounting impact on cost of sales	(1.0)	—	1.0	0.8	—	(0.8)
TH transaction and restructuring costs	27.4	—	(27.4)	55.4	—	(55.4)
Impact of equity method investments (a)	9.0	5.9	(3.1)	8.8	9.9	1.1
Other operating expenses (income), net	34.2	5.4	(28.8)	69.7	9.9	(59.8)
EBITDA	349.5	167.3	182.2	625.1	315.0	310.1
Depreciation and amortization	51.2	15.8	(35.4)	102.1	32.2	(69.9)
Income from operations	298.3	151.5	146.8	523.0	282.8	240.2
Interest expense, net	123.8	50.6	(73.2)	247.7	100.6	(147.1)
(Gain) loss on early extinguishment of debt	39.9	—	(39.9)	39.6	—	(39.6)
Income tax expense	43.8	25.8	(18.0)	91.9	46.7	(45.2)
Net income (loss)	$ 90.8	$ 75.1	$ 15.7	$143.8	$135.5	$ 8.3

(a) Represents (i) (income) loss from equity method investments and (ii) cash distributions received from our equity method investments. Cash distributions received from our equity method investments are included in segment income.

Adjusted EBITDA for the three and six months ended June 30, 2015 primarily reflects the acquisition of Tim Hortons and, to a lesser extent, an increase in segment income in our BK segment. EBITDA for the three and six months ended June 30, 2015 increased primarily as a result of the acquisition of TH and an increase in BK segment income, partially offset by an increase in other operating expenses (income), net, the occurrence of TH transaction and restructuring costs and an increase in share-based compensation and non-cash incentive compensation expense.

Segment Results for the Three Months Ended June 30, 2015 and 2014

	Three Months Ended June 30,				BK Segment	
	2015			2014	Favorable (Unfavorable)	
	Total	TH Segment	BK Segment	BK Segment	$	%
Franchise:						
Franchise and property revenues	$473.6	$ 224.2	$ 249.4	$ 242.9	$ 6.5	2.7%
Franchise and property expenses	125.6	92.5	33.1	35.7	2.6	7.3%
Sales and cost of sales (1):						
Sales	567.8	539.0	28.8	18.3	10.5	57.4%
Cost of sales	475.9	450.9	25.0	15.7	(9.3)	(59.2)%
Segment SG&A (2)	62.3	23.1	39.2	39.4	0.2	0.5%
Segment depreciation and amortization (3)	46.9	34.9	12.0	12.4	0.4	3.2%
Segment income (4)	427.2	234.3	192.9	182.8	10.1	5.5%

(1) Includes Restaurant VIEs.
(2) Segment selling, general and administrative expenses ("Segment SG&A") consists of segment selling expenses and segment management general and administrative expenses.
(3) Segment depreciation and amortization consists of depreciation and amortization included in cost of sales and franchise and property expenses.
(4) TH segment income for the three months ended June 30, 2015 excludes $(1.0) million of acquisition accounting impact on cost of sales and includes $3.7 million of cash distributions received from equity method investments.

Results of operations for BK Segment for the Three Months Ended June 30, 2015 and 2014

Franchise and Property

During the three months ended June 30, 2015, the increase in franchise and property revenues, excluding FX impact, was due primarily to (i) an increase of $21.9 million in franchise royalties primarily driven by NRG of 720 restaurants during the trailing twelve-month period and comparable sales growth and (ii) an increase of $2.5 million in franchise fees and other revenue driven by an increase in initial franchise fees and renewal franchise fees. During the three months ended June 30, 2015, franchise and property revenues had an $18.7 million unfavorable FX impact.

During the three months ended June 30, 2015, the decrease in franchise and property expenses was primarily related to an increase in bad debt recoveries and a $1.2 million favorable FX impact.

Segment SG&A

The decrease in Segment SG&A for the three months ended June 30, 2015 was driven primarily by a decrease in salary and fringe benefits.

Segment income

During the three months ended June 30, 2015, segment income increased primarily due to an increase in franchise and property revenues net of expenses and a decrease in Segment SG&A.

Segment Results for the Six Months Ended June 30, 2015 and 2014

	Six Months Ended June 30,				BK Segment	
	2015			2014	Favorable (Unfavorable)	
	Total	TH Segment	BK Segment	BK Segment	$	%
Franchise:						
Franchise and property revenues	$ 906.1	$ 426.5	$ 479.6	$ 465.3	$ 14.3	3.1%
Franchise and property expenses	255.6	186.3	69.3	73.1	3.8	5.2%
Sales and cost of sales (1):						
Sales	1,067.3	1,019.1	48.2	36.8	11.4	31.0%
Cost of sales	909.5	867.6	41.9	31.2	(10.7)	(34.3)%
Segment SG&A (2)	127.0	50.2	76.8	80.9	4.1	5.1%
Segment depreciation and amortization (3)	93.4	69.6	23.8	25.6	1.8	7.0%
Segment income (4)	781.8	418.2	363.6	342.5	21.1	6.2%

(1) Includes Restaurant VIEs.
(2) Segment selling, general and administrative expenses ("Segment SG&A") consists of segment selling expenses and management general and administrative expenses.
(3) Segment depreciation and amortization consists of depreciation and amortization included in cost of sales and franchise and property expenses.
(4) TH segment income for the six months ended June 30, 2015 excludes $0.8 million of acquisition acounting impact on cost of sales and includes $6.3 million of cash distributions received from equity method investments.

Results of operations for BK Segment for the Six Months Ended June 30, 2015 and 2014

Franchise and Property

During the six months ended June 30, 2015, the increase in franchise and property revenues, excluding FX impact, was due primarily to (i) an increase of $37.8 million in franchise royalties primarily driven by NRG of 720 restaurants during the trailing twelve-month period and comparable sales growth and (ii) an increase of $8.9 million in franchise fees and other revenue driven by an increase in initial franchise fees and renewal franchise fees. During the six months ended June 30, 2015, franchise and property revenues had a $33.2 million unfavorable FX impact.

During the six months ended June 30, 2015, the decrease in franchise and property expenses was primarily related to a $2.4 million favorable FX impact.

Segment SG&A

The decrease in Segment SG&A for the six months ended June 30, 2015 was driven primarily by a decrease in salary and fringe benefits.

Segment income

During the six months ended June 30, 2015, segment income increased primarily due to an increase in franchise and property revenues net of expenses and a decrease in Segment SG&A.

Liquidity and Capital Resources

Our primary sources of liquidity are cash on hand, cash generated by operations and borrowings available under our 2014 Revolving Credit Facility (as defined below). We have used, and may in the future use, our liquidity to make required interest and/or principal payments, to pay required Preferred Share dividends, to repurchase our common shares, to voluntarily prepay and repurchase our or one of our affiliate's outstanding debt, to fund our investing activities and to pay dividends on our common shares. As a result of our borrowings, we are highly leveraged. Our liquidity requirements are significant, primarily due to debt service and the cash dividend requirements of our Preferred Shares.

At June 30, 2015, we had cash and cash equivalents of $688.9 million and working capital of $401.7 million. In addition, at June 30, 2015, we had borrowing availability of $495.2 million under our 2014 Revolving Credit Facility. Based on our current level of operations and available cash, we believe our cash flow from operations, combined with availability under our 2014 Revolving Credit Facility, will provide sufficient liquidity to fund our current obligations, Preferred Share dividends, debt service requirements and capital spending requirements over the next twelve months.

Our consolidated cash and cash equivalents include balances held in foreign tax jurisdictions that represent undistributed earnings of our foreign subsidiaries for periods prior to the Transactions, which are considered indefinitely reinvested for U.S. income tax purposes. Since we currently anticipate utilizing the majority of future cash flows from our foreign subsidiaries, we record a deferred tax liability for the repatriation of the future cash flows that would be subject to tax in the US.

Debt Instruments and Debt Service Requirements

Our long-term debt is comprised primarily of borrowings under our 2015 Amended Credit Agreement, amounts outstanding under our 2015 Senior Notes, 2014 Senior Notes and Tim Hortons Notes (each defined below), and obligations under capital leases. For further information about our long-term debt, see Note 11 to the accompanying unaudited condensed consolidated financial statements included in this report.

On May 22, 2015, we issued $1,250.0 million of 4.625% first lien senior secured notes due January 15, 2022 (the "2015 Senior Notes") and we entered into a first amendment ("the "2015 Amended Credit Agreement") to our credit agreement. Under the 2015 Amended Credit Agreement, the aggregate principal amount of the secured term loans was decreased to $5,140.4 million (the "2014 Term Loan Facility") as a result of the repayment of $1,550.0 million from the net proceeds from the offering of the 2015 Senior Notes and cash on hand and the interest rate applicable to the 2014 Term Loan Facility was reduced to, at our option, either (i) a base rate plus an applicable margin equal to 1.75% or (ii) a Eurocurrency rate plus an applicable margin equal to 2.75%.

2015 Amended Credit Agreement

At June 30, 2015, we had $5,076.4 million in Term Loan B outstanding (the "Term Loan B"), net of discount, under our 2015 Amended Credit Agreement. As of June 30, 2015, the interest rate was 3.75% on our outstanding Term Loan B. Based on the amounts outstanding under the Term Loan B and the three-month LIBOR rate as of June 30, 2015, subject to a floor of 1.00%, required debt service for the next twelve months is estimated to be approximately $195.0 million in interest payments and $34.5 million in principal payments. In addition, as of June 30, 2015, net cash settlements that we will pay on our $2,500.0 million interest rate swap is estimated to be approximately $3.7 million for the next twelve months. As of June 30, 2015, we had no amounts outstanding under the revolving credit facility available under the 2015 Amended Credit Agreement (the "2014 Revolving Credit Facility"). As of June 30, 2015, we had $4.8 million of letters of credit issued against the 2014 Revolving Credit Facility and our borrowing availability was $495.2 million.

2015 Senior Notes

At June 30, 2015, we had outstanding $1,250.0 million of 2015 Senior Notes. Based on the amount outstanding at June 30, 2015, required debt service for the next twelve months on the 2015 Senior Notes is $37.4 million in interest payments. No principal payments are due until maturity.

2014 Senior Notes

At June 30, 2015, we had outstanding $2,250.0 million of 6.00% second lien senior secured notes due April 1, 2022 (the "2014 Senior Notes"). Based on the amount outstanding at June 30, 2015, required debt service for the next twelve months on the 2014 Senior Notes is $135.0 million in interest payments. No principal payments are due until maturity.

At June 30, 2015, we were in compliance with all covenants of the 2015 Amended Credit Agreement and the indentures governing our 2015 Senior Notes and 2014 Senior Notes, and there were no limitations on our ability to draw on our 2014 Revolving Credit Facility.

Tim Hortons Notes

At June 30, 2015, we had notes outstanding with the following carrying values and terms: (i) C$48.0 million principal amount of 4.20% Senior Unsecured Notes, Series 1, due June 1, 2017, (ii) C$2.6 million principal amount of 4.52% Senior Unsecured Notes, Series 2, due December 1, 2023 and (iii) C$3.9 million principal amount of 2.85% Senior Unsecured Notes, Series 3, due April 1, 2019 (collectively, the "Tim Hortons Notes"). Based on the amounts outstanding at June 30, 2015, required debt service for the next twelve months on the Tim Hortons Notes is C$2.2 million in interest payments. No principal payments are due until maturity.

Preferred Shares

In connection with the Transactions, Berkshire Hathaway Inc. ("Berkshire") and RBI entered into a Securities Purchase Agreement pursuant to which National Indemnity Company, a wholly owned subsidiary of Berkshire, purchased for an aggregate purchase price of $3,000.0 million, (a) 68.5 million Class A 9.0% cumulative compounding perpetual voting preferred shares of RBI (the "Preferred Shares") and (b) a warrant (the "Warrant") to purchase common shares of RBI, at an exercise price of $0.01 per common share of RBI, representing 1.75% of the fully-diluted common shares of RBI as of the closing of the Transactions, including the common shares of RBI issuable upon the exercise of the Warrant, upon the terms and subject to the conditions set forth therein. The Preferred Shares require a 9.0% annual dividend to be paid quarterly in cash on April 1st, July 1st, October 1st and January 1st of each year.

The Preferred Shares may be redeemed at our option on and after the third anniversary of the original issue date. After the tenth anniversary of the original issue date, holders of not less than a majority of the outstanding Preferred Shares may cause us to redeem their Preferred Shares. In either case, the fixed redemption price is 109.9% of the Purchase Price per share (the "redemption price") plus accrued and unpaid dividends and unpaid make-whole dividends. Holders of the Preferred Shares also hold a contingently exercisable option to cause us to redeem their Preferred Shares at the redemption price in the event of a change in control.

Cash Dividends

On April 2, 2015, we paid a dividend of $0.09 per common share to common shareholders of record on March 3, 2015. On such date, the Partnership also made a distribution in respect of each Partnership exchangeable unit in the amount of $0.09 per exchangeable unit to holders of record on March 3, 2015. On April 1, 2015, we paid a quarterly dividend of $1.20 per Preferred Share, for a total of $82.5 million, to the holder of our Preferred Shares. The dividend on the Preferred Shares included the amount due for the period of December 12, 2014 through December 31, 2014 as well as the first calendar quarter of 2015.

On July 3, 2015, we paid a cash dividend of $0.10 per common share to common shareholders of record on May 29, 2015. On such date, Partnership also made a distribution in respect of each Partnership exchangeable unit in the amount of $0.10 per exchangeable unit to holders of record on May 29, 2015. On July 2, 2015, we paid a cash dividend of $0.98 per Preferred Share, for a total dividend of $67.5 million, to the holder of the Preferred Shares. The dividend on the Preferred Shares included the amount due for the second calendar quarter of 2015.

On July 27, 2015, our Board of Directors declared a dividend of $0.12 per common share, payable on October 2, 2015, to common shareholders of record on August 28, 2015. The Partnership will also make a distribution in respect of each Partnership exchangeable unit in the amount of $0.12 per exchangeable unit, and the record date and payment date for distributions on Partnership exchangeable units are the same as the record date and payment date set forth above. On July 27, 2015, our Board of Directors also declared a quarterly dividend of $0.98 per Preferred Share, for a total dividend of $67.5 million which will be paid to the holder of the Preferred Shares on October 1, 2015. The dividend on the Preferred Shares includes the amount due for the third calendar quarter of 2015.

In addition, because we are a holding company, our ability to pay cash dividends on our common shares may be limited by restrictions under our debt agreements. Although we do not have a dividend policy, our Board of Directors may, subject to compliance with the covenants contained in our debt agreements and other considerations, determine to pay dividends in the future. We expect to pay for all dividends through cash generated from operations.

Outstanding Security Data

As at July 20, 2015, we had outstanding 202,411,121 common shares, 68,530,939 Preferred Shares and one special voting share. The special voting share is held by a trustee, entitling the trustee to that number of votes on matters on which holders of common shares are entitled to vote equal to the number of Partnership exchangeable units outstanding. The trustee is required to cast such votes in accordance with voting instructions provided by holders of Partnership exchangeable units. At any shareholder meeting of RBI, holders of our common shares vote together as a single class with the Preferred Shares and the special voting share except as otherwise provided by law. For information on share-based compensation and our outstanding equity awards, see Note 16 to our consolidated financial statements in Item 1 of our Quarterly Report and Note 18 to our audited consolidated financial statements in Item 8 of our Annual Report filed with the SEC and Canadian securities regulatory authorities on March 2, 2015.

The number of Partnership exchangeable units outstanding as at July 20, 2015 was 265,041,783. From and after the one year anniversary of the effective date of the Transactions, the holder of a Partnership exchangeable unit will have the right to require Partnership to exchange all or any portion of such holder's Partnership exchangeable units for our common shares at a ratio of one common share for each Partnership exchangeable unit, subject to our right as the general partner of Partnership, at our sole discretion, to determine to settle any such exchange for a cash payment in lieu of issuing our common shares.

Comparative Cash Flows

Operating Activities

Cash provided by operating activities was $508.2 million for the six months ended June 30, 2015, compared to $213.1 million during the same period in the prior year. The increase in cash provided by operating activities was driven primarily by the Tim Hortons acquisition and the reclassification of restricted cash to cash and cash equivalents.

Investing Activities

Cash used for investing activities was $24.5 million for the six months ended June 30, 2015, compared to $6.6 million during the same period in the prior year. The change in investing activities was driven primarily by an increase in capital expenditures in the current year, partially offset by proceeds from refranchisings and sale of assets in the current year, proceeds from the settlement of derivative instruments in the current year and payments for acquired franchisee operations in the prior year.

Financing Activities

Cash used for financing activities was $1,545.2 million for the six months ended June 30, 2015, compared to $87.6 million during the same period in the prior year. The increase in cash used for financing activities was driven primarily by the $1,550.0 million repayment of the 2014 Term Loan Facility, the redemption of the Tim Hortons Notes, payments of financing costs, the mandatory prepayment of the 2014 Term Loan Facility, higher scheduled debt principal payments in the current year and higher dividend payments in the current year, partially offset by proceeds from the offering of the 2015 Senior Notes.

Critical Accounting Policies and Estimates

This discussion and analysis of financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires our management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as related disclosures of contingent assets and liabilities. We evaluate our estimates on an ongoing basis and we base our estimates on historical experience and various other assumptions we deem reasonable to the situation. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Volatile credit, equity, foreign currency and energy markets, and declines in consumer spending have increased and may continue to create uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in our estimates could materially impact our results of operations and financial condition in any particular period. For a complete discussion of our critical and significant accounting policies and estimates, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K filed with the SEC and Canadian securities regulatory authorities on March 2, 2015.

New Accounting Pronouncements

See Note 4 – *New Accounting Pronouncements*, in the notes to the unaudited condensed consolidated financial statements.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

There were no material changes during the three months ended June 30, 2015 to the disclosures made in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC and Canadian securities regulatory authorities on March 2, 2015.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

An evaluation was conducted under the supervision and with the participation of management, including RBI's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of RBI's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and Exchange Act Rules 15d-15(e)) as of June 30, 2015. Based on that evaluation, the CEO and CFO concluded that RBI's disclosure controls and procedures were effective as of such date.

Internal Control Over Financial Reporting

RBI's management, including the CEO and CFO, confirm that there were no changes in RBI's internal control over financial reporting during the three months ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, RBI's internal control over financial reporting.

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this report, including information regarding future financial performance and plans, targets, aspirations, expectations, and objectives of management, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of Canadian securities laws. We refer to all of these as forward-looking statements. Forward-looking statements are forward-looking in nature and, accordingly, are subject to risks and uncertainties. These forward-looking statements can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "estimate", "plan", "continue", "will", "may", "could", "would", "target", "potential" and other similar expressions and include, without limitation, statements regarding our expectations or beliefs regarding (i) the benefits of our fully franchised business model; (ii) the domestic and international growth opportunities for the Tim Hortons and Burger King brands, both in existing and new markets and our ability to accelerate international development through joint venture structures and master franchise and development agreements; (iii) the amount and timing of additional G&A expenses associated with restructuring activities following the consummation of the Transactions and the anticipated benefits that we will recognize from such restructuring; (iv) our future financial obligations, including annual debt service requirements, capital expenditures and cash distributions required under our partnership agreement, and our ability to meet such obligations, (v) our exposure to changes in interest rates and foreign currency exchange rates and the impact of changes in interest rates and foreign currency exchange rates on the amount of our interest payments, future earnings and cash flows, (vi) our belief and estimates regarding accounting and tax matters, and (vii) our future financial and operational results.

These forward looking statements represent management's expectations as of the date hereof. These forward-looking statements are based on certain assumptions and analyses made by RBI in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. However, these forward-looking statements are subject to a number of risks and uncertainties and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results, level of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, among other things, risks related to: (1) our substantial indebtedness, which could adversely affect our financial condition and prevent us from fulfilling our obligations; (2) global economic or other business conditions that may affect the desire or ability of our customers to purchase our products such as inflationary pressures, high unemployment levels, declines in median income growth, consumer confidence and consumer discretionary spending and changes in consumer perceptions of dietary health and food safety; (3) our relationship with, and the success of, our franchisees and risks related to our restaurant ownership mix; (4) the effectiveness of our marketing and advertising programs and franchisee support of these programs; (5) significant and rapid fluctuations in interest rates and in the currency exchange markets and the effectiveness of our hedging activity; (6) our ability to successfully implement our domestic and international growth strategy and risks related to our international operations; (7) our reliance on master franchisees and subfranchisees to accelerate restaurant growth; (8) the ability of our credit facilities' and derivatives' counterparties to fulfill their commitments and/or obligations; (9) our ability to successfully apply the ZBB model to the TH's operations and to achieve the anticipated synergies through shared services; and (10) the restructuring activities that we have and will continue to implement in connection with the Transactions.

We operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all 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.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in the section entitled "Item 1A - Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC and Canadian securities regulatory authorities on March 2, 2015, as well as other materials that we from time to time file with, or furnish to, the SEC or file with Canadian securities regulatory authorities. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements in this section and elsewhere in this report. Other than as required under securities laws, we do not assume a duty to update these forward-looking statements, whether as a result of new information, subsequent events or circumstances, changes in expectations or otherwise.