Collins Foods Limited

ACN: 151 420 781

Interim Statements
For the period 30 April 2012 to 14 October 2012

Collins Foods Limited

ACN 151 420 781

Half-year Financial Report for the Financial Half-year ended 14 October 2012

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Collins Foods Limited
ACN 151 420 781

Half-year Financial Report
for the Financial Half-year ended 14 October 2012

Reporting period:	24 weeks to 14 October 2012
Previous corresponding period:	24 weeks to 16 October 2011

Results for announcement to the market

Revenue and net profit

	Percentage Change %	Period Ended 14 October 2012 $'000	Period Ended 16 October 2011 $'000
Revenue from ordinary activities	Up 5.6%	197,945	187,530
Profit from ordinary activities after tax attributable to members	Up 1036.1%	7,430	654
Net profit for the period attributable to members	Up 1036.1%	7,430	654

Dividends

	Amount per Security	Franked amount per security
Interim dividend for reporting period	4.0 cents	4.0 cents

- Payable 21 December 2012

The record date for determining entitlements to the interim dividend:

- 11 December 2012

Interim dividend for previous corresponding period [1]	N/A	N/A

[1] Collins Foods Limited was incorporated during the previous corresponding period. The consolidated results of a subsidiary, Collins Foods Holding Pty Limited, for the period prior to incorporation have been included. Please refer to note 1 to financial statements for information on the capital reconstruction and financial statements presentation of the Group.

Appendix 4D

Collins Foods Limited
ACN 151 420 781

Net tangible assets per security

	Current Reporting Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	$(0.60)	$(0.73)

Details of associates

Joint venture entities and the percentage holding thereof are as follows:

Entity	Percentage Holding
Sizzler Steak Seafood Salad(s) Pte Ltd	50%
Sizzler China Pte Ltd	50%

Brief explanation of the figures reported above

Please refer to the review of operations on page 3.

Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Collins Foods Limited (the Company) and the entities it controlled at the end of, or during the twenty four week period ended 14 October 2012, which the Directors consider to be the first half (half-year) of the Group's financial year to 28 April 2013.

Directors

The following persons were Directors of the Company during the whole of the half-year and up to the date of this report:

Russell Keith Tate
Kevin William Joseph Perkins
Newman Gerard Manion
Bronwyn Kay Morris

Review of operations

<u>Statutory Profit</u>

The Group reported a statutory net profit attributable to members (statutory NPAT) of $7.4 million for the half year, an increase of $6.7 million, compared with the $0.7 million profit reported in the previous corresponding period. This represents basic earnings per share (EPS) of 7.99 cents compared to the previous corresponding period of 1.03 cents.

The key factor contributing to the change in the statutory NPAT is the inclusion in the prior corresponding period of significant one-off costs and adjustments relating to the IPO and capital reconstruction of the Group.

<u>Revenue and Expenses</u>

Statutory revenue (excluding finance revenue) for the first half of the financial year was $197.9 million which is up 5.6% compared to the previous corresponding period. Statutory revenue in the KFC restaurants segment was $148.2 million which was up 5.7% compared to the previous corresponding period. In the Sizzler restaurants segment, statutory revenue of $49.7 million was achieved, which was up 5.3% compared to the previous corresponding period.

Increased sales revenues reported by the KFC segment were driven by increased restaurant numbers as well as positive same store sales growth. Sizzler segment sales revenues were also driven by an increase in restaurant numbers, with same store sales growth relatively flat.

Gross profit margin decreased by 13 bps compared to the previous corresponding period. Lower margin sales were a reflection of the competitive trading environment, with promotional discounting a key instrument used to drive sales, as well as increased input costs, including produce and paper.

Key components of other costs of operations which negatively impacted on the result against the previous corresponding period included increased energy costs resulting from the carbon tax, labour costs and administrative costs including public company costs. These were offset to an extent by cost savings in advertising and maintenance.

<u>Cash flow and balance sheet</u>

The net cash flow from operations reflected in the statutory statement of cash flows of $18.1 million is higher than prior year due to lower interest payments with a reduced debt balance and lower interest rates, offset to an extent by increased tax payments with tax losses utilised in the prior period.

Cash flow from investing activities was a net outflow of $9.7 million reflecting payments for property plant and equipment.

Cash flow from financing activities was a net outflow of $15.2 million reflecting payment of the Company's maiden dividend and final payment for the buyback of shares of the former parent company.

Net total indebtedness (net of capitalised borrowing costs) at 14 October, 2012 was $104.6 million, with undrawn debt facilities of $40 million.

Dividends

The Directors have declared a fully franked final dividend of 4.0 cents per share payable on 21 December, 2012, representing a payout ratio of 50.1%

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 23.

Australian Securities Investment Commission Order

The Australian Securities Investment Commission Order 11-0958 has granted the Company relief under section 340 of the Corporations Act 2001 (the Act) which permits the Company to have a half year that differs from that prescribed by the Act.

The first half-year period for the year ending 28 April 2013 is the twenty four week period ended 14 October 2012. The comparative first half year-period is the period which commenced on 10 June 2011 (date of incorporation) and ended on 16 October 2011. The comparative financial information of the Group is for the period 2 May 2011 to 16 October 2011 and has been prepared in accordance with the capital reconstruction accounting policy in note 1.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

Russell Tate
Chairman
Brisbane
30 November 2012

Collins Foods Limited

ACN 151 420 781

Consolidated Balance Sheet
as at 14 October, 2012

	Note	Consolidated	
		14 October 2012 $000	29 April 2012 $000
Current assets			
Cash and cash equivalents		12,445	19,243
Receivables		4,390	1,820
Inventories		4,261	4,272
Total current assets		21,096	25,335
Non-current assets			
Property, plant and equipment	6	60,829	57,549
Intangible assets, net	7	235,424	235,818
Deferred tax assets, net		14,700	14,741
Receivables	8	41	317
Investment accounted for using the equity method		546	501
Total non-current assets		311,540	308,926
Total assets		332,636	334,261
Current liabilities			
Trade and other payables		39,792	45,547
Current tax liabilities		1,647	0
Derivative financial instruments		715	19
Provisions		3,855	3,485
Total current liabilities		46,009	49,051
Non-current liabilities			
Borrowings	9	104,586	104,480
Derivative financial instruments		706	83
Provisions		1,314	1,379
Total non-current liabilities		106,606	105,942
Total liabilities		152,615	154,993
Net assets		**180,021**	**179,268**
Equity			
Contributed equity	10	182,098	182,098
Reserves		(469)	163
Accumulated losses		(1,608)	(2,993)
Total equity		**180,021**	**179,268**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Collins Foods Limited

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Consolidated Income Statement
for the period ended 14 October, 2012

	Note	Consolidated	
		Period ended 14 October 2012 $000	Period ended 16 October 2011 $000
Revenue	3	197,945	187,530
Cost of sales		(94,050)	(88,966)
Gross profit		103,895	98,564
Selling, marketing and royalty expenses		(42,197)	(39,124)
Occupancy expenses		(15,078)	(14,221)
Restaurant related expenses		(20,069)	(22,045)
Administration expenses		(12,266)	(19,599)
Other expenses		(865)	(612)
Other income	3	173	10,786
Profit from continuing operations before finance income, finance costs and income tax		13,593	13,749
Finance income		90	694
Finance costs		(2,968)	(22,541)
Share of net profit of associate accounted for using the equity method		45	24
Profit / (loss) from continuing operations before income tax		10,760	(8,074)
Income tax (expense) / benefit	5	(3,330)	8,728
Profit from continuing operations		7,430	654
Net profit attributable to members of Collins Foods Limited		**7,430**	**654**
Basic earnings per share	13	7.99cps	1.03cps
Diluted earnings per share	13	7.99cps	1.03cps
Weighted average basic ordinary shares outstanding	13	93,000,003	63,458,701
Weighted average diluted ordinary shares outstanding	13	93,000,003	63,458,701

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Collins Foods Limited

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Consolidated Statement of Comprehensive Income
for the period ended 14 October, 2012

	Consolidated	
	Period ended 14 October 2012 $000	**Period ended 16 October 2011 $000**
Net profit attributable to members of Collins Foods Limited	7,430	654
Other comprehensive income / (expense):		
Exchange difference upon translation of foreign operations	260	372
Cash flow hedges	(1,274)	0
Income tax relating to components of other comprehensive income	382	0
Other comprehensive (expense) / income for the half year, net of tax	(632)	372
Total comprehensive income for the half year	6,798	1,026
Total comprehensive income for the half year is attributable to:		
Owners of the parent	**6,798**	**1,026**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Collins Foods Limited

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Consolidated Statement of Changes in Equity
for the period ended 14 October, 2012

	Contributed Equity	Reserves	(Accumulated Losses) / Retained Earnings	Total Equity
	$000	$000	$000	$000
Balance as at 2 May 2011	55,530	0	(14,422)	41,108
Profit for half year	0	0	654	654
Other comprehensive income	0	372	0	372
Total comprehensive income for the half year	55,530	372	(13,768)	42,134
Transactions with owners in their capacity as owners:				
Shares issued during the year	131,993	0	0	131,993
Less capital raising costs (net of tax)	(5,378)	0	0	(5,378)
Balance as at 12 October 2011	**182,145**	**372**	**(13,768)**	**168,749**
Balance as at 30 April 2012	182,098	163	(2,993)	179,268
Profit for half year	0	0	7,430	7,430
Other comprehensive expense	0	(632)	0	(632)
Total comprehensive income for the half year	182,098	(469)	4,437	186,066
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	0	0	(6,045)	(6,045)
Balance as at 14 October 2012	**182,098**	**(469)**	**(1,608)**	**180,021**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Note 1 - Basis of preparation of half-year report

This condensed consolidated interim financial report comprises the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 30 April 2012 to 14 October 2012.

The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards. The accounting policies adopted in this interim financial report are the same as those applied in the previous financial year and the corresponding interim reporting period. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current reporting period. This adoption has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported in the current and prior periods.

The directors have determined that the accounting policies adopted and the format in which this financial information is presented are appropriate to meet their information needs.

The financial information provided does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 29 April 2012 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Capital Reconstruction

Collins Foods Limited was incorporated on 10 June 2011 and undertook an initial public offering on 4 August 2011. The proceeds of the initial public offering were used to acquire Collins Foods Holding Pty Limited and its controlled entities and SingCo Trading Pte Ltd.

Collins Foods Limited determined that the acquisition of Collins Foods Holding Pty Limited by its wholly owned subsidiary did not represent a business combination as outlined in Australian Accounting Standard AASB3 (AASB3) for accounting purposes. The appropriate accounting treatment for recognising the new group structure is on the basis that the transaction was a form of capital reconstruction and group reorganisation. Therefore, the financial information for the prior reporting period was prepared using the principles of a reverse acquisition by Collins Foods Holding Pty Limited of Collins Foods Limited.

Therefore, the consolidated financial statements have been prepared as a continuation of the financial statements of the accounting acquirer, Collins Foods Holding Pty Limited. Accordingly, consolidated comparative information is provided for the balance sheet as at 29 April 2012 and for the income statement and cash flow for the period 2 May 2011 to 16 October 2011.

As a result the:

- The retained earnings of the Group represent the retained earnings of Collins Foods Holding Pty Limited from the date of its incorporation, plus the results of the combined entities from the date of acquisition.

- The consolidated balance sheet comprises the existing consolidated net assets of Collins Foods Holding Pty Limited and its controlled entities measured at their historical cost plus the fair value of the net assets of the other combining entities.

- The comparatives for the consolidated income statement and cash flow comprise the resulting consolidated statements of Collins Foods Holding Pty Limited and its controlled entities.

Notes to the Consolidated Financial Statements

Note 1 - Basis of preparation of half-year report (continued)

Acquisition of SingCo Trading Pte Ltd

The comparative financial information also reflects that a wholly owned subsidiary of Collins Foods Limited acquired SingCo Trading Pte Ltd. Collins Foods Limited has evaluated the substance of this transaction with reference to AASB3 and determined that the transaction represents a business combination as outlined in the standard. Accordingly, the financial information has been prepared using the principles of the acquisition method of accounting in respect of the acquisition of SingCo Trading Pte Ltd (refer note 12).

Going Concern

Whilst the Group is in a net current liability position, the accounts continue to be prepared on a going concern basis on the grounds that future cash flow projections will be sufficient to meet operational needs and longer term growth. In addition, the Group has access to sufficient unused credit facilities with its banking syndicate.

Note 2. Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Managing Director / Chief Executive Officer that are used to make strategic decisions. Management has identified three reportable segments, KFC Restaurants, competing in the quick service restaurant market, Sizzler Restaurants, competing in the full service restaurant market and Shared Services which performs a number of administrative and management functions for the Group's KFC and Sizzler restaurants.

(b) Segment information provided to the Managing Director / Chief Executive Officer

The following is an analysis of the revenue and results by reportable operating segment for the periods under review:

Period ended 14 October 2012	KFC Restaurants $000	Sizzler Restaurants $000	Shared Services $000	All Other Segments $000	Total $000
Total segment revenue	148,212	49,733	0	0	197,945
Adjusted EBITDA	20,744	4,280	(3,786)	215	21,453
Depreciation, amortisation and impairment	5,064	1,898	896	2	7,860
Finance costs - net (i)	0	(1)	2,883	(4)	2,878
Income tax (benefit) / expense					3,330

Period ended 16 October 2011	KFC Restaurants $000	Sizzler Restaurants $000	Shared Services $000	All Other Segments $000	Total $000
Total segment revenue	140,279	47,251	0	0	187,530
Adjusted EBITDA	22,231	3,737	(3,125)	158	23,001
Depreciation, amortisation and impairment	5,071	1,561	914	2	7,548
Impairment of receivables	3,732	0	0	0	3,732
Reversal of provisions	0	0	(10,671)	0	(10,671)
Finance costs - net (i)	0	201	21,650	(4)	21,847
Income tax (benefit) / expense					(8,728)

(i) Refer note 4 for a detailed breakdown

Note 2. Segment information (continued)

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

The amounts provided to the Board with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. The values are allocated based on the operations of the segment.

As at 14 October 2012	KFC Restaurants $000	Sizzler Restaurants $000	Shared Services $000	All Other Segments $000	Total $000
Assets	386,453	71,879	25,133	4,397	487,862
Inter-segment eliminations	(145,775)	(9,451)	0	0	(155,226)
	240,678	62,428	25,133	4,397	332,636
Liabilities	4,197	2,702	300,669	273	307,841
Inter-segment eliminations	0	(1,527)	(153,433)	(266)	(155,226)
	4,197	1,175	147,236	7	152,615

As at 29 April 2012	KFC Restaurants $000	Sizzler Restaurants $000	Shared Services $000	All Other Segments $000	Total $000
Assets	389,949	69,522	30,301	3,857	493,629
Inter-segment eliminations	(152,200)	(6,389)	0	(779)	(159,368)
	237,749	63,133	30,301	3,078	334,261
Liabilities	3,647	3,060	307,704	(50)	314,361
Inter-segment eliminations	0	(1,798)	(157,570)	0	(159,368)
	3,647	1,262	150,134	(50)	154,993

(c) Other segment information

(i) Segment revenue

There are no sales between segments. The revenue from external parties reported to the Board is measured in a manner consistent with that in the Consolidated Income Statement.

Revenue from external customers is derived from the sale of food in KFC and Sizzler restaurant outlets .

Note 2. Segment information (continued)

(c) Other segment information (continued)

(ii) Adjusted EBITDA

The Board assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of reorganisation and Initial Public Offering (IPO) income and expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. Furthermore, the measure excludes the effects of unrealised gains/(losses) on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

A reconciliation of adjusted EBITDA to profit from continuing operations before income tax is provided as follows:

	Period ended 14 October 2012 $000	Period ended 16 October 2011 $000
Adjusted EBITDA	21,453	23,001
Finance costs - net	(2,878)	(21,847)
Release of related party financial liability - retirement plan	0	10,671
Investment services fees	0	(264)
Tracking stock	0	235
Costs of the IPO expensed	0	(8,614)
Depreciation	(7,132)	(6,346)
Amortisation	(728)	(668)
Impairment of property, plant and equipment	0	(434)
Impairment of KFC franchise rights	0	(100)
KFC franchise rights written off	0	(3,732)
Share of net profit of associate accounted for using the equity method	45	24
Profit / (loss) from continuing operations before income tax	10,760	(8,074)

Note 3. Revenue & Other income

	Consolidated	
	Period ended 14 October 2012 $000	Period ended 16 October 2011 $000
Revenue from continuing operations		
Sales revenue		
Sale of goods	196,813	186,946
	196,813	186,946
Other Revenue		
Franchise revenue from external parties	1,132	584
	1,132	584
Total revenue	197,945	187,530
Other income		
Gain on release of guarantee of related party financial liability - retirement plan	0	10,671
Traineeship Income	173	115
Total other income	173	10,786

Note 4. Expenses

	Consolidated Period ended 14 October 2012 $000	Consolidated Period ended 16 October 2011 $000
Profit from continuing operations before income tax includes the following specific expenses:		
Depreciation, amortisation and impairment:		
Depreciation:		
Buildings	32	35
Leasehold improvements	3,788	3,311
Plant and equipment	3,312	2,809
Equipment under finance lease	0	191
	7,132	6,346
Amortisation of:		
Franchise rights	177	264
Sizzler brand - Australia	260	260
Sizzler brand - Asia	291	144
	728	668
Impairment of:		
Leasehold improvements	0	254
Property, plant and equipment	0	180
KFC franchise rights	0	100
	0	534
Total depreciation, amortisation and impairment	7,860	7,548
Finance income and costs:		
Interest income:		
Interest from external parties	(90)	(238)
Interest from related parties	0	(456)
Interest expense:		
Finance lease interest	0	41
Bank loan interest	2,845	9,321
Hedge (credits) / charges	17	1,910
Amortisation of borrowing costs (i)	106	1,247
Borrowing costs written off on loan extinguishment (i)	0	10,022
Net finance costs	2,878	21,847
Employee benefits expense:		
Wages and salaries	51,157	47,155
Defined contribution superannuation expense	3,904	3,582
Employee entitlements	3,724	3,221
Total employee benefits expense	58,785	53,958
Operating lease rentals:		
Minimum lease payments	9,619	8,929
Contingent rentals	855	936
Total rent expense relating to operating leases	10,474	9,865
Net loss on disposal of property, plant and equipment	30	2
KFC franchise rights written off (i)	0	3,732
Inventory write-downs and other losses	19	29
Costs of the IPO expensed (i)	0	8,614

(i) In the previous corresponding period these items of income and expenditure were considered non-recurring in nature and arose as part of the restructure of the Group and its related parties in the lead up to, and in association with, the initial public offering of Collins Foods Limited.

	Consolidated	
	Period ended 14 October 2012	Period ended 16 October 2011
	$000	$000
Note 5. Income tax		
Income tax expense / (benefit)		
Current tax	3,747	75
Deferred tax	(423)	(8,652)
Under / (over) provided in prior years	6	(151)
	3,330	(8,728)
Income tax expense / (benefit) is attributable to:		
Profit / (loss) from continuing operations (i)	3,330	(8,728)
Aggregate income tax expense / (benefit)	3,330	(8,728)

(i) The previous corresponding period tax benefit included $6.2 million associated with the IPO and capital restructuring costs which were non recurring in nature.

Numerical reconciliation of income tax expense / (benefit) to prima facie tax payable / (receivable):

Profit / (loss) from continuing operations before income tax expense / (benefit)	10,760	(8,074)
Tax at the Australian tax rate of 30%	3,228	(2,422)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Non-deductible expenses	118	781
Withholding tax credits not brought to account	176	75
Non-assessable income received	(198)	(26)
Release of related party financial liabilities - borrowings	0	(3,201)
	3,324	(4,793)
Tax cost reset	0	(3,784)
Amounts under / (over) provided in prior years	6	(151)
Income tax expense / (benefit)	3,330	(8,728)

Note 6. Non-current assets - Property, plant and equipment

	Consolidated 14 October 2012 $000	Consolidated 29 April 2012 $000
Freehold Land		
Cost		
Opening balance	3,534	3,534
Additions	1,299	0
Transfers from construction in progress	72	0
Closing balance	4,905	3,534
Buildings		
Cost		
Opening balance	1,573	1,567
Additions	195	6
Transfers from construction in progress	11	0
Disposals	0	0
Closing balance	1,779	1,573
Accumulated depreciation		
Opening balance	(603)	(530)
Depreciation	(32)	(73)
Disposals	0	0
Closing balance	(635)	(603)
Net book value	1,144	970
Leasehold improvements		
Cost		
Opening balance	71,353	59,549
Additions	1,393	2,118
Transfers from construction in progress	2,169	10,206
Disposals	0	(520)
Closing balance	74,915	71,353
Accumulated depreciation		
Opening balance	(43,671)	(36,169)
Depreciation	(3,788)	(7,412)
Impairment charge	0	(567)
Disposals	0	477
Closing balance	(47,459)	(43,671)
Net book value	27,456	27,682
Plant and Equipment		
Cost		
Opening balance	56,295	42,977
Additions	1,589	4,620
Transfers from construction in progress	910	4,337
Transfers from equipment under finance lease	0	6,266
Disposals	0	(1,905)
Closing balance	58,794	56,295
Accumulated depreciation		
Opening balance	(32,203)	(22,474)
Depreciation	(3,312)	(6,612)
Impairment charge	0	(409)
Transfers from equipment under finance lease	0	(4,549)
Disposals	0	1,841
Closing balance	(35,515)	(32,203)
Net book value	23,279	24,092

Note 6. Non-current assets - Property, plant and equipment (continued)

	Consolidated 14 October 2012 $000	Consolidated 29 April 2012 $000
Equipment under finance lease		
Cost		
Opening balance	0	6,266
Additions	0	0
Transfers to plant and equipment	0	(6,266)
Disposals	0	0
Closing balance	0	0
Accumulated depreciation		
Opening balance	0	(4,358)
Depreciation	0	(191)
Transfers to plant and equipment	0	4,549
Disposals	0	0
Closing balance	0	0
Net book value	0	0
Construction in progress		
Cost		
Opening balance	1,271	2,381
Additions	5,966	13,442
Transfers to leasehold improvements and plant and equipment	(3,162)	(14,543)
Disposals	(30)	(9)
Closing balance	4,045	1,271
Total property, plant and equipment, net	60,829	57,549

Note 7. Non-current assets - Intangible assets

	Consolidated 14 October 2012 $000	Consolidated 29 April 2012 $000
Goodwill		
Cost		
Opening balance	211,565	210,675
Purchase of controlled entities	0	873
Foreign currency translation	20	17
Closing Balance	211,585	211,565
Net book value	211,585	211,565
Franchise rights		
Cost		
Opening balance	5,232	8,026
Additions	45	5,232
KFC franchise rights written off (i)	0	(8,026)
Closing balance	5,277	5,232
Accumulated amortisation		
Opening balance	(485)	(4,123)
KFC franchise rights written off	0	4,294
Amortisation	(177)	(473)
Impairment charge	0	(183)
Closing balance	(662)	(485)
Net book value	4,615	4,747
Sizzler brand - Australia		
Cost		
Opening balance	11,261	11,261
Closing balance	11,261	11,261
Accumulated amortisation		
Opening balance	(3,594)	(3,031)
Amortisation	(260)	(563)
Closing balance	(3,854)	(3,594)
Net book value	7,407	7,667

(i) Effective upon completion of the IPO a subsidiary of the Company entered into new KFC franchise arrangements with the franchisor, resulting in a requirement to write-off previously capitalised KFC franchise rights.

	Consolidated	
	14 October 2012 $000	29 April 2012 $000

Note 7. Non-current assets - Intangible assets (continued)

	14 October 2012 $000	29 April 2012 $000
Sizzler brand - Asia		
Cost		
Opening balance	12,315	0
Purchase of controlled entities	0	12,080
Foreign currency translation	280	235
Closing balance	12,595	12,315
Accumulated amortisation		
Opening balance	(476)	0
Foreign currency translation	(11)	0
Amortisation	(291)	(476)
Closing balance	(778)	(476)
Net book value	11,817	11,839
Total intangible assets, net	235,424	235,818

Note 8. Non-current assets - Receivables

	14 October 2012 $000	29 April 2012 $000
Loans to related parties	5	286
Security deposits	36	31
	41	317

Note 9. Non-current liabilities - Borrowings

	14 October 2012 $000	29 April 2012 $000
Bank loan	105,000	105,000
Fees on bank loan - capitalised	(414)	(520)
Total non-current liabilities - Borrowings	104,586	104,480

Note 10. Contributed equity

		Parent Entity		
		Shadow Equity $000's	**Share Capital $000's**	**Total Equity $000's**
Balance	1 May, 2011	6,611	48,919	55,530
Shares issued during the period (i)	4 August, 2011	0	131,993	131,993
Capital reconstruction (ii)	4 August, 2011	(6,611)	6,611	0
Less capital raising costs (net of tax)	4 August, 2011	0	(5,425)	(5,425)
Balance	29 April, 2012	0	182,098	182,098
Balance	14 October, 2012	0	182,098	182,098

(i) Proceeds from share issue $201.7m less repurchase of shares $69.7m (including $60.4 million paid in cash consideration on 4 August, 2011 and $9.4 million paid on 12 July, 2012 (refer Consolidated Statement of Cash Flows)).

(i) Refer note 1

	Parent Entity	
	14 October 2012 Shares	**29 April 2012 Shares**
Share capital		
Ordinary shares - fully paid	93,000,003	93,000,003
	93,000,003	93,000,003

Note 11. Dividends

	Consolidated	
	Period ended 14 October 2012 $000	**Period ended 16 October 2011 $000**
(a) Ordinary shares		
Dividends provided for or paid during the half-year	6,045	0
(b) Dividends not recognised at the end of the half-year		
In addition to the above dividends, since the end of the half year the directors have recommended the payment of an interim dividend of 4.0 cents per fully paid ordinary share (prior half year - nil), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 21 December 2012 out of retained earnings at 14 October 2012, but not recognised as a liability at the end of the half year, is	3,720	0

Note 12. Business combinations

Summary of acquisition

On 4 August, 2011, CFG Finance Pty. Limited, a subsidiary of the Company, acquired 100% of the issued share capital of SingCo Trading Pte Ltd for one dollar. The primary reason for the acquisition was was to ensure the Group has control of all Sizzler trademarks in the Australasian region.

The assets and liabilities arising from the acquisition are as follows:

	Fair Value $000
Cash	502
Receivables	338
Other intangibles - Sizzler brand	12,080
Interest in associate	414
Trade and other payables	(12,153)
Deferred tax liability, net	(2,054)
Net identifiable (liabilities) acquired	(873)
Goodwill	873

Acquisition - related costs

Nominal acquisition related costs were incurred in the purchase of SingCo Trading Pte Ltd and are included in administration expenses in the Consolidated Income Statement.

Revenue and profit contribution

The acquired business contributed revenues of $1.1 million and net profit of $0.5 million to the Group for the period 30 April 2012 to 14 October 2012. During the period from 4 August 2011 to 16 October 2011, the acquired business contributed revenues of $0.6 million and net profit of $0.01 million to the Group. If the acquisition had occurred on 2 May 2011, the contributed revenue for the half year ended 16 October 2011 would have been $1.2 million with a corresponding net loss of $0.2 million (after intercompany interest of $0.7 million).

Note 13. Earnings per share

Due to the capital reconstruction accounted for using the principles of reverse acquisition referred to in note 1, the capital structure of the Group changed on 4 August 2011. Immediately prior to the IPO there were 5,397,214,219 Collins Foods Holdings Pty Limited shares and shadow equity units which represented shares on issue. Following the IPO there were 93,000,003 Collins Foods Limited shares on issue. For the previous corresponding period, the weighted average number of shares was calculated using an exchange ratio as defined in the relevant accounting standard relevant to the transaction's share price to determine the number of equivalent and relevant shares outstanding from the start of the previous corresponding period to 4 August 2011.

Collins Foods Limited

ACN 151 420 781

Directors' Declaration

In the directors' opinion:

a) the financial statements and notes set out on pages 5 to 21 are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 14 October 2012 and of its performance for the half-year ended on that date, and

b) there are reasonable grounds to believe that Collins Foods Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Dated Brisbane: 30 November, 2012

Russell Tate

pwc

Auditor's Independence Declaration

As lead auditor for the review of Collins Foods Limited for the half year ended 14 October 2012, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Collins Foods Limited and the entities it controlled during the period.

Steven Bosiljevac
Partner
PricewaterhouseCoopers

Brisbane
30 November 2012

Independent auditor's review report to the members of Collins Foods Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Collins Foods Limited, which comprises the balance sheet as at 14 October 2012, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Collins Foods Limited Group (the consolidated entity). The consolidated entity comprises both Collins Foods Limited the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 14 October 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor Collins Foods limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

pwc

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Collins Foods Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 14 October 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the Company for the half-year ended 14 October 2012 included on Collins Foods Limited's web site. The company's directors are responsible for the integrity of the Collins Foods limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Steven Bosiljevac

Steven Bosiljevac
Partner

Brisbane
30 November 2012