# Burger King Worldwide, Inc.
# Second Quarter 2013 Earnings Conference Call

**July 31, 2013**

# Safe Harbor Statement

Certain statements made in this presentation that reflect management's expectations regarding future events and economic performance are forward-looking in nature and, accordingly, are subject to risks and uncertainties. These forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties. These forward-looking statements include (1) statements about the Company's expectations and belief regarding its ability to successfully leverage the strength of the BURGER KING® brand while maximizing value for franchisees and shareholders; (2) its expectations and belief regarding its ability continue to generate sustainable long-term growth; (3) its expectations and belief about its ability to upgrade 40% of U.S. and Canada system units to a modern image by 2015; (4) its expectations and belief regarding its ability to realign the menu in the Mexico market and drive traffic in the second half of 2013; (5) its expectations and belief about the benefits of a fully-franchised business model and the ability of this model to improve the profitability of the BURGER KING® system globally; and (6) its expectations and belief regarding its ability to complete its refranchising initiative by the end of 2013. The factors that could cause actual results to differ materially from the Company's expectations are detailed in the Company's filings with the Securities and Exchange Commission, such as its annual and quarterly reports and current reports on Form 8-K,and include the following: risks related to the Company's ability to successfully implement its domestic and international growth strategy; risks related to global economic or other business conditions that may affect the desire or ability of customers to purchase the Company's products; risks related to the financial strength of the Company's franchisees; risks related to the Company's substantial indebtedness; risks related to the Company's ability to compete domestically and internationally in an intensely competitive industry; and risks related to the effectiveness of the Company's marketing and advertising programs. In addition, the Company's expectations regarding the benefits of a fully-franchised business model are subject to a number of risks, such as its limited influence over franchisees and reliance on franchisees to implement major initiatives, limited ability to facilitate changes in restaurant ownership, limitations on enforcement of franchise obligations due to bankruptcy or insolvency proceedings and inability or unwillingness of franchisees to participate in the Company's strategic initiatives.

These risks are not exhaustive and may not include factors which could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for 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. We do not undertake any responsibility to update any of these forward-looking statements to conform our prior statements to actual results or revised expectations.

This presentation also includes non-GAAP financial measures as defined in Regulation G, including EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted EPS, TTM Adjusted EBITDA, Net Debt-to-TTM Adjusted EBITDA ratio, and Organic revenue and Organic Adjusted EBITDA. The reconciliations of these non-GAAP financial measures to their most comparable GAAP financial measures and other information required by Regulation G are included in the appendix to this presentation.

# Agenda

Highlights

Business Strategy

Performance Update

Financial Results

Summary

Q&A

# Second Quarter Highlights

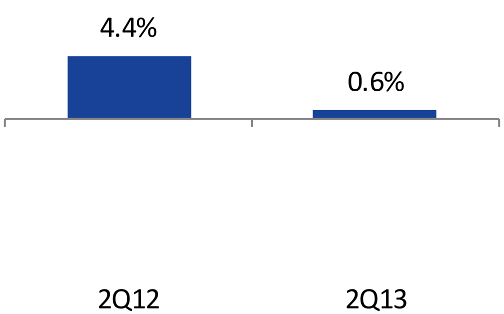
- Grew system-wide sales by +3%[(1)] and comparable sales by +0.6%[(1)], driven by continued growth in EMEA and APAC
- Increased adjusted diluted EPS[(2)] by +20% to $0.21 and adjusted organic EBITDA[(2)(3)] by +3% to $162.5 million
- Refranchised 305 restaurants in Q2, successfully reaching target business model in U.S. and Canada and LAC
- Accelerated international growth with 522 TTM net new restaurant openings, a +95% increase over the prior year
- Announced $0.06 cash dividend for Q3

1) System-wide sales and comparable sales shown on constant currency basis.
2) See Appendix for reconciliation to most comparable GAAP numbers.
3) Excludes impact of refranchisings and currency movements.

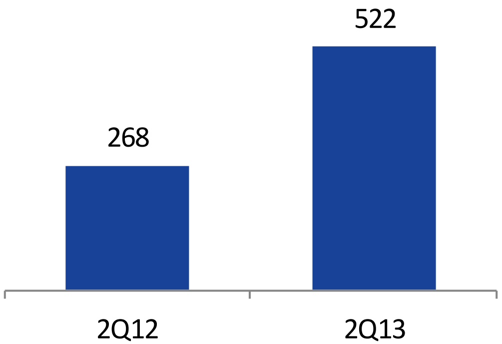
# Growth Highlights

## Q2 2013 Growth Highlights

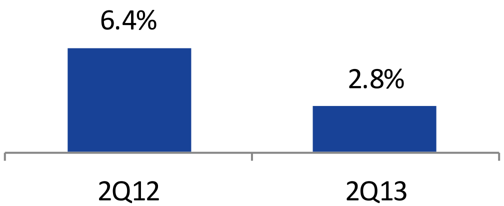
**System-wide Comparable Sales Growth (1)**




**TTM Net Restaurant Growth**




**System-wide Sales Growth (1)**

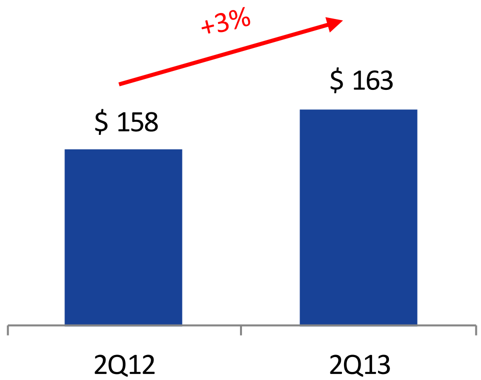



1) In constant currency

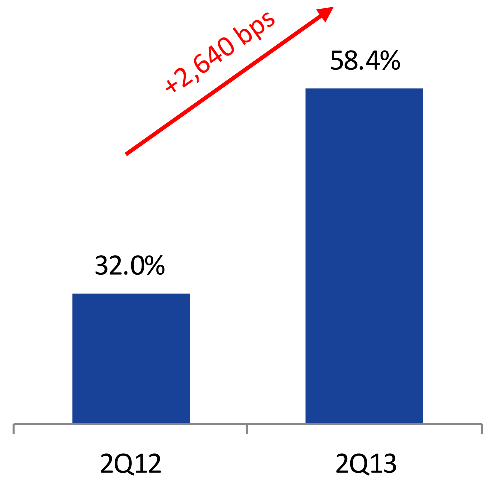
# Profitability Highlights

## Q2 2013 Profitability Highlights

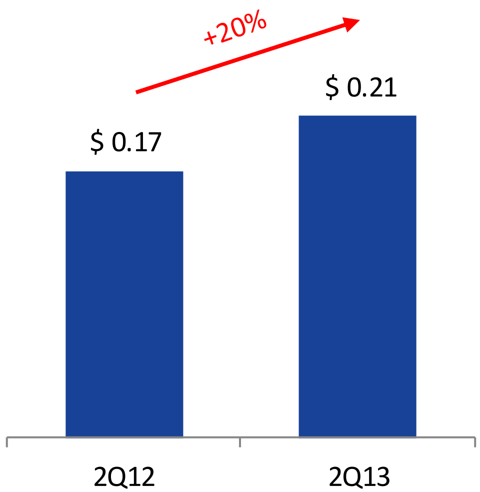
### Organic Adjusted EBITDA(1)




### Adjusted EBITDA Margin(1)




### Adjusted Diluted EPS(1)




1) See Appendix for reconciliation to most comparable GAAP numbers.

# Business Strategy

| STRATEGY | INITIATIVES | |
|---|---|---|
| **U.S. & Canada**<br>Increase average unit sales with Four Pillars plan | Menu | Marketing Communications |
| | Image | Operations |
| **International**<br>Accelerate NRG and continued SSS growth | Accelerate growth of Master Franchise JVs and Development Agreements | |
| | Capitalize on emerging middle class consumer spending and under-penetration of the BURGER KING® brand | |
| **Global Refranchising** | Create a brand-focused highly cash flow generative business | |

# Business Strategy: 4 Pillars – Menu & Marketing

- Continued focus on innovative new products, particularly Q2 seasonal offerings, to drive sales and traffic
- Focused marketing message with food-centric advertisements to appeal to all demographics using the tagline: TASTE IS KING®
- Balanced marketing approach:
  - Promotions support ongoing awareness of new menu platforms and drive traffic
  - Premium LTOs support the BURGER KING® brand and customer check to increase franchise profitability

**Value Promotions + Premium LTOs =**
**A balanced approach to driving positive profitable traffic**

| Value: Drive Traffic | Premium: Build Brand and Check |
| --- | --- |

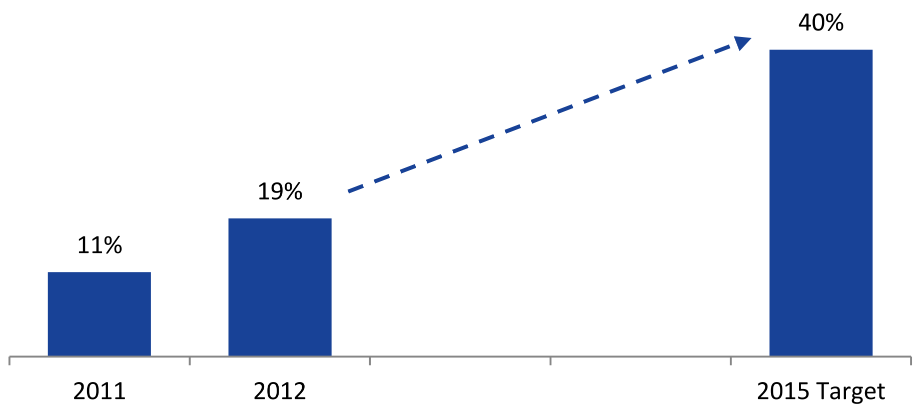





# Business Strategy: 4 Pillars – Image

- **Goal is to have 40% of U.S. and Canada system units on a modern image by 2015**
- Approximately 600 units re-imaged in 2012, and currently building pipeline to hit target by 2015
- Average re-imaging costs are approximately $300,000 per restaurant
- Re-imaged restaurants continue to experience an average sales uplift of 10-15%
- Continue to work on initiatives to reduce upgrade costs and improve image elements

**2015 Re-image Target**

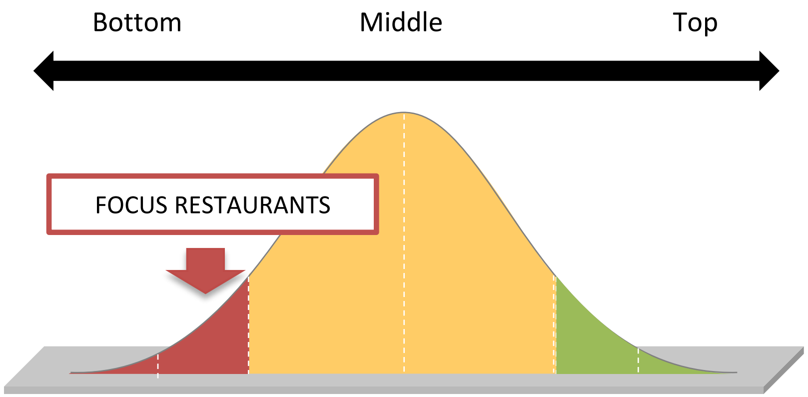



**20/20 Restaurant Re-image**

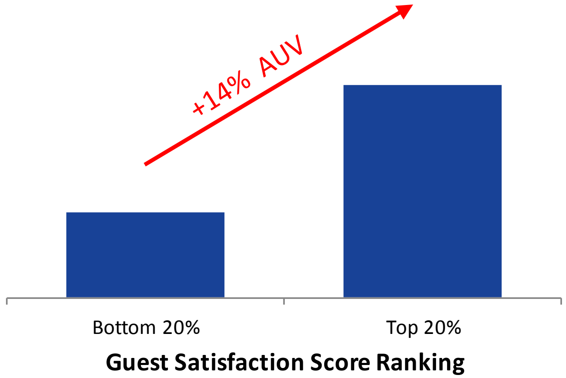

# Business Strategy: 4 Pillars – Operations

- Operations Performance Index ("OPI") is used to identify restaurant performance gaps and prioritize focus of coaches' visits
- "Sales, Profit and Operations Coaches", or "SPOC", increased visit frequency to lower-performing restaurants, resulting in positive impact in 1H and narrowing the gap between the bottom and top third
- Coaches focus on few, high-impact priorities per restaurant to steadily improve weakest area of operations. Increased focus on cleanliness in Q2 with over half the restaurants working towards improving results
- Increased touch-points with coaches through standardized training – 4 million+ BK Guru online training course completions in first half of 2013

## Identify Bottom Performing Restaurants

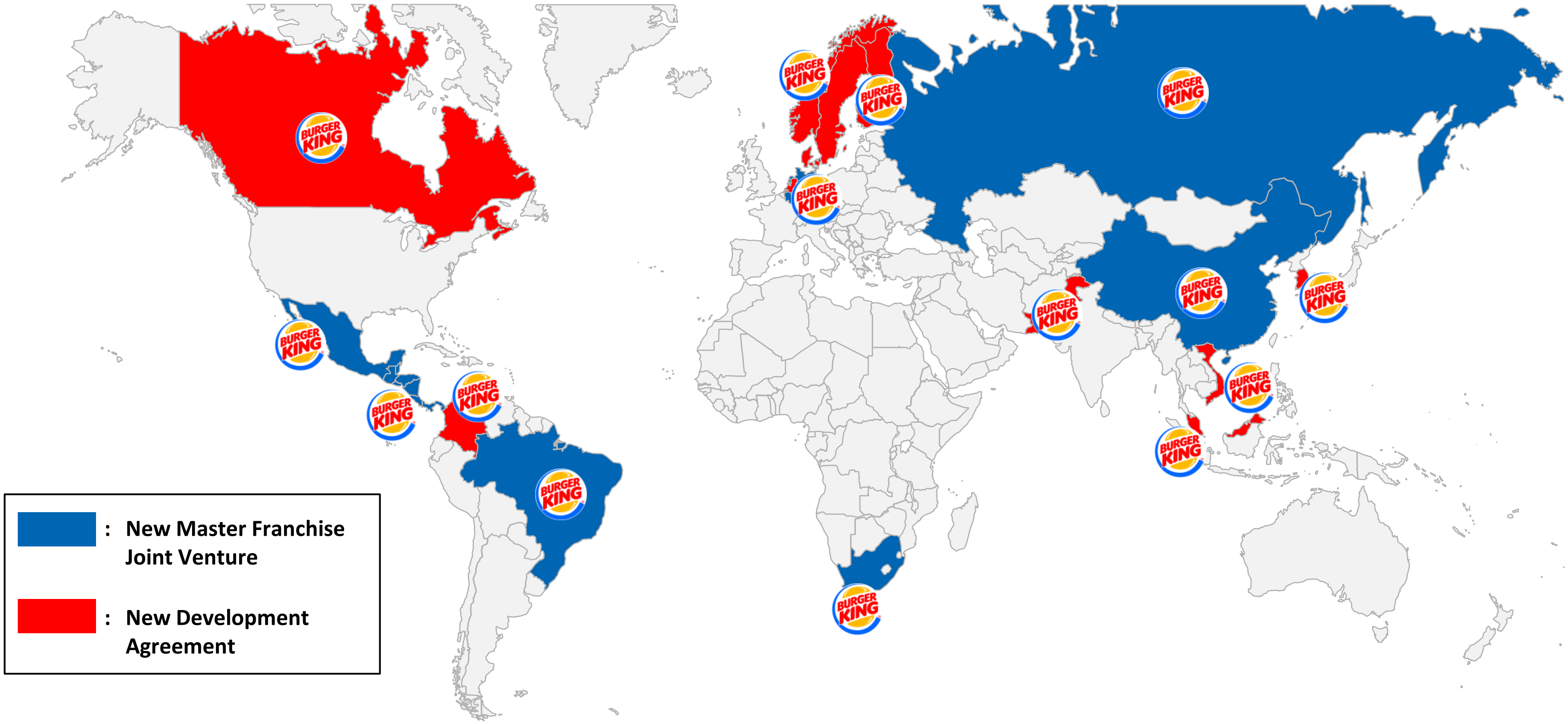



## AUV in Top Guest Satisfaction Restaurants



# Business Strategy: International Development

- Over the past two years we have successfully entered into international development and joint venture agreements that lay the foundation for sustainable long-term unit development
- During Q2 2013, we signed new master franchise and development agreements in Mexico, Canada and Pakistan and a development agreement in Germany



# Business Strategy: Global Refranchising

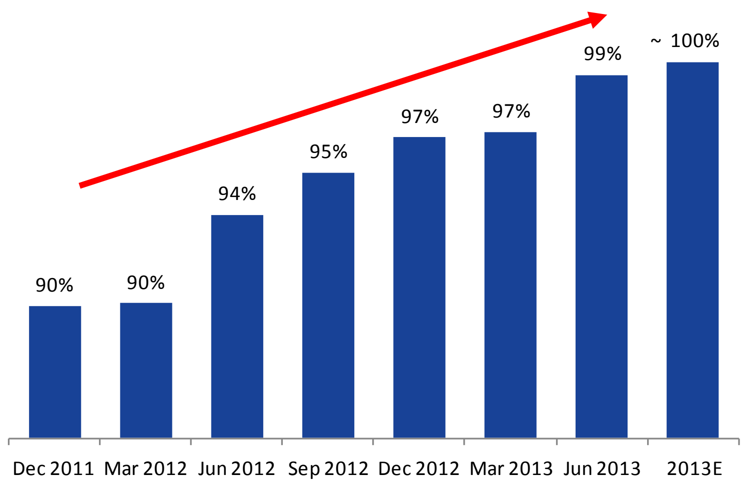
## Refranchising Updates

- Refranchised 305 restaurants in Q2
- Brings the U.S. and Canada and LAC to their target business models; APAC has already achieved its target business model

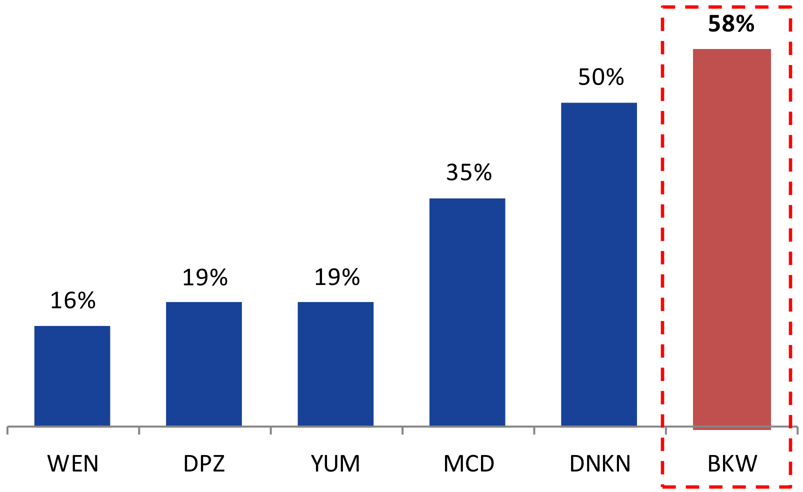
## Benefits of a Fully-Franchised Business Model

- Leverages strength of the BURGER KING® brand
- Accelerates international expansion
- Strengthens relationships with franchisees
- Helps drive new restaurant upgrades
- Streamlines our cost structure and improves margins
- Maximizes capital efficiency
- Enhances free cash flow profile

## Percentage of Franchise Restaurants




## QSR Peer EBITDA Margin Comparison(1)(2)




1) Peer EBITDA margins calculated for most recent reported quarter based on public filings.
2) Shows BKW Adjusted EBITDA margin. See Appendix for reconciliation to most comparable GAAP numbers.

# Performance Update – U.S. and Canada

## Q2 Highlights

- Comparable sales growth declined slightly due to a challenging macroeconomic environment and strong prior year quarter when we launched the largest expansion of menu items in the history of the brand
  - Lapped April 2012 where we unveiled a major celebrity media campaign to promote new menu items
- Value promotions, such as the "2 for $5" special, $1.29 WHOPPER Jr.®, and 50 cent cone helped drive traffic
- Refranchised 94 restaurants in Canada, successfully achieving our target business model in the region. 52 restaurants in the Miami area will remain company-owned
- Delivered positive momentum towards meeting restaurant re-imaging targets

## Q2 Key Performance Indicators

| *($ in millions)* | Q2 2013 | Q2 2012 | Δ |
|---|---|---|---|
| Comparable Sales Growth | (0.5%) | 4.4% | |
| System Sales Growth | (0.1%) | 3.9% | |
| Net Restaurant Growth | (31) | (19) | (12) |
| Adj. EBITDA[(1)] | $ 111.5 | $ 129.4 | (6.4%) |
| Adj. EBITDA Margin % | 67.9% | 36.2% | 3,170 bps |

1) Adj. EBITDA Δ shown on organic growth basis. See Appendix for reconciliation to most comparable GAAP numbers.

# Performance Update – EMEA

## Q2 Highlights

- Tenth consecutive quarter of positive comparable sales growth at +2.9%
- Strength in Germany and Russia drove comparable sales growth
- Germany comparable sales growth driven by Steakhouse Gold premium burgers at the beginning of the quarter balanced by "Trial Weeks" LTOs later in the quarter
- UK and Spain have proven resilient as strong value promotions have offset macroeconomic headwinds
- TTM net restaurant growth of 249, led by new restaurant openings in Russia and Turkey

## Q2 Key Performance Indicators

| *($ in millions)* | Q2 2013 | Q2 2012 | Δ |
|---|---|---|---|
| Comparable Sales Growth | 2.9% | 3.3% | |
| System Sales Growth | 7.1% | 12.7% | |
| Net Restaurant Growth | 71 | 45 | 26 |
| Adj. EBITDA[1] | $ 45.0 | $ 42.8 | 9.3% |
| Adj. EBITDA Margin % | 54.3% | 35.9% | 1,840 bps |

1) Adj. EBITDA Δ shown on organic growth basis. See Appendix for reconciliation to most comparable GAAP numbers.

# Performance Update – LAC

## Q2 Highlights

- Negative comparable sales growth of (2.2%) due to underperformance in Puerto Rico and Mexico
- Value promotions, such as the $2 Sandwich and $3.99 Daily Deal, partially offset competitive pressures in Puerto Rico
- Realigning Mexico menu and promotional strategy
- Comparable sales in Brazil were relatively flat due to a challenging prior year comparison and temporary store closures due to protests
- Achieved +5.3% system sales growth from 169 TTM net restaurant openings
- Completed successful refranchising of the LAC region

## Q2 Key Performance Indicators

| *($ in millions)* | Q2 2013 | Q2 2012 | Δ |
|---|---|---|---|
| Comparable Sales Growth | (2.2%) | 10.5% | |
| System Sales Growth | 5.3% | 9.4% | |
| Net Restaurant Growth | 26 | 27 | (1) |
| Adj. EBITDA[(1)] | $ 15.5 | $ 17.1 | 7.1% |
| Adj. EBITDA Margin % | 88.6% | 52.9% | 3,570 bps |

1) Adj. EBITDA Δ shown on organic growth basis. See Appendix for reconciliation to most comparable GAAP numbers.

# Performance Update – APAC

## Q2 Highlights

- Positive comparable sales growth of +3.9%, driven by continued strength in Australia and Korea
- “Stunner” and “Penny Pincher” promotions yielded strong traffic in Australia
- Realized system sales growth of +7.4% partially driven by 156 TTM net restaurant openings
- The majority of new openings occurred in China, where we are introducing more taste relevant and price competitive offerings
- Signed 5-year master franchise and development agreement to enter Pakistan with experienced operator

## Q2 Key Performance Indicators

| *($ in millions)* | Q2 2013 | Q2 2012 | Δ |
|---|---|---|---|
| Comparable Sales Growth | 3.9% | 2.1% | |
| System Sales Growth | 7.4% | 2.1% | |
| Net Restaurant Growth | 59 | 17 | 42 |
| Adj. EBITDA[(1)] | $ 11.4 | $ 11.0 | 4.5% |
| Adj. EBITDA Margin % | 82.6% | 34.8% | 4,780 bps |

1) Adj. EBITDA Δ shown on organic growth basis. See Appendix for reconciliation to most comparable GAAP numbers.

# Financial Results

| ($ in millions, unless otherwise indicated) | Q2 2013 | Q2 2012 | Reported Growth | Organic Growth |
|---|---|---|---|---|
| Revenue | $ 278 | $ 541 | (49%) | 1% |
| Adjusted EBITDA(1) | 163 | 173 | (6%) | 3% |
| Adjusted EBITDA Margin % | 58.4% | 32.0% | 2,642 bps | |
| Adjusted Net Income(1) | 74 | 61 | 21% | |
| Adjusted Diluted EPS(1) | $ 0.21 | $ 0.17 | 20% | |

1) See Appendix for reconciliation to most comparable GAAP numbers.

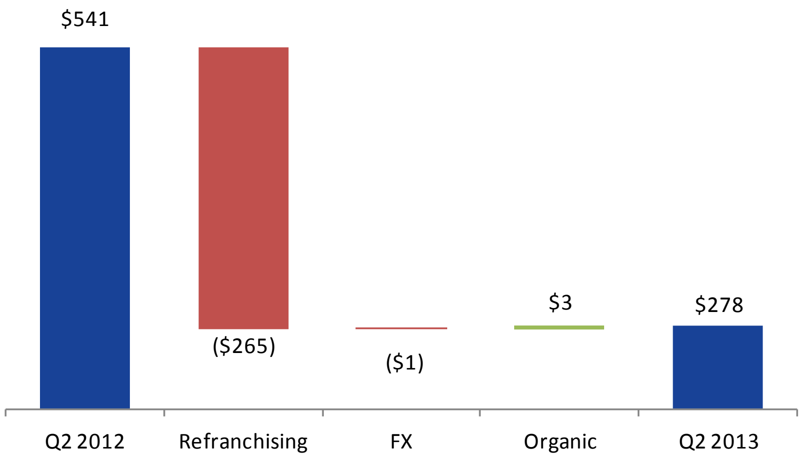
# Financial Results – Organic Growth

### *YoY Revenue Up +1% on Organic Basis*

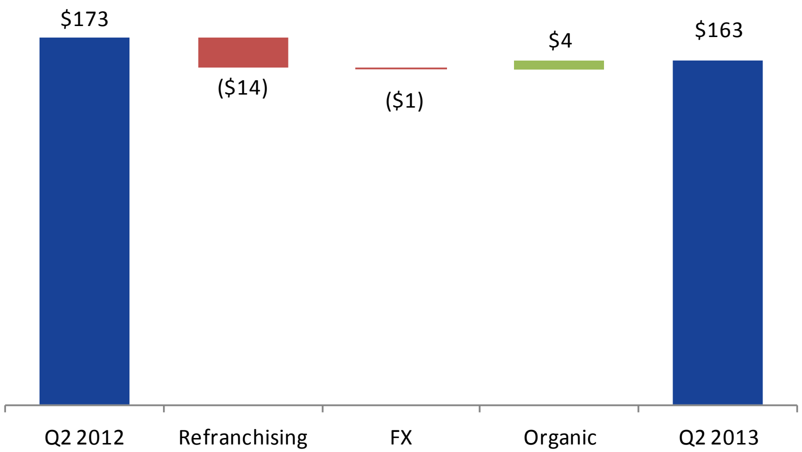
### *YoY Adjusted EBITDA Up +3% on Organic Basis*

**Organic Revenue Bridge[1] – Q2 2013 vs. Q2 2012**

*($ in millions)*




**Adj. EBITDA Bridge[1] – Q2 2013 vs. Q2 2012**



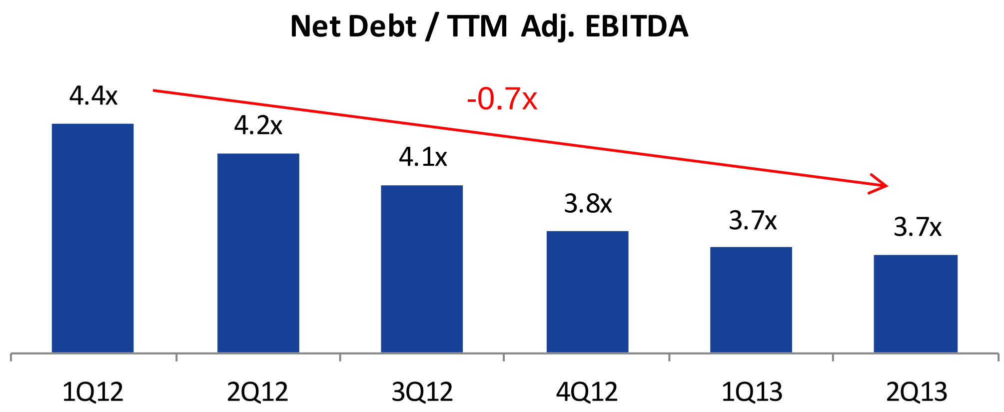

1) See Appendix for reconciliation to most comparable GAAP numbers.

# Financial Results – Balance Sheet

*($ in millions, at end of period)*

| Balance Sheet | Q2 2013 | FY2012 |
|---|---|---|
| Total Gross Debt | $3,045 | $3,049 |
| Cash and Cash Equivalents | $654 | $547 |
| Total Net Debt | $2,391 | $2,503 |

## Deleveraging Over Last 18 Months[1]




1) See Appendix for reconciliation to most comparable GAAP numbers.

# Capital Allocation

- **Continue to return capital to shareholders, demonstrating our confidence in BKW's business plan and ability to execute**

- Announced continuation of $0.06 per share dividend for Q3
  - Payable on August 30, 2013 to shareholders of record at the close of business on August 15, 2013

# Platform for Consistent Free Cash Flow Growth

*In Q2, BKW successfully delivered on all levers of free cash flow growth*

**Comparable Sales Growth**

- Grew by +0.6% in Q2

×

**Net Restaurant Growth**

- 522 net unit openings over TTM, a +95% increase over prior year

=

**System-wide Sales Growth**

- Grew by +2.8% in Q2

+

**G&A Cost Management**

- $5.0MM yoy improvement
- Zero-Based Budgeting

+

**Capital Efficiency**

- $1.3MM of Q2 CapEx (<0.5% % of sales)

=

**Consistent Free Cash Flow Growth**

Disciplined capital allocation:

1. Deleverage: net leverage down to 3.7x
2. Pay Dividends: $0.06 per share
3. Repurchase shares: $200MM authorization

# Q2 2013 Summary

- Improvement in Q2 due to strong execution of business strategy
- Introducing innovative new menu items and value-oriented promotions to drive traffic and comparable sales
- Accelerating international expansion to tap attractive markets
- Completing transition to a more scalable and financially attractive fully-franchised business model
- Creating a platform for consistent, high-quality free cash flow growth

# Q&A

# Appendix

# Use of Non-GAAP Financial Measures

Below, we define the non-GAAP financial measures, provide a reconciliation of each non-GAAP financial measure to the most directly comparable financial measure calculated in accordance with GAAP, and discuss the reasons that we believe this information is useful to management and may be useful to investors. These measures may differ from similarly captioned measures of other companies in our industry.

Non-GAAP Measures:

To supplement its condensed consolidated financial statements presented on a U.S. Generally Accepted Accounting Principles ("GAAP") basis, the Company reports the following non-GAAP financial measures: EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, net debt, TTM Adjusted EBITDA, net debt to TTM Adjusted EBITDA ratio, Organic revenue growth and Organic Adjusted EBITDA growth. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by reported revenue.

EBITDA is defined as earnings (net income or loss) before interest, taxes, depreciation and amortization, and is used by management to measure operating performance of the business.

Adjusted EBITDA is defined as EBITDA excluding the impact of share-based compensation and non-cash incentive expense, other operating (income) expenses, net, and all other specifically identified costs associated with non-recurring projects, including global portfolio realignment project costs and Business Combination Agreement expenses. Share-based compensation and non-cash incentive compensation expense for the 2012 periods have been adjusted to be comparable to the 2013 presentation to reflect the portion of annual non-cash incentive compensation that eligible employees elected to receive as common equity in lieu of their 2012 cash bonus. 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.

Adjusted Net Income is defined as net income excluding the impact of those same items excluded from Adjusted EBITDA. Adjusted Diluted EPS is calculated by dividing Adjusted Net Income by the number of diluted shares of the Company during the reporting period. Adjusted Net Income and Adjusted Diluted EPS are used by management to evaluate the core operating performance. Net debt to TTM Adjusted EBITDA ratio is used by management to evaluate the Company's current and prospective financial position.

Organic revenue growth and Organic Adjusted EBITDA growth are non-GAAP measures that exclude both FX Impact and net refranchisings. Management believes that organic growth is an important metric for measuring the core operating performance of the business as it excludes the impact of our refranchising activities and foreign currency exchange rates.

# Net Income to EBITDA and Adj. EBITDA

| *EBITDA and Adjusted EBITDA* | Three Months Ended June 30, 2013 | Three Months Ended June 30, 2012 | Six Months Ended June 30, 2013 | Six Months Ended June 30, 2012 |
|---|---|---|---|---|
| | (In millions) | | (In millions) | |
| **Net income** | **$ 62.9** | **$ 48.2** | **$ 98.7** | **$ 62.5** |
| Interest expense, net | 50.0 | 57.2 | 99.1 | 116.3 |
| Loss on early extinguishment of debt | - | 7.7 | - | 11.2 |
| Income tax expense | 20.3 | 14.8 | 37.8 | 22.0 |
| Depreciation and amortization | 16.0 | 33.4 | 32.6 | 67.4 |
| **EBITDA** | **149.2** | **161.3** | **268.2** | **279.4** |
| **Adjustments:** | | | | |
| Share-based compensation and non-cash incentive compensation expense (1) | 3.2 | 1.2 | 5.9 | 3.5 |
| Other operating expense (income), net | 0.3 | (17.1) | 14.5 | (4.1) |
| Global portfolio realignment project costs (5) | 9.8 | 9.4 | 18.9 | 13.1 |
| Business combination agreement expenses (6) | - | 18.1 | - | 25.1 |
| **Total adjustments** | **13.3** | **11.6** | **39.3** | **37.6** |
| **Adjusted EBITDA** | **$ 162.5** | **$ 172.9** | **$ 307.5** | **$ 317.0** |

# TTM EBITDA and TTM Adjusted EBITDA

| *EBITDA and Adjusted EBITDA* | Twelve Months Ended March 31, 2012 | June 30, 2012 | Sept. 30, 2012 | Dec. 31, 2012 | March 31, 2013 | June 30, 2013 |
|---|---|---|---|---|---|---|
| | (In millions) | | | | | |
| **Net income** | **$ 108.3** | **$ 126.3** | **$ 94.1** | **$ 117.7** | **$ 139.2** | **$ 153.9** |
| Interest expense, net | 235.6 | 236.7 | 234.6 | 223.8 | 213.8 | 206.6 |
| Loss on early extinguishment of debt | 5.0 | 12.7 | 35.7 | 34.2 | 30.7 | 23.0 |
| Income tax expense | 33.7 | 35.8 | 29.3 | 42.0 | 52.3 | 57.8 |
| Depreciation and amortization | 135.4 | 135.0 | 129.3 | 113.7 | 96.3 | 78.9 |
| **EBITDA** | **518.0** | **546.5** | **523.0** | **531.4** | **532.3** | **520.2** |
| **Adjustments:** | | | | | | |
| Share-based compensation and non-cash incentive compensation expense (1) | 8.5 | 9.3 | 11.6 | 10.2 | 10.6 | 12.6 |
| Other operating expenses (income), net | 16.5 | (5.3) | 27.7 | 53.3 | 54.5 | 71.9 |
| 2010 Transaction costs (2) | 2.9 | 2.6 | 1.6 | - | - | - |
| Global restructuring and related professional fees (3) | 34.3 | 24.3 | 13.8 | - | - | - |
| Field optimization project costs (4) | 10.6 | 8.9 | 3.4 | - | - | - |
| Global portfolio realignment project costs (5) | 11.3 | 20.7 | 27.2 | 30.2 | 35.6 | 36.0 |
| Business combination agreement expenses (6) | 7.0 | 25.1 | 25.7 | 27.0 | 20.0 | 1.9 |
| **Total adjustments** | **91.1** | **85.6** | **111.0** | **120.7** | **120.7** | **122.4** |
| **TTM Adjusted EBITDA** | **$ 609.1** | **$ 632.1** | **$ 634.0** | **$ 652.1** | **$ 653.0** | **$ 642.6** |

# Reconciliation of Net Income to Adj. Net Income

| *Adjusted Net Income* | Three Months Ended June 30, 2013 | Three Months Ended June 30, 2012 | Six Months Ended June 30, 2013 | Six Months Ended June 30, 2012 |
|---|---|---|---|---|
| | (In millions, except per share data) | | | |
| **Net income** | **$ 62.9** | **$ 48.2** | **$ 98.7** | **$ 62.5** |
| Income tax expense | 20.3 | 14.8 | 37.8 | 22.0 |
| **Income before income taxes** | 83.2 | 63.0 | 136.5 | 84.5 |
| **Adjustments:** | | | | |
| Franchise agreement amortization | 5.0 | 5.1 | 10.2 | 10.3 |
| Amortization of deferred financing costs and original issue discount | 2.7 | 3.5 | 5.2 | 7.0 |
| Loss on early extinguishment of debt | - | 7.7 | - | 11.2 |
| Other operating expenses (income), net | 0.3 | (17.1) | 14.5 | (4.1) |
| Global portfolio realignment project costs (5) | 9.8 | 9.4 | 18.9 | 13.1 |
| Business combination agreement expenses (6) | - | 18.1 | - | 25.1 |
| **Total adjustments** | **17.8** | **26.7** | **48.8** | **62.6** |
| **Adjusted income before income taxes** | **101.0** | **89.7** | **185.3** | **147.1** |
| Adjusted income tax expense (7) | 26.6 | 28.4 | 50.8 | 46.0 |
| **Adjusted net income** | **$ 74.4** | **$ 61.3** | **$ 134.5** | **$ 101.1** |
| **Adjusted Diluted EPS** | **$ 0.21** | **$ 0.17** | **$ 0.38** | **$ 0.29** |
| Diluted Weighted Average Shares | 357.7 | 354.6 | 357.4 | 352.5 |

# Net Debt to TTM Adjusted EBITDA

| *Net Debt to Adjusted EBITDA* | March 31, 2012 | June 30, 2012 | Sept. 30, 2012 | Dec. 31, 2012 | March 31, 2013 | June 30, 2013 |
|---|---|---|---|---|---|---|
| | (In millions, except ratios) | | | | | |
| Long term debt, net of current portion | $ 2,963.4 | $ 2,911.7 | $ 2,910.5 | $ 2,905.1 | $ 2,900.0 | $ 2,895.3 |
| Capital leases, net of current portion | 119.4 | 106.1 | 98.0 | 88.4 | 84.4 | 80.8 |
| Current portion of long term debt and capital leases | 36.6 | 35.9 | 50.0 | 55.8 | 62.2 | 68.5 |
| **Total Debt** | **3,119.4** | **3,053.7** | **3,058.5** | **3,049.3** | **3,046.6** | **3,044.6** |
| Cash and cash equivalents | 430.6 | 377.7 | 482.8 | 546.7 | 598.8 | 654.1 |
| Net debt | 2,688.8 | 2,676.0 | 2,575.7 | 2,502.6 | 2,447.8 | 2,390.5 |
| TTM adjusted EBITDA | 609.1 | 632.1 | 634.0 | 652.1 | 653.0 | 642.6 |
| **Net debt / TTM Adjusted EBITDA** | **4.4x** | **4.2x** | **4.1x** | **3.8x** | **3.7x** | **3.7x** |

# Footnotes to Reconciliation Tables

(1) Represents share-based compensation expense associated with employee stock options, and for the periods indicated, also includes the portion of annual non-cash incentive compensation that eligible employees elected to receive as common equity in lieu of their 2013 and 2012 cash bonus, respectively.

(2) Represents expenses incurred related to 3G's acquisition of Burger King Holdings, Inc., the Company's indirect wholly-owned subsidiary, in October 2010.

(3) Represents severance benefits, other severance-related costs incurred in connection with the Company's global restructuring efforts, the voluntary resignation severance program offered for a limited time to eligible employees based at its Miami headquarters and additional reductions in corporate and field positions in the U.S. This restructuring plan was completed in 2011.

(4) Represents severance-related costs, compensation costs for overlapping staffing, travel expenses, consulting and training costs incurred in connection with the Company's efforts to expand and enhance its U.S. field organization. This project was completed in 2011.

(5) Represents costs associated with an ongoing project to realign the Company's global restaurant portfolio by refranchising Company-owned restaurants and establishing strategic partners and joint ventures to accelerate development. These costs primarily include severance related costs and fees for professional services.

(6) Represents share-based compensation expense related to awards granted during the three months ended March 31, 2012 resulting from the increase in equity value of Burger King Worldwide Holdings, Inc. implied by the business combination agreement and professional fees and other transaction costs associated with the business combination agreement incurred in the periods indicated.

(7) Adjusted income tax expense for the periods indicated is calculated using the Company's statutory tax rate in the jurisdiction in which the costs were incurred.

# Q2 2013 Organic Growth

| | Actual | | Q2 '13 vs. Q2 '12 | | Refran. Impact | Adjusted Q2 '12 | Organic FX Impact (1) | Organic Growth | |
|---|---|---|---|---|---|---|---|---|---|
| *$ in millions* | Q2 '13 | Q2 '12 | $ | % | $ | $ | $ | $ | % |
| Calculation: | | A | B | | C | A+C=D | E | B-C-E=F | F/D |
| **Revenue** | | | | | | | | | |
| North America | $164.1 | $357.7 | ($193.6) | (54.1%) | ($189.4) | $168.3 | ($0.3) | ($3.9) | (2.3%) |
| EMEA | $82.9 | $119.2 | ($36.3) | (30.5%) | ($41.6) | $77.6 | $0.2 | $5.1 | 6.6% |
| LAC | $17.5 | $32.3 | ($14.8) | (45.8%) | ($15.3) | $17.0 | ($1.0) | $1.5 | 8.8% |
| APAC | $13.8 | $31.6 | ($17.8) | (56.3%) | ($18.3) | $13.3 | ($0.2) | $0.7 | 5.3% |
| Consolidated | $278.3 | $540.8 | ($262.5) | (48.5%) | ($264.6) | $276.2 | ($1.3) | $3.4 | 1.2% |
| **Adjusted EBITDA** | | | | | | | | | |
| North America | $111.5 | $129.4 | ($17.9) | (13.8%) | ($10.2) | $119.2 | ($0.1) | ($7.6) | (6.4%) |
| EMEA | $45.0 | $42.8 | $2.2 | 5.1% | ($1.8) | $41.0 | $0.2 | $3.8 | 9.3% |
| LAC | $15.5 | $17.1 | ($1.6) | (9.4%) | ($1.7) | $15.4 | ($1.0) | $1.1 | 7.1% |
| APAC | $11.4 | $11.0 | $0.4 | 3.6% | $0.1 | $11.1 | ($0.2) | $0.5 | 4.5% |
| Unallocated Management G&A | ($20.9) | ($27.4) | $6.5 | (23.7%) | - | ($27.4) | - | $6.5 | (23.7%) |
| Consolidated | $162.5 | $172.9 | ($10.4) | (6.0%) | ($13.6) | $159.3 | ($1.1) | $4.3 | 2.7% |

1) Organic FX Impact consists of FX impact adjusted for the change in currency between the currency the franchisees remit royalties and the local currency in which they operate.