BURGERFUEL WORLDWIDE PRESS RELEASE

Friday, 9th December 2016

PRELIMINARY HALF YEAR RESULTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016

OVERVIEW

The Directors of BurgerFuel Worldwide (BFW) present the unaudited results for the 6 months to September 2016.

Net loss after tax in the period was ($115,328) compared to a loss of ($487,533) in the same period last year, showing a gain of $372,205.

Our Group Operating Revenue increased by 7% on the same period last year to $10.4M. This revenue is largely comprised of long term recurring royalties & sales. BurgerFuel Total System Sales (store sales including franchised stores) are up 3.4% to $48.3M for the period - this is made up of both new and existing stores' sales growth.

It should be noted that there were no franchisees fees for FY17, and there was a foreign exchange loss of $40,000, compared to a FX gain of $178,000 in FY16, thus the 7% year on year (6 month) comparison is very positive.

As previously advised, the Group's strategic plan calls for continued investment into the business to facilitate global expansion. We have continued to invest in our market entry to the US, and we do expect to continue this investment for the remainder of the financial year with the objective of opening our first store there.

In this current financial year, there is also a strong focus on bringing the Group back into profit. Accordingly, to allow for continued offshore exploration, whilst moving the Group forward to increased profitability, many cost efficiencies have been created at a head office level and this will continue for the remainder of FY17.

Most notably for BFW, in August 2016, in response to significant delays in our entry to the United States, we made the request that BurgerFuel be released from the Mason Roberts Holdings Ltd Sale and Option Agreement held by Franchise Brands, as well as the Collaboration Agreement that included a 1% collaboration fee, paid to Franchise Brands.

The passing last year of Subway founder, Fred de Luca, our key contact within the organisation and the ultimate vision behind the partnership, has meant that Franchise Brands and Subway's priorities have had to change. This caused much uncertainty and many delays for us. In order to continue to achieve our strategic goals, we felt that it would be best to seek an end to the operating partnership, so as to provide clear direction to the market and mitigate further delays.

Despite the end of this formal agreement, we retain a relationship with Franchise Brands and they continue to hold a 10% stake in BFW. John Pfannenbecker retains his position on the BFW Board of Directors.

We still see many opportunities for BurgerFuel outside of the Franchise Brands and Subway agreement and are currently moving forward in this market. Our US development team are now on the ground in Indianapolis, and we anticipate announcing our first store location shortly.

We have added 5 new restaurants between 1 April and 30 September 2016. Most of these were within New Zealand as well as some abroad. We continue to receive strong customer support throughout New Zealand, in both the regional areas and cities, and expansion will continue by way of new outlets in both the North and South Island. The total number of BurgerFuel restaurants operating as at 30 September 2016 was 82

BFW RESULTS (UNAUDITED) FOR THE PERIOD 1 APRIL TO 30 SEPTEMBER 2016

	30 September 2016	30 September 2015
	$000	$000
Operating Revenue*	10,378	9,678
Operating Expenses**	(10,457)	(10,166)
Net Profit Before Tax	(79	(488)
Net Profit After Tax	(115)	(488)

* Revenue includes; Operating revenue & interest income.

** Expenses include; Operating expenses, depreciation, amortisation & interest expense.

THE YEAR SO FAR

Despite delays, much emphasis is on moving the Group towards more growth here in NZ and overseas. The US remains our international focus, and our team there are currently on a mission to secure the right site and complete all the regulatory aspects required for an international business to open a restaurant in the state of Indiana. We hope to be able to provide a progress update shortly.

Aside from the US, we continue to drive the ongoing expansion of the Group in other markets. The New Zealand business remains very strong, and more regional locations of New Zealand have received BurgerFuel outlets in FY17, strengthening our name as a household brand. This expansion will continue for the rest of FY17, as at 30 September 2016 we have 51 stores in NZ.

Since 30th September 2016, we have further improved the position of the Group, by expanding our company-owned store portfolio with the purchase of the Takapuna BurgerFuel store.

TOTAL SYSTEM SALES UP 3.4% TO $48.3M

AUSTRALASIAN REGION

Sales across New Zealand & Australia have increased by 16.5%.

We have again experienced strong sales growth in New Zealand and remain the largest gourmet burger chain in this market. The past year saw us increase our geographical footprint, with store openings focused on regional areas. New Zealand continues to act as an incubator and testing ground for the global business and there has been a heavy focus on operational excellence and system development which will benefit the global business.

Our two company-owned stores have performed well. While the plans are to keep the Group as a predominantly franchised model, we see a lot of potential in this area. With strong cash reserves and no debt, as well as the infrastructure and management required, we plan to facilitate further key BurgerFuel restaurant purchases in the future, and recently purchased the BurgerFuel Takapuna store in October 2016.

In Australia, we continue to experience mixed results. Sales and royalty income derived from Australia has seen a reduction on FY16, due to the reduced store numbers, and a move to sourcing locally produced products, rather than exporting from NZ. In the long term, this move will improve profitability for the Group & our Australian stores. We now operate five stores in this market.

Australia is a tough market for any New Zealand business to crack. We face a huge competitor landscape and high operating costs such as rent and labour. As previously communicated, we are very aware that it will require significant time and investment to establish the brand to a recognisable and profitable level in this market.

We have provided additional support to this market in FY17 and have started to see some encouraging results. Additionally, we have updated the menu to meet the needs of the market and although it is early days, customer reception has been positive, and this is another great step forward for us in this challenging market.

We continue to see opportunity in Australia and have experienced success in some areas. With the support and guidance of the board, we will persist with a responsible level of investment and exploration and review at the end of FY17.

MIDDLE EASTERN REGION

Sales and royalty income derived from the Middle East is down on FY16, due to the general downturn and unrest in this region that is affecting business right across the Middle East.

Despite this ongoing turmoil in the Middle East, we have continued to make progress in this market. Three new restaurants have been opened in FY17, the most notable being the relocation and re-opening of our Iraq flagship store, in Baghdad. As at the 30 September 2016, we now have a total of 26 BurgerFuel outlets across the Middle East.

The UAE although down in sales, continues to operate reasonably well. We have remained on our quest for continual innovation, and as with Australia, we launched an updated menu offering in the UAE, designed to meet the unique requirements of our UAE based customers, which was received well. Even with the obvious challenges, we still see Dubai as the biggest focus in this region.

Business in Saudi Arabia has continued to be challenging due to fluctuating oil prices, the Saudiisation programme, a downturn in the market and the proliferation of competitor burger concepts. Despite these factors causing some decline, our Master Franchisee remains optimistic about the future of BurgerFuel in this country.

In Egypt, our partners opened a third restaurant in October, and while we remain optimistic about this market, the reality is that due to ongoing political turmoil, store turnover is low and this market will require close monitoring.

In summary, the MENA region continues to be a good contributor for us, despite heavy competition, regional unrest and the economic effects of low oil prices. Should this turbulent situation continue, or worsen, we caution shareholders to expect decline in some areas.

GROUP OUTLOOK / SUMMARY

For now, we are focused on getting proof of concept up and running in the US, whilst protecting and growing the restaurants and markets that we already have, to allow the Group to continue to explore offshore markets and opportunities.

The Directors still see huge opportunity for the Group to grow, and we are considering all options for expansion, both here in NZ, and globally. Whilst we are proud of the achievements we have made to date, and the challenges we have overcome over the years, we still see the Group as being at the early stages of its global journey and see many growth opportunities ahead.

In all markets, we are seeing a proliferation of competitor concepts and this is not showing any sign of slowing down. In the face of this, we continue to strive for operational excellence, efficient business models and cost structures, whilst continuing to focus on the things that set us apart from, and ahead of our competitors.

Day-to-day, across all areas of the business, operational excellence, constant improvement and increased profitability are key drivers of the business and as a result BurgerFuel HQ is a busy place. We have worked hard to reduce our operating costs in order to achieve our goals, and this will continue for the remainder of FY17.

The Directors remain very positive about BurgerFuel's future and have management focused on opening in the US as well as continued expansion in other markets.

We remain confident in the investment programme and preparations for future growth.

The Group has no debt and as at 30 September 2016 had cash reserves of $6.5M.

We would like to thank all our shareholders for their continued support and we look forward to keeping you informed of our progress.

We wish all our shareholders, staff, franchisees, suppliers and of course our valued customers, a safe and Merry Christmas and a prosperous New Year.

Best regards

Peter Brook
Chairman

Josef Roberts
Group CEO

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