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FORM 10-K

Burger King Worldwide, Inc. - BKW

Filed: February 21, 2014 (period: December 31, 2013)

Annual report with a comprehensive overview of the company

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________

Commission file number: 001-35511

BURGER KING WORLDWIDE, INC.
(Exact name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	45-5011014 (I.R.S. Employer Identification No.)
5505 Blue Lagoon Drive, Miami, Florida (Address of Principal Executive Offices)	33126 (Zip Code)

(305) 378-3000
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, Par Value $0.01 per Share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File

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required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the common equity held by non-affiliates of the registrant on June 30, 2013, computed by reference to the closing price for such stock on the New York Stock Exchange on such date, was $1,224,414,023.

The number of shares outstanding of the registrant's common stock as of February 10, 2014 was 351,816,664 shares.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive proxy statement for the 2014 Annual Meeting of Stockholders, which is to be filed no later than 120 days after December 31, 2013, are incorporated by reference into Part III of this Form 10-K.

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BURGER KING WORLDWIDE, INC.

2013 FORM 10-K ANNUAL REPORT

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Burger King®, Whopper®, Angry Whopper®, Satisfries™, Taste Is King® and Hungry Jack's® are trademarks of Burger King Corporation. References to Fiscal 2010 and Fiscal 2009 in this Form 10-K are to the fiscal years ended June 30, 2010 and 2009, respectively, references to the Transition Period are to the six months ended December 31, 2010 and references to 2013, 2012 and 2011 are to the fiscal years ended December 31, 2013, 2012 and 2011, respectively. Unless the context otherwise requires, all references to "we", "us", "our" and "Company" refer to Burger King Worldwide, Inc. and its subsidiaries.

In this document, we rely on and refer to information regarding the restaurant industry, the quick service restaurant segment and the fast food hamburger restaurant category that has been prepared by the industry research firm The NPD Group, Inc. (which prepares and disseminates Consumer Reported Eating Share Trends, or CREST® data) or compiled from market research reports, analyst reports and other publicly available information. All industry and market data that are not cited as being from a specified source are from internal analysis based upon data available from known sources or other proprietary research and analysis.

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Item 1. Business

Overview

Burger King Worldwide, Inc. ("BKW," the "Company," "we," "us" or "our") is a Delaware corporation formed on April 2, 2012 and the indirect parent of Burger King Corporation ("BKC"), a Florida corporation that franchises and operates fast food hamburger restaurants, principally under the *Burger King®* brand. We are the world's second largest fast food hamburger restaurant, or FFHR, chain as measured by the total number of restaurants. As of December 31, 2013, we owned or franchised a total of 13,667 restaurants in 97 countries and U.S. territories worldwide. Of these restaurants, 13,615 were owned by our franchisees and 52 were Company restaurants. Our restaurants are limited service restaurants that feature flame-grilled hamburgers, chicken and other specialty sandwiches, French fries, soft drinks and other affordably-priced food items. We believe our restaurants appeal to a broad spectrum of consumers, with multiple day parts and product platforms appealing to different customer groups. During our nearly 60 years of operating history, we have developed a scalable and cost-efficient quick service hamburger restaurant model that offers guests fast, delicious food at affordable prices.

We generate revenue from three sources: (1) retail sales at Company restaurants, (2) franchise revenues, consisting primarily of royalties based on a percentage of sales reported by franchise restaurants and initial and renewal fees paid by franchisees, and (3) property income from properties that we lease or sublease to franchisees.

We believe that we can deliver value to our shareholders and enhance the *Burger King®* brand by focusing our efforts on the stewardship of our brand. During 2013, we completed our global refranchising initiative to sell our Company restaurants to franchisees, and we believe we are one of the few pure franchise and real estate companies in our quick service restaurant, or QSR, peer group. We continue to own and operate 52 restaurants in Miami, Florida, which we expect to use as a base for the testing of new products and systems. We believe that our fully franchised business model will yield many benefits, such as accelerating international expansion, helping to drive restaurant remodels, maximizing capital efficiency and increasing our profitability and cash flow. Furthermore, we believe that our fully franchised business model will permit us to focus on narrowing the average restaurant sales gap with our peers, through menu innovation, franchisee operational support and brand development.

Our History

We were founded in 1954 when James McLamore and David Edgerton opened the first *Burger King* restaurant in Miami, Florida and in 1957 we introduced our signature *Whopper®* sandwich. In October 2010, we were acquired by 3G Capital Special Situations Fund II, L.P. ("3G"), which is controlled by 3G Capital Partners, Ltd., an investment firm based in New York ("3G Capital"). On June 20, 2012, upon our merger with a subsidiary of Justice Holdings Limited ("Justice"), we changed our name to Burger King Worldwide, Inc. and listed our shares on the New York Stock Exchange under the symbol "BKW".

Our Industry

We operate in the FFHR category of the QSR segment of the restaurant industry. In the United States, the QSR segment is the largest segment of the restaurant industry and has demonstrated growth over a long period of time. According to The NPD Group, Inc. ("NPD Group"), which prepares and disseminates CREST® data, QSR consumer spending has grown at an annual rate of 3% over the past 10 years, totaling approximately $254 billion for the 12-month period ended November 2013.

According to NPD Group, the FFHR category is the largest category in the QSR segment, generating consumer spending of $72.6 billion in the United States for the 12-month period ended November 2013, representing 29% of total QSR consumer spending. According to NPD Group, for the 12-month period ended November 2013, Burger King accounted for approximately 12% of total FFHR consumer spending in the United States.

Our Business Strategy

We believe there are significant growth opportunities for our Company and the *Burger King* system by:

- ***Driving sales and traffic in the U.S. and Canada***: We have identified the four priorities, or "pillars," that we believe will enable us to drive future sales and traffic in the U.S. and Canada.

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- **Menu**. The strength of our menu has been built on our distinct flame-grilled cooking platform to make better tasting burgers. During 2013, we adopted a multi-tier balanced approach to value and premium offerings by pairing value promotions, such as the $1 Fry Burger, with premium limited time offerings such as the *Angry Whopper®* sandwich and Chipotle *Whopper®* sandwich. In the third quarter of 2013, we introduced *Satisfries™*, a first of its kind better-for-you French fry. We will continue to optimize our menu by focusing on our core products, such as our flagship *Whopper* sandwich, while maintaining a balance between value promotions and premium limited time offerings to drive sales and traffic.

- **Marketing Communications**. We have established a data driven marketing process which is focused on driving restaurant sales and traffic, while targeting a broader consumer base with more inclusive messaging. We have launched a food-centric marketing strategy with the tagline *Taste Is King®*, which we believe will refocus our consumers on our food, which is our core asset. We will be using multiple touch points to advertise our products, including digital advertising, social media and on-line video. We believe that this food-centric marketing strategy will allow us to strike a balance between value promotions and premium limited time offerings to drive profitable restaurant sales and traffic.

- **Operations**. We believe that improving restaurant operations and enhancing the customer experience are key components to increasing the profitability of the *Burger King* system. As part of our franchisee-focused approach to our business, we have implemented standardized restaurant crew training and restructured our field teams to significantly increase our field presence and more closely align the compensation of these field teams with restaurant performance.

- **Image**. We believe that re-imaged *Burger King* restaurants increase curb appeal and result in increased customer sales. Our goal is to have 40% of our U.S. and Canada *Burger King* restaurants on a modern image by the end of 2015. We have lowered the cost of remodeling restaurants by improving the supply chain and providing franchisees with financial incentives, and we will continue to work on initiatives to reduce the cost of restaurant remodels. We have provided franchisees with access to third-party financing programs to assist them in their remodeling efforts. Re-imaged restaurants have experienced a sales uplift of approximately 10-15% on average, providing our franchisees with the opportunity to achieve an attractive return on their investment.

- ***Accelerating international development****:* We believe that international development is one of the principal drivers of long-term growth of the business and value for our shareholders. We seek to accelerate our international growth by:
  - creating strategic joint ventures with accelerated development targets, in which we retain a meaningful minority equity interest; and
  - entering into master franchise and development agreements with experienced local operators.

Generally, these strategic arrangements grant one or more franchisees the exclusive right to develop and manage *Burger King* restaurants in a specific country or region. We have focused our international expansion plans predominantly in high-growth emerging markets where we believe our current penetration is low relative to our potential. We believe this strategy will permit us to capitalize on under-penetrated markets and rising middle class consumer spending.

Since we started to implement this strategy, we have successfully entered into international development and joint venture agreements in high-growth markets such as Brazil, China, Russia and South Africa that we believe have created a platform for sustainable long-term unit development. During 2013, we established joint ventures in Mexico, India and France and granted exclusive master franchise and development rights for each market. In each joint venture we typically pair a proven local operator with a strong financial partner while retaining an equity stake. Also during 2013, we entered into master franchise and development agreements with franchisees in Canada, Finland, the Netherlands, Pakistan, and Sri Lanka, and we are actively seeking strategic partners to accelerate our international expansion in other countries.

- ***Driving corporate-level G&A efficiencies****:* We are committed to managing our corporate-level G&A through our "Zero Based Budgeting" program. This annual planning method is designed to build a strong ownership culture by requiring departmental budgets to estimate and justify costs and expenditures from a "zero base," rather than focusing on the prior year's base. As part of our commitment, we tie a significant portion of incentive compensation specifically to our G&A budget.

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Global Operations

We operate in four geographic segments: (i) the U.S. and Canada; (ii) Europe, the Middle East and Africa, or EMEA; (iii) Latin America and the Caribbean, or LAC and (iv) Asia Pacific, or APAC. We grant franchises to operate restaurants using *Burger King* trademarks, trade dress and other intellectual property, uniform operating procedures, consistent quality of products and services and standard procedures for inventory control and management. Additional financial information about geographic segments is incorporated herein by reference to *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Part II, Item 7 and Segment Reporting in Part II, Item 8 in Note 21 of this Form 10-K.

The table below sets forth our restaurant portfolio in each of our four geographic segments as of December 31, 2013:

	Worldwide	U.S. & Canada	EMEA	LAC	APAC
Restaurants					
Company	52	52	—	—	—
Franchise	13,615	7,384	3,450	1,550	1,231
Total	13,667	7,436	3,450	1,550	1,231
% Total	100%	55%	25%	11%	9%

United States and Canada (U.S. and Canada)

As of December 31, 2013, we had 7,384 franchise restaurants and 52 Company restaurants in the U.S. and Canada, as compared to 7,293 and 183, respectively, as of December 31, 2012. We refranchised 127 restaurants during 2013 and 752 restaurants during 2012 in the U.S. and Canada, bringing the region to approximately 100% franchised as of December 31, 2013. We continue to own and operate 52 restaurants in Miami, Florida, which we expect to use as a base for the testing of new products and systems. In connection with the refranchising of all of our restaurants in Canada to a new franchisee, we granted the franchisee master franchise and development rights for Canada. We own 28.9% of Carrols Restaurant Group, Inc., our largest franchisee, and have two seats on its board of directors.

During 2013, we also continued to implement our Four Pillars strategy to improve comparable sales growth and franchise profitability by enhancing our Menu, Marketing Communications, Image, and Operations. We believe that this approach will enable us to deliver an enjoyable customer experience and improve the attractiveness of our brand to current and prospective franchisees by driving profitable sales growth.

The table below sets forth our restaurant portfolio in the U.S. and Canada as of December 31, 2013, 2012 and 2011:

	Number of Restaurants		
Country:	**2013**	**2012**	**2011**
US	7,155	7,183	7,204
Canada	281	293	296
Total	**7,436**	**7,476**	**7,500**

Europe, the Middle East and Africa (EMEA)

EMEA is our second largest region, as measured by number of restaurants. As of December 31, 2013, we had 3,450 franchise restaurants and no Company restaurants in EMEA, as compared to 2,989 and 132, respectively, as of December 31, 2012. During 2013, we refranchised all of our Company restaurants in Germany and Spain, bringing the region to 100% franchised. While Germany continues to be the largest market in EMEA with 692 restaurants as of December 31, 2013, Turkey and Russia, which are both master franchise markets, are two of our fastest growing markets with net openings of 67 restaurants and 88 restaurants, respectively, during 2013.

As part of our international growth strategy, we have created strategic master franchise joint ventures in three EMEA markets over the past two years: Russia and South Africa (both established in 2012) and France (established in November 2013). In France, we partnered with Groupe Bertrand, a leading multi-brand restaurant group with approximately 250 restaurants throughout France, and Naxicap Partners, a leading French private equity firm. During the past two years, we also entered into master franchise and development agreements with franchisees in the Scandinavian countries (Norway, Sweden and Denmark), Finland and the Netherlands. We will continue to evaluate opportunities to accelerate development, including through the establishment of master franchises with exclusive development rights and joint ventures with new and existing franchisees. We believe there are significant growth opportunities throughout the EMEA region.

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The table below sets forth our restaurant portfolio in our major markets in EMEA as of December 31, 2013, 2012 and 2011:

	Number of Restaurants		
Country:	**2013**	**2012**	**2011**
Germany	692	684	678
Spain	561	522	484
Turkey	553	486	408
UK	484	473	469
Russia	174	86	39
Italy	107	91	72
Saudi Arabia	95	80	64
Sweden	90	79	71
UAE	74	68	60
Kuwait	73	64	61
Netherlands	58	56	54
Portugal	39	38	38
Austria	37	34	31
Switzerland	37	31	32
Norway	35	32	32
Other	341	297	289
Total	**3,450**	**3,121**	**2,882**

Latin America and the Caribbean (LAC)

As of December 31, 2013, we had 1,550 franchise and no Company restaurants in LAC, as compared to 1,290 and 100, respectively, as of December 31, 2012. In April 2013, we contributed all of our 98 Company restaurants in Mexico to a joint venture with Alsea S.A.B. de C.V., the parent of our largest franchisee in Mexico, in exchange for cash and a 20.0% equity stake in the joint venture and granted the joint venture exclusive master franchise and development rights. Brazil, where we established a master franchise joint venture in 2011, is one of our fastest growing markets, with net restaurant openings of 93 in 2013.

The table below sets forth our restaurant portfolio in our major markets in LAC as of December 31, 2013, 2012 and 2011:

	Number of Restaurants		
Country:	**2013**	**2012**	**2011**
Mexico	449	431	415
Brazil	317	224	140
Puerto Rico	185	183	180
Argentina	72	65	58
Venezuela	70	63	54
Guatemala	45	44	43
El Salvador	40	40	38
Colombia	38	28	18
Other	334	312	276
Total	**1,550**	**1,390**	**1,222**

Asia Pacific (APAC)

As of December 31, 2013, we had 1,231 franchise and no Company restaurants in APAC, as compared to 1,007 and 3, respectively, as of December 31, 2012. Australia, which is a master franchise market, is the largest market in APAC, with 371 restaurants as of December 31, 2013, all of which are franchised and operated under the name *Hungry Jack's®*, a brand that we own in Australia and New Zealand. Australia is the only market in which we operate under a brand other than *Burger King*.

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As part of our international growth strategy, we have created strategic master franchise joint ventures in China and India in which we received a meaningful minority equity stake in the joint venture. Our India joint venture was established in November 2013 with Everstone Capital Partners, one of India's leading private equity firms. We have also entered into master franchise agreements for Singapore, Malaysia, South Korea, Pakistan, Sri Lanka and Japan. We believe there are significant growth opportunities in APAC, and we will continue to pursue master franchise agreements and joint ventures throughout the region.

The table below sets forth our restaurant portfolio in our major markets in APAC as of December 31, 2013, 2012 and 2011:

	Number of Restaurants		
Country:	**2013**	**2012**	**2011**
Australia	371	357	347
China	190	86	56
South Korea	164	139	128
New Zealand	86	82	79
Japan	82	64	44
Malaysia	56	43	34
Indonesia	48	40	30
Singapore	43	41	45
Philippines	36	29	25
Taiwan	36	41	44
Thailand	34	29	27
Other	85	59	49
Total	**1,231**	**1,010**	**908**

U.S. and Canada Re-imaging Program

As part of our Four Pillars strategy for the U.S. and Canada, during 2013 we continued to focus on our re-imaging program to enhance the restaurant experience of our guests. The improved "20/20" restaurant design draws inspiration from our signature flame-grilled cooking process and incorporates a variety of innovative elements to a backdrop that evokes the industrial look of corrugated metal, brick, wood and concrete. Rigorous consumer testing confirmed the 20/20 image was the right one for the *Burger King* brand. Re-imaged restaurants have experienced a sales uplift of approximately 10% to 15%, on average. The average cost to re-image a restaurant is approximately $300,000-$350,000.

Our goal is to have 40% of U.S. and Canada *Burger King* restaurants on a modern image by the end of 2015. As of December 31, 2013, approximately 30% of the restaurants in the U.S. and Canada are on a modern image, up from 19% as of December 31, 2012. During 2013 we launched the second phase of our re-imaging initiative in the U.S. to accelerate the pace of re-imaging by offering temporary financial incentives to franchisees. This initiative ended in December 2013. During 2012, we launched a third party lending program to provide financing to U.S. franchisees to facilitate their remodeling efforts. Third party lending programs to finance restaurant remodels were also available to franchisees in 2013 and will continue to be available in 2014. We believe that our lower-cost 20/20 image remodel, coupled with favorable financing terms offered by the third party lending programs, is an attractive value proposition that will drive meaningful sales uplifts and provide an attractive return on investment for our franchisees.

Marketing Fund

Historically our Company restaurants and our franchisees make monthly contributions, generally 4% to 5% of restaurant gross sales, to managed advertising funds. Advertising contributions are used to pay for expenses relating to marketing, advertising and promotion, including market research, production, advertising costs, sales promotions and other support functions. In addition to the mandated advertising fund contributions, U.S. franchisees may elect to participate in certain local advertising campaigns at the Designated Market Area level by making contributions beyond those required for participation in the national advertising fund.

In the United States and other markets where we have historically owned Company restaurants, the Company manages the advertising fund. In other international markets, including the markets managed by master franchisees, franchisees make contributions into franchisee-managed advertising funds. As part of our global marketing strategy, we provide franchisees with advertising support and guidance in order to deliver a consistent global brand message.

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In the United States and in other countries where we manage the advertising fund, we coordinate the development, budgeting and expenditures for all marketing programs, as well as the allocation of advertising and media contributions, among national, regional and local markets, subject in the United States to minimum expenditure requirements for media costs and certain restrictions as to new media channels. We are required, however, under our U.S. franchise agreements, to discuss the types of media in our advertising campaigns and the percentage of the advertising fund to be spent on media with the recognized franchisee association, currently the National Franchisee Association, Inc. In the United States and certain other markets, we typically conduct a non-binding poll of our franchisees before introducing any nationally- or locally-advertised price or discount promotion to gauge the level of support for the campaign.

In 2013 and 2012, the advertising fund in the United States was impacted by a temporary reduction in advertising fund contributions paid by the Company and participating U.S. franchisees associated with incentives to accelerate implementation of restaurant equipment initiatives, and we expect that the reduction in advertising contributions will continue until 2016. As a result, the Company's advertising contributions in the U.S. were not material in 2013 and we anticipate continued de minimus advertising contributions.

Product Development

New product development is a key driver of our long-term success. We believe the development of new products can drive traffic by expanding our customer base, allow restaurants to expand into new day parts, and continue to build brand leadership in food quality and taste. Product innovation begins with an intensive, data-driven research and development process that analyzes potential new menu items, including extensive consumer testing and ongoing analysis of the economics of food cost, margin and final price point.

As part of the "Menu" pillar in the U.S. and Canada, we launched *Satisfries*™, a first of its kind better-for-you French fry, in the third quarter of 2013. In 2014, our menu strategy will focus on enhancing core menu items, such as our great tasting line of burgers and our line of breakfast products, while delivering compelling value to drive sales and traffic and rolling out fewer, more impactful products.

Operations Support

Our operations strategy is designed to drive best-in-class restaurant operations by our franchisees and improve friendliness, cleanliness, speed of service and overall guest satisfaction to drive long-term growth. We have uniform operating standards and specifications relating to selection of menu items, maintenance and cleanliness of the premises. In addition, all *Burger King* restaurants are required to be operated in accordance with quality assurance and health standards which we establish, as well as standards set by federal, state and local governmental laws and regulations. These standards include food preparation rules regarding, among other things, minimum cooking and holding times and temperatures, sanitation and cleanliness.

We require each franchisee's managing owner and designated restaurant manager to complete initial and ongoing training programs provided by us, including minimum periods of classroom and on the job training. BK ® GURU is our digital learning and communications platform for our restaurant-level teams, providing both basic and advanced training solutions for managers and team members. In the U.S., we and an independent outside vendor administer the Restaurant Food Safety certification, which is intended to bring heightened awareness to food safety, and includes immediate follow-up procedures to take any action needed. Additionally, to improve our focus on in-store operations, we use "GUEST TRAC" surveys in the U.S. and many other countries to assess customer satisfaction with restaurant operations. We have improved our responsiveness to guest experience reporting through a more user-friendly website.

We have a field management structure with "Sales, Profit, and Operations Coaches" who work shoulder-to-shoulder with restaurant teams to increase customer satisfaction, operational efficiency and franchise profitability. Each coach manages approximately 30 restaurants to enable coaches to partner more closely with restaurant teams. Our coaches focus on a few, high-impact priorities to steadily improve restaurant operations and guest satisfaction. Our coaches' compensation structure is incentivized based on franchise restaurant performance. This structure allows for a "true" partnership in driving restaurant performance and guest satisfaction.

Franchise Agreements

General. We grant franchises to operate restaurants using *Burger King* trademarks, trade dress and other intellectual property, uniform operating procedures, consistent quality of products and services and standard procedures for inventory control and management. For each franchise restaurant, we generally enter into a franchise agreement covering a standard set of terms and conditions. Recurring fees consist of monthly royalty and advertising payments. Franchisees report gross sales on a monthly basis and pay royalties based on gross sales.

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Franchise agreements are not assignable without our consent, and we generally have a right of first refusal if a franchisee proposes to sell a restaurant. Defaults (including non-payment of royalties or advertising contributions, or failure to operate in compliance with our standards) can lead to termination of the franchise agreement. Prospective franchisees must meet our minimum approval criteria to ensure that they are adequately capitalized and that they satisfy certain other requirements.

U.S. and Canada. In the U.S. and Canada, we (or our master franchisee with respect to sub-franchise restaurants in Canada) typically enter into a separate franchise agreement for each restaurant. The typical franchise agreement in the U.S. and Canada has a 20-year term (for both initial grants and renewals of franchises) and contemplates a one-time franchise fee which must be paid in full before the restaurant opens for business, or in the case of renewal, before expiration of the current franchise term. Subject to the incentive programs described below, most new franchise restaurants pay a royalty of 4.5% in the U.S. In Canada, our master franchisee typically pays a royalty of 3.0% to BKC and royalties paid in connection with sub-franchise restaurants are shared between BKC and the master franchisee. The weighted average royalty rate in the U.S. and Canada was 3.9% as of December 31, 2013. In addition to their royalties, franchisees in the U.S. and Canada are generally required to make a contribution to the advertising fund equal to a percentage of gross sales, typically 4%, on a monthly basis.

During 2013, we offered franchisees reduced up-front franchise fees and limited-term royalty rate reductions to accelerate development of new restaurants. This development incentive program will remain in place through the end of 2014. In October 2013, we launched a new program to encourage franchisees with low performing restaurants to close these restaurants and open replacement restaurants by offering limited-term credits for BKC charges associated with the replacement restaurants. In addition, in an effort to improve the image of our restaurants in the United States, we offered U.S. franchisees reduced up-front franchise fees and limited-term royalty and advertising fund rate reductions to remodel restaurants in our 20/20 image during 2012 and 2013. These limited-term incentive programs are expected to negatively impact our effective royalty rate until 2021. However, we expect this impact to be partially mitigated as we will also be entering into new franchise agreements in the United States with a 4.5% royalty rate.

International. Historically, in our international markets, we entered into franchise agreements for each restaurant with up-front franchise fees and monthly royalties and advertising contributions each of up to 5% of gross sales. However, as part of our international growth strategy, we have increasingly entered into master franchise agreements or development agreements that grant franchisees exclusive development rights and, in some cases, require them to provide support services to other franchisees in their markets. We enter into these agreements with well capitalized partners who are willing to make substantial upfront equity commitments, agree to aggressive development targets, and have strong local management teams. The up-front franchise fees and royalty rate paid by master franchisees vary from country to country, depending on the facts and circumstances of each market.

In some countries, we have entered into master franchise agreements that allow franchisees to sub-franchise restaurants to other franchisees within their territory. In other countries, we have entered into arrangements with franchisees under which they have agreed to nominate third party franchisees to develop and operate restaurants within their respective territories under franchise agreements with us. As part of these arrangements, the franchisees have agreed to provide certain support services to franchisees on our behalf, and, in some cases, we have agreed to share royalties and franchise fees paid by such third party franchisees. As part of our international growth strategy, we are also entering into joint ventures with franchisees and granting master franchise and development rights to these entities. As part of these arrangements, we seek to receive a meaningful minority equity stake in the joint venture. We expect to continue to use this investment vehicle as one of the strategies to increase our presence globally.

Franchise Restaurant Leases. We have not historically required that we own the land or the building associated with our franchise restaurants and our standard franchise agreement does not contain a lease component. However, in implementing our refranchising initiative, we have, in many circumstances, retained the lease or title on the property and building associated with the refranchised restaurants. Consequently, the number of our property leases with franchisees increased significantly during 2012. To the extent that we lease or sublease the property to a franchisee, we will enter into a separate lease agreement. For properties that we lease from third-party landlords and sublease to franchisees, our leases generally provide for fixed rental payments and may provide for contingent rental payments based on a restaurant's annual gross sales. Franchisees who lease land only or land and building from us do so on a "triple net" basis. Under these triple net leases, the franchisee is obligated to pay all costs and expenses, including all real property taxes and assessments, repairs and maintenance and insurance. As of December 31, 2013, we leased or subleased to franchisees 1,845 properties in the U.S. and Canada, 113 properties in EMEA, primarily sites located in the U.K. and Germany, and six properties in LAC, all located in Mexico. These properties represented approximately 25% in the U.S. and Canada and 3% in EMEA of our total franchise restaurant count in such regions. As of December 31, 2013, we did not lease or sublease any properties to franchisees in APAC.

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Supply and Distribution

General. We establish the standards and specifications for most of the goods used in the development and operation of our restaurants and for the direct and indirect sources of supply of most of those items. These requirements help us assure the quality and consistency of the products sold at our restaurants and protect and enhance the image of the *Burger King* system and the *Burger King* brand.

In general, we approve the manufacturers of the food, packaging and equipment products and other products used in *Burger King* restaurants, as well as the distributors of these products to *Burger King* restaurants. Franchisees are generally required to purchase these products from approved suppliers and distributors. We consider a range of criteria in evaluating existing and potential suppliers and distributors, including food safety, product and service consistency, delivery timeliness and financial condition.

U.S. and Canada. Restaurant Services, Inc., or RSI, is a not-for-profit, independent purchasing cooperative formed in 1992 to leverage the purchasing power of the *Burger King* system in the United States. As the purchasing agent for the *Burger King* system in the United States, RSI negotiates the purchase terms for most equipment, food, beverages (other than branded soft drinks) and other products such as promotional toys and paper products used in our restaurants. RSI is also authorized to purchase and manage distribution services on behalf of the Company restaurants and franchisees who appoint RSI as their agent for these purposes. As of December 31, 2013, RSI was appointed the distribution manager for approximately 91% of the restaurants in the United States. A subsidiary of RSI acts as purchasing agent for food and paper products for franchise restaurants in Canada. As of December 31, 2013, four distributors serviced approximately 86% of U.S. system restaurants and the loss of any one of these distributors would likely adversely affect our business.

In Fiscal 2000, we entered into long-term exclusive contracts with The Coca-Cola Company and Dr Pepper/Snapple, Inc. to supply Company restaurants and franchise restaurants with their products and which obligate *Burger King* restaurants in the United States to purchase a specified number of gallons of soft drink syrup. These volume commitments are not subject to any time limit. As of December 31, 2013, we estimate that it will take approximately 16 years to complete the Coca-Cola and Dr Pepper/Snapple, Inc. purchase commitments. If these agreements were terminated, we would be obligated to pay an aggregate amount equal to approximately $500 million as of December 31, 2013 based on an amount per gallon for each gallon of soft drink syrup remaining in the purchase commitments, interest and certain other costs.

International. There is currently no designated purchasing agent that represents franchisees in our international regions. We approve suppliers and distributors and use similar standards and criteria to evaluate international suppliers that we use for U.S. suppliers. Franchisees may propose additional suppliers, subject to our approval and established business criteria.

Intellectual Property

We own valuable intellectual property including trademarks, service marks, patents, copyrights, trade secrets and other proprietary information. As of December 31, 2013, we owned approximately 4,006 trademark and service mark registrations and applications and approximately 1,078 domain name registrations around the world, some of which are of material importance to our business. Depending on the jurisdiction, trademarks and service marks generally are valid as long as they are used and/or registered. We also have established the standards and specifications for most of the goods and services used in the development, improvement and operation of *Burger King* restaurants. These proprietary standards, specifications and restaurant operating procedures are trade secrets owned by us. Additionally, we own certain patents of varying duration relating to equipment used in our restaurants.

Competition

We operate in the FFHR category of the QSR segment of the broader restaurant industry. We compete in the United States and internationally with many well-established food service companies on the basis of product choice, quality, affordability, service and location. Our competitors include a variety of independent local operators, in addition to well-capitalized regional, national and international restaurant chains and franchises. In the FFHR industry our principal competitors are McDonald’s Corporation, or McDonald’s, and The Wendy’s Company, or Wendy’s, as well as regional hamburger restaurant chains, such as Carl’s Jr., Jack in the Box and Sonic. We also compete for consumer dining dollars with national, regional and local (i) quick service restaurants that offer alternative menus, (ii) casual and “fast casual” restaurant chains and (iii) convenience stores and grocery stores. Furthermore, the restaurant industry has few barriers to entry, and therefore new competitors may emerge at any time.

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Government Regulation

General. As a manufacturer and distributor of food products, we and our franchisees are subject to food safety regulations, including supervision by the U.S. Food and Drug Administration and its international equivalents, which govern the manufacture, labeling, packaging and safety of food. In addition, we may become subject to legislation or regulation seeking to tax and/or regulate high-fat, high-calorie and high-sodium foods, particularly in the United States, the United Kingdom and Spain. Certain counties, states and municipalities have approved menu labeling legislation that requires restaurant chains to provide caloric information on menu boards, and menu labeling legislation has also been adopted on the federal level. Regulators in Canada and in other countries have encouraged the food industry to take steps to reduce the level of exposure to acrylamide, a potential carcinogen that naturally occurs in the preparation of foods such as French fries.

U.S. and Canada. We and our franchisees are subject to U.S. and international laws affecting the operation of our restaurants and our business. Each of our restaurants must comply with licensing requirements and regulations by a number of governmental authorities, which include zoning, health, safety, sanitation, building and fire agencies in the jurisdiction in which the restaurant is located. We and our franchisees are also subject to laws governing union organizing, working conditions, work authorization requirements, health insurance, overtime and wages.

We and our franchisees are subject to laws relating to information security, privacy, cashless payments and consumer credit, protection and fraud. An increasing number of governments and industry groups worldwide have established data privacy laws and standards for the protection of personal information, including social security numbers and financial information.

Our franchising activities are subject to the rules and regulations of the Federal Trade Commission (“FTC”) and various state laws and similar foreign agencies. The rules of the FTC and those of a number of states in which we are currently franchising regulate the sale of franchises and require registration of the franchise disclosure document with state authorities and the delivery of a franchise disclosure document to prospective franchisees. We are currently operating under exemptions from registration in several of these states based upon our net worth and experience. These state laws often limit, among other things, the duration and scope of non-competition provisions, the ability of a franchisor to terminate or refuse to renew a franchise and the ability of a franchisor to designate sources of supply.

International. Internationally, we and our franchisees are subject to national and local laws and regulations that often are similar to those affecting us and our franchisees in the U.S., including laws and regulations concerning franchising, zoning, health, safety, sanitation, and building and fire code. We are also subject to the regulations of the U.S. Citizenship and Immigration Services and U.S. Customs and Immigration Enforcement, and tariffs and regulations on imported commodities and equipment and laws regulating foreign investment.

Environmental Matters

We and our franchisees are subject to various federal, state and local environmental regulations. Various laws concerning the handling, storage and disposal of hazardous materials and restaurant waste and the operation of restaurants in environmentally sensitive locations may impact aspects of our operations; however, compliance with applicable environmental regulations is not believed to have a material effect on capital expenditures, financial condition, results of operations, or our competitive position. Increased focus by U.S. and overseas governmental authorities on environmental matters is likely to lead to new governmental initiatives, particularly in the area of climate change. To the extent that these initiatives caused an increase in our supplies or distribution costs, they may impact our business both directly and indirectly. Furthermore, climate change may exacerbate adverse weather conditions which could adversely impact our operations and/or increase the cost of our food and other supplies in ways which we cannot predict at this time.

Seasonal Operations

Our business is moderately seasonal. Restaurant sales are typically higher in the spring and summer months when weather is warmer than in the fall and winter months. Restaurant sales during the winter are typically highest in December, during the holiday shopping season. Our restaurant sales are typically lowest during the winter months, which include February, the shortest month of the year. Furthermore, adverse weather conditions can have material adverse effects on restaurant sales. The timing of religious holidays may also impact restaurant sales. Because our business is moderately seasonal, results for any one quarter are not necessarily indicative of the results that may be achieved for any other quarter or for the full fiscal year.

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Our Employees

As of December 31, 2013, we had approximately 2,420 employees in our Company restaurants, restaurant support centers and field operations. Our franchisees are independent business owners so their employees are not our employees and therefore are not included in our employee count.

Available Information

The Company makes available free of charge on or through the Investor Relations section of its internet website at www.bk.com, all materials that we file electronically with the Securities and Exchange Commission ("SEC"), including this report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports as soon as reasonably practicable after electronically filing or furnishing such material with the SEC. This information is also available at www.sec.gov, an internet site maintained by the SEC that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The material may also be read and copied by visiting the Public Reference Room of the SEC at 100 F Street, NE, Washington, DC 20549. Information on the operation of the public reference room may be obtained by calling the SEC at 1-800-SEC-0330. The references to our website address and the SEC's website address do not constitute incorporation by reference of the information contained in these websites and should not be considered part of this document.

A copy of our Corporate Governance Guidelines, Code of Business Conduct and Ethics, Code of Ethics for Executive Officers, Code of Conduct for Directors and the charters of the Audit Committee, Compensation Committee and Executive Committee of the Board of Directors are posted on the Investor Relations section of our website, www.bk.com.

Our principal executive offices are located at 5505 Blue Lagoon Drive, Miami, Florida 33126 (305-378-3000).

Item 1A. Risk Factors

Special Note Regarding Forward-Looking Statements

Certain statements made in this report 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 include statements regarding our belief and expectations regarding our ability to drive sales and traffic in the U.S and Canada through execution of our four pillars strategy of marketing communications, menu, operations and image; our belief and expectations regarding the strength of our menu and our ability to optimize our menu by focusing on core products while delivering compelling value to drive sales and traffic and rolling out fewer, more impactful products; our belief and expectations regarding the ability of our field structure to improve our restaurant operations in the U.S. and Canada, including speed of service and restaurant cleanliness; our belief and expectations that our re-imaged restaurants will generate significant sales uplifts and high return on capital for our franchisees; our belief and expectations that our fully-franchised business model will accelerate international expansion, help drive new restaurant remodels, maximize capital efficiency and enhance our profitability and cash flow; our belief and expectations that our international growth strategy of utilizing strategic joint ventures and master franchise and development agreements will permit us to capitalize on emerging markets and rising middle class consumer spending; our belief and expectations regarding new market entries in 2014 and beyond; our belief and expectations regarding significant international growth opportunities; our ability to manage fluctuations in foreign currency exchange and interest rates; our estimates regarding our liquidity, capital expenditures and sources of both, and our ability to fund future operations and obligations; our estimates regarding the fulfillment of certain volume purchase commitments; our expectations regarding the impact of accounting pronouncements; our intention to renew hedging contracts; and our expectations regarding unrecognized tax benefits. These forward-looking statements are only predictions based on our current expectations and projections about future events. Important factors could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements, including, but not limited to, the risks and uncertainties discussed below.

Risks related to our business

Our success depends on our ability to compete with our major competitors, many of which have greater resources than we do.

The restaurant industry is intensely competitive and we compete in the United States and internationally with many well-established food service companies on the basis of product choice, quality, affordability, service and location. Our competitors include a variety of independent local operators, in addition to well-capitalized regional, national and international restaurant chains and franchises. In the FFHR industry our principal competitors are McDonald's and Wendy's as well as regional hamburger restaurant

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chains, such as Carl's Jr., Jack in the Box and Sonic. To a lesser extent, we also compete for consumer dining dollars with national, regional and local (i) quick service restaurants that offer alternative menus, (ii) casual and "fast casual" restaurant chains, and (iii) convenience stores and grocery stores. Furthermore, the restaurant industry has few barriers to entry, and therefore new competitors may emerge at any time.

Our ability to compete will depend on the success of our plans to improve existing products, to develop and roll-out new products and product line extensions, to effectively respond to consumer preferences and to manage the complexity of our restaurant operations as well as the impact of our competitors' actions. Some of our competitors have substantially greater financial resources, higher revenues and greater economies of scale than we do. These advantages may allow them to (1) react to changes in pricing, marketing and the QSR segment in general more quickly and more effectively than we can, (2) rapidly expand new product introductions, (3) spend significantly more on advertising, marketing and other promotional activities than we do, which may give them a competitive advantage through higher levels of brand awareness among consumers and (4) devote greater resources to accelerate their restaurant remodeling and rebuilding efforts. Moreover, certain of our major competitors have completed the reimaging of a significant percentage of their store base. These competitive advantages arising from greater financial resources and economies of scale may be exacerbated in a difficult economy, thereby permitting our competitors to gain market share. Such competition may adversely affect our revenues and profits by reducing royalty payments from franchise restaurants.

The market for retail real estate is highly competitive. Based on their size advantage and/or their greater financial resources, some of our competitors may have the ability to negotiate more favorable lease terms than we can and some landlords and developers may offer priority or grant exclusivity to some of our competitors for desirable locations. As a result, we may not be able to obtain new leases or renew existing leases on acceptable terms, if at all, which could adversely affect our sales and brand-building initiatives.

Economic conditions have, and may continue to, adversely affect consumer discretionary spending which could negatively impact our business and operating results.

We believe that our sales, guest traffic and profitability are strongly correlated to consumer discretionary spending, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and, ultimately, consumer confidence. A protracted economic slowdown, increased unemployment and underemployment of our customer base, decreased salaries and wage rates, increased energy prices, inflation, foreclosures, rising interest rates or other industry-wide cost pressures adversely affect consumer behavior by weakening consumer confidence and decreasing consumer spending for restaurant dining occasions. During the last recession, as a result of these factors we experienced reduced revenues and sales deleverage, spreading fixed costs across a lower level of sales and causing downward pressure on our profitability. These factors also reduced sales at franchise restaurants, resulting in lower royalty payments from franchisees.

We have a substantial level of indebtedness which may have an adverse effect on our business or limit our ability to take advantage of business, strategic or financing opportunities.

As of December 31, 2013, we had aggregate outstanding indebtedness of $2,951.1 million, including $1,680.8 million outstanding under our senior secured credit facility (the "2012 Credit Agreement"), $794.5 million of 9 7/8% senior notes due 2018 (the "Senior Notes") and $453.1 million of 11.0% senior discount notes due 2019 (the "Discount Notes"). Subject to certain restrictions under our existing indebtedness, we and BKC may also incur significant additional indebtedness in the future, some of which may be secured debt. This may have the effect of increasing our total leverage.

As a consequence of our indebtedness, (1) demands on our cash resources may increase and (2) we are subject to significant operating and financial restrictions on us that may limit our ability to engage in acts that may be in our best interest, including restrictions on our ability to, among other things, (i) incur additional indebtedness and guarantee indebtedness, (ii) prepay, redeem or repurchase certain debt, (iii) make loans and investments, including loans to our franchisees or strategic partners, (iv) sell or otherwise dispose of assets or (v) incur liens. In addition, the restrictive covenants in the 2012 Credit Agreement require BKC to maintain specified financial ratios. Our ability to meet those financial ratios can be affected by events beyond our control.

A breach of our covenants under the Senior Notes Indenture, the Discount Notes Indenture or the 2012 Credit Agreement could result in an event of default under the applicable indebtedness. Any such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries would not have sufficient assets to repay that indebtedness.

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We may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic, industry and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness, including the Notes. We may not be able to affect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The Senior Notes Indenture, the Discount Notes Indenture and the 2012 Credit Agreement restrict our ability to dispose of assets and use the proceeds from those dispositions and also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

In addition, we conduct a substantial portion of our operations through our subsidiaries. Accordingly, repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries do not have any obligation to pay amounts due on our indebtedness (unless they are guarantors thereof) or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the Senior Notes Indenture, the Discount Notes Indenture and the agreements governing certain of our other existing indebtedness limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness.

Our fully franchised business model presents a number of disadvantages and risks.

Approximately 100% of *Burger King* restaurants are owned and operated by franchisees. Our fully franchised business model presents a number of drawbacks, such as our 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 our strategic initiatives. For example, our success in executing one of our key strategies (re-imaging our restaurant base) will depend on the ability and willingness of our franchisees to reinvest in remodeling or rebuilding their restaurants. The problems associated with these drawbacks may present a significant challenge for management.

A franchisee bankruptcy could have a substantial negative impact on our ability to collect payments due under such franchisee's franchise agreements and, if applicable, lease agreements with us. In a franchisee bankruptcy, the bankruptcy trustee may reject its franchise arrangements pursuant to Section 365 under the United States Bankruptcy Code, in which case there would be no further royalty payments and/or rent payments from such franchisee, and there can be no assurance as to the proceeds, if any, that may ultimately be recovered in a bankruptcy proceeding of such franchisee in connection with a damage claim resulting from such rejection.

In connection with our refranchising strategy, we have entered into subleases with our franchisees. The subleases we enter into with franchisees for these properties typically pass through financial obligations to the franchisee, but if a franchisee fails to perform the financial obligations passed through to them under the sublease, we will be required to perform these obligations resulting in an increase in our leasing and operational costs and expenses.

Our principal competitors may have greater influence over their respective restaurant systems than we do because of their significantly higher percentage of Company restaurants and/or ownership of franchisee real estate. McDonald's and Wendy's have a higher percentage of Company restaurants than we do, and, as a result, they may have a greater ability to implement operational initiatives and business strategies, including their marketing and advertising programs.

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Our operating results depend on the effectiveness of our marketing and advertising programs.

Our revenues are heavily influenced by brand marketing and advertising. Our marketing and advertising programs may not be successful, which may lead us to fail to attract new guests and retain existing guests. If our marketing and advertising programs are unsuccessful, our results of operations could be materially and adversely affected. Moreover, because franchisees and Company restaurants contribute to our advertising fund based on a percentage of their gross sales, our advertising fund expenditures are dependent upon sales volumes at system-wide restaurants. If system-wide sales decline, there will be a reduced amount available for our marketing and advertising programs. In addition, we have emphasized certain value offerings in our marketing and advertising programs to drive traffic at our stores. The disadvantage of value offerings is that the low-price offerings may condition our guests to resist higher prices in a more favorable economic environment.

Franchisee support of our marketing and advertising programs is critical for our success.

The support of our franchisees is critical for the success of our marketing programs and any new capital intensive or other strategic initiatives we seek to undertake, and the successful execution of these initiatives will depend on our ability to maintain alignment with our franchisees. While we can mandate certain strategic initiatives through enforcement of our franchise agreements, we need the active support of our franchisees if the implementation of these initiatives is to be successful. In addition, our efforts to build alignment with franchisees may result in a delay in the implementation of our marketing and advertising programs and other key initiatives. Our franchisees may not continue to support our marketing programs and strategic initiatives. The failure of our franchisees to support our marketing programs and strategic initiatives could adversely affect our ability to implement our business strategy and could materially harm our business, results of operations and financial condition.

Our operating results are closely tied to the success of our franchisees; however, our franchisees are independent operators and we have limited influence over their restaurant operations.

We receive revenues in the form of royalties and fees from our franchisees. As a result, our operating results substantially depend upon our franchisees' sales volumes, restaurant profitability and financial viability. However, our franchisees are independent operators and we cannot control many factors that impact the profitability of their restaurants. Pursuant to the franchise agreements, we can, among other things, mandate menu items, signage, equipment, hours of operation and value menu, establish operating procedures and approve suppliers, distributors and products. However, the quality of franchise restaurant operations may be diminished by any number of factors beyond our control. Consequently, franchisees may not successfully operate restaurants in a manner consistent with our standards and requirements, such as our cleanliness standards, or standards set by federal, state and local governmental laws and regulations. In addition, franchisees may not hire and train qualified managers and other restaurant personnel. While we ultimately can take action to terminate franchisees that do not comply with the standards contained in our franchise agreements and our Manual of Operating Data, we may not be able to identify problems and take action quickly enough and, as a result, our image and reputation may suffer, and our franchise revenues and results of operations could decline.

If sales trends or economic conditions worsen for franchisees, their financial results may deteriorate, which could result in, among other things, restaurant closures, delayed or reduced payments to us of royalties, advertising contributions and rents, and an inability for such franchisees to obtain financing to fund development, restaurant remodels or equipment initiatives on acceptable terms or at all. Furthermore, franchisees may not be willing or able to renew their franchise agreements with us due to low sales volumes, or high real estate costs, or may be unable to renew due to the failure to secure lease renewals. If our franchisees fail to renew their franchise agreements, our royalty revenues may decrease which in turn could materially and adversely affect our business and operating results.

Our future growth and profitability will depend on our ability to successfully accelerate international development with strategic partners and joint ventures.

We believe that our future growth and profitability will depend on our ability to successfully accelerate international development with strategic partners and joint ventures. Internationally, we have moved to a business model in which we enter into relationships with "master franchisees" to develop and operate restaurants in defined geographic areas. Over the past two and a half years, we have entered into master franchise and development agreements with franchisees in Brazil, China, Russia, South Africa, Mexico, India, France, Singapore, Malaysia, South Korea, the Nordic countries, Canada, Finland, the Netherlands, Pakistan, Japan and Sri Lanka, and we are actively seeking strategic partners for new joint venture and master franchise relationships as part of our overall strategy for international expansion. These new arrangements may give our joint venture and/or master franchise partners the exclusive right to develop and manage *Burger King* restaurants in a specific country or countries. A joint venture partnership involves special risks, such as our joint venture partners may at any time have economic, business or legal interests or goals that are inconsistent with those of the joint venture or us, or our joint venture partners may be unable to meet their economic or other obligations and we may be required to fulfill those obligations alone. Our master franchise arrangements present similar risks and uncertainties. We cannot control the actions of our joint venture partners or master franchisees, including any nonperformance, default or bankruptcy of joint venture partners or master franchisees. In addition, the termination of an arrangement with a master franchisee or a lack of expansion by certain master franchisees could result in the delay or discontinuation of the development of franchise restaurants, or an interruption in the operation of our brand in a particular market or markets. We may not be able to find another operator to resume development activities in such market or markets. Any such delay, discontinuation or interruption could materially and adversely affect our business and operating results.

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While we believe that our joint venture and master franchise arrangements provide us with experienced local business partners in foreign countries, events or issues, including disagreements with our partners, may occur that require attention of our senior executives and may result in expenses or losses that erode the profitability of our international operations.

In addition, the U.S. Foreign Corrupt Practices Act, or "FCPA," and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these laws. Despite our compliance programs, we cannot assure you that our internal control policies and procedures always will protect us from reckless or negligent acts committed by our employees, agents, joint venture partners or franchisees. Violations of these laws, or allegations of such violations, may have a negative effect on our results of operations, financial condition and reputation.

Sub-franchisees could take actions that could harm our business and that of our master franchisees.

In certain of our international markets, we enter into agreements with master franchisees that permit the master franchisee to develop and operate restaurants in defined geographic areas. As permitted by our master franchise agreements, certain master franchisees may elect to sub-franchise rights to develop and operate restaurants in the geographic area covered by the master franchise agreement. Our master franchise agreements contractually obligate our master franchisees to operate their restaurants in accordance with specified operations, safety and health standards and also require that any sub-franchise agreement contain similar requirements. However, we are not party to the agreements with the sub-franchisees and, as a result, are dependent upon our master franchisees to enforce these standards with respect to sub-franchised restaurants. As a result, the ultimate success and quality of any sub-franchised restaurant rests with the master franchisee and the sub-franchisee. If sub-franchisees do not successfully operate their restaurants in a manner consistent with required standards, franchise fees and royalty income paid to the applicable master franchisee and ultimately to us could be adversely affected, and our brand image and reputation may be harmed, which could materially and adversely affect our business and operating results.

Our future prospects depend on our ability to implement our strategy of increasing our restaurant portfolio.

We plan to significantly increase worldwide restaurant count. A significant component of our future growth strategy involves increasing our restaurant count in our international markets. We and our franchisees face many challenges in opening new restaurants, including, among others:

- the selection and availability of suitable restaurant locations;
- the impact of local tax, zoning, land use and environmental rules and regulations on our ability and the ability of our franchisees to develop restaurants, and the impact of any material difficulties or failures that we and our franchisees experience in obtaining the necessary licenses and approvals for new restaurants;
- the negotiation of acceptable lease terms;
- the availability of bank credit and, for franchise restaurants, the ability of franchisees to obtain acceptable financing terms;
- securing acceptable suppliers;
- employing and training qualified personnel; and
- consumer preferences and local market conditions.

In the past, we have approved franchisees that were unsuccessful in implementing their expansion plans, particularly in new markets. There can be no assurance that we will be able to identify franchisees who meet our criteria, or if we identify such franchisees, that they will successfully implement their expansion plans.

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Our international operations subject us to additional risks and costs and may cause our profitability to decline.

As of December 31, 2013, our restaurants were operated, directly by us or by franchisees, in 97 countries and U.S. territories worldwide (including Guam and Puerto Rico, which are considered part of our international business). During 2013, our revenues from international operations represented 47% of total revenues and we intend to continue expansion of our international operations. As a result, our business is increasingly exposed to risks inherent in foreign operations. These risks, which can vary substantially by market, are described in many of the risk factors discussed in the section and include the following:

- governmental laws, regulations and policies adopted to manage national economic conditions, such as increases in taxes, austerity measures that impact consumer spending, monetary policies that may impact inflation rates and currency fluctuations;
- the risk of single franchisee markets and single distributor markets;
- the risk of markets in which we have granted exclusive development and subfranchising rights;
- the effects of legal and regulatory changes and the burdens and costs of our compliance with a variety of foreign laws;
- changes in the laws and policies that govern foreign investment and trade in the countries in which we operate;
- risks and costs associated with political and economic instability, corruption, anti-American sentiment and social and ethnic unrest in the countries in which we operate;
- the risks of operating in developing or emerging markets in which there are significant uncertainties regarding the interpretation, application and enforceability of laws and regulations and the enforceability of contract rights and intellectual property rights;
- risks arising from the significant and rapid fluctuations in currency exchange markets and the decisions and positions that we take to hedge such volatility;
- changing labor conditions and difficulties in staffing the international operations of our franchisees;
- the impact of labor costs on our franchisees' margins given our labor-intensive business model and the long-term trend toward higher wages in both mature and developing markets and the potential impact of union organizing efforts on day-to-day operations of our restaurants; and
- the effects of increases in the taxes we pay and other changes in applicable tax laws.

These factors may increase in importance as we expect our franchisees to open new restaurants in international markets as part of our growth strategy.

Our business is subject to fluctuations in foreign currency exchange and interest rates.

Our international operations are impacted by fluctuations in currency exchange rates and changes in currency regulations. Our royalty payments in our European markets and in certain other countries are denominated in currencies other than U.S. dollars. Consequently, our franchise revenues from those countries are subject to fluctuations in currency exchange rates. Furthermore, our franchise royalties from our international franchisees are calculated based on local currency sales; consequently our franchise revenues are still impacted by fluctuations in currency exchange rates. Our revenues and expenses are translated using the average rates during the period in which they are recognized and are impacted by changes in currency exchange rates.

Fluctuations in interest rates may also affect our business. We attempt to minimize this risk and lower our overall borrowing costs through the utilization of derivative financial instruments, primarily interest rate caps. These instruments are entered into with financial institutions and have reset dates and critical terms that match those of our forecasted interest payments. Accordingly, any changes in interest rates we pay are partially offset by changes in the market value associated with derivative financial instruments. We do not attempt to hedge all of our debt and, as a result, may incur higher interest costs for portions of our debt which are not hedged. In addition, we enter into forward contracts to reduce our exposure to volatility from foreign currency fluctuations associated with certain foreign currency-denominated assets. However, for a variety of reasons, we do not hedge our revenue exposure in other currencies. Therefore, we are exposed to volatility in those other currencies, and this volatility may differ from period to period. As a result, the foreign currency impact on our operating results for one period may not be indicative of future results.

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As a result of entering into these hedging contracts with major financial institutions, we may be subject to counterparty nonperformance risk. Should there be a counterparty default, we could be exposed to the net losses on the hedged arrangements or be unable to recover anticipated net gains from the transactions.

Increases in food costs could harm our operating results and the operating results of our franchisees.

Our profitability and the profitability of our franchisees depend in part on our ability to anticipate and react to changes in food and supply costs. The market for beef and chicken is particularly volatile and is subject to significant price fluctuations due to seasonal shifts, climate conditions, demand for corn (a key ingredient of cattle and chicken feed), corn ethanol policy, industry demand, international commodity markets, food safety concerns, product recalls, government regulation and other factors, all of which are beyond our control and, in many instances unpredictable. If the price of beef, chicken or other products that we use in our Company restaurants increases in the future and we choose not to pass, or cannot pass, these increases on to our guests, our operating margins would decrease for as long as we operate Company restaurants. In addition, if commodity prices rise, franchisees may experience reduced sales due to decreased consumer demand at retail prices that have been raised to offset increased commodity prices, which may reduce franchisee profitability. Any such decline in franchisee sales will reduce our royalty income, which in turn may materially and adversely affect our business and operating results.

If we fail to successfully implement our restaurant reimaging initiative, our ability to increase our revenues may be adversely affected.

Our restaurant reimaging initiative depends on the ability, and willingness, of franchisees to accelerate the remodeling of their existing restaurants. We have implemented a more cost effective remodeling solution which focuses spending on improvements that we believe will drive meaningful sales lifts to maximize return on capital. However, our franchisees may not be willing to commit to engage in such remodeling. The average cost to remodel a stand-alone restaurant in the United States is approximately $300,000-$350,000 and the average cost to replace the existing building with a new building is approximately $1.2 million. Even if they are willing to participate, many of our franchisees will need to borrow funds in order to finance these capital expenditures. If our franchisees are unable to obtain financing at commercially reasonable rates, or not at all, they may be unwilling or unable to invest in the reimaging of their existing restaurants, and our future growth could be adversely affected.

Food safety and food-borne illness concerns may have an adverse effect on our business.

Food safety is a top priority, and we dedicate substantial resources to ensure that our customers enjoy safe, high quality food products. However, food-borne illnesses, such as E. coli, bovine spongiform encephalopathy or “mad cow disease,” hepatitis A, trichinosis or salmonella, and other food safety issues have occurred in the food industry in the past, and could occur in the future. Furthermore, our reliance on third-party food suppliers and distributors increases the risk that food-borne illness incidents could be caused by factors outside of our control and that multiple locations would be affected rather than a single restaurant. New illnesses resistant to any precautions may develop in the future, or diseases with long incubation periods could arise, such as mad cow disease, which could give rise to claims or allegations on a retroactive basis. Any report or publicity linking us or one of our franchisees to instances of food-borne illness or other food safety issues, including food tampering, adulteration or contamination, could adversely affect our brands and reputation as well as our revenues and profits. Outbreaks of disease, as well as influenza, could reduce traffic in our stores. If our customers become ill from food-borne illnesses, we could also be forced to temporarily close some restaurants. In addition, instances of food-borne illness, food tampering or food contamination occurring solely at restaurants of competitors could adversely affect our sales as a result of negative publicity about the foodservice industry generally.

The occurrence of food-borne illnesses or food safety issues could also adversely affect the price and availability of affected ingredients, which could result in disruptions in our supply chain, significantly increase our costs and/or lower margins for us and our franchisees. In addition, our industry has long been subject to the threat of food tampering by suppliers, employees or guests, such as the addition of foreign objects in the food that we sell. Reports, whether or not true, of injuries caused by food tampering have in the past severely injured the reputations of restaurant chains in the quick service restaurant segment and could affect us in the future as well.

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Our results can be adversely affected by unforeseen events, such as adverse weather conditions, natural disasters or catastrophic events.

Unforeseen events, such as adverse weather conditions, natural disasters or catastrophic events, can adversely impact our restaurant sales. Natural disasters such as earthquakes, hurricanes, and severe adverse weather conditions and health pandemics whether occurring in the United States or abroad, can keep customers in the affected area from dining out and result in lost opportunities for our restaurants. Because a significant portion of our restaurant operating costs is fixed or semi-fixed in nature, the loss of sales during these periods hurts our operating margins and can result in restaurant operating losses.

Shortages or interruptions in the availability and delivery of food, beverages and other supplies may increase costs or reduce revenues.

We and our franchisees are dependent upon third parties to make frequent deliveries of perishable food products that meet our specifications. Shortages or interruptions in the supply of food items and other supplies to our restaurants could adversely affect the availability, quality and cost of items we buy and the operations of our restaurants. Such shortages or disruptions could be caused by inclement weather, natural disasters such as floods, drought and hurricanes, increased demand, problems in production or distribution, the inability of our vendors to obtain credit, food safety warnings or advisories or the prospect of such pronouncements, or other conditions beyond our control. A shortage or interruption in the availability of certain food products or supplies could increase costs and limit the availability of products critical to restaurant operations.

Four distributors service approximately 86% of our U.S. system restaurants and in many of our international markets, we have a single distributor that delivers products to all of our restaurants. Our distributors operate in a competitive and low-margin business environment. If one of our principal distributors is in financial distress and therefore unable to continue to supply us and our franchisees with needed products, we may need to take steps to ensure the continued supply of products to restaurants in the affected markets, which could result in increased costs to distribute needed products. If a principal distributor for our Company restaurants and/or our franchisees fails to meet its service requirements for any reason, it could lead to a disruption of service or supply until a new distributor is engaged, which could have an adverse effect on our business.

The loss of key management personnel or our inability to attract and retain new qualified personnel could hurt our business and inhibit our ability to operate and grow successfully.

We are dependent on the efforts and abilities of our senior management, and our success will also depend on our ability to attract and retain additional qualified employees. Failure to attract personnel sufficiently qualified to execute our strategy, or to retain existing key personnel, could have a material adverse effect on our business.

Changes in tax laws and unanticipated tax liabilities could adversely affect the taxes we pay and our profitability.

We are subject to income and other taxes in the United States and numerous foreign jurisdictions. Our federal income tax returns for fiscal years 2009, 2010, the period from July 1, 2010 to October 18, 2010 and the period from October 19, 2010 to December 31, 2010 are currently under audit by the Internal Revenue Service and from time to time, we are subject to additional U.S. state and local income tax audits, international income tax audits and sales, franchise and VAT tax audits. Our effective income tax rate and tax payments in the future could be adversely affected by a number of factors, including: changes in the mix of earnings in countries with different statutory tax rates; changes in the valuation of deferred tax assets and liabilities; continued losses in certain international markets that could trigger a valuation allowance; changes in tax laws; the outcome of income tax audits in various jurisdictions around the world; taxes imposed upon sales of Company restaurants to franchisees; and any repatriation of non-U.S. earnings or our determination that unremitted earnings from foreign subsidiaries for which we have not previously provided for U.S. taxes were no longer permanently reinvested outside the U.S.

Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different from our historical income tax provisions and accruals. The results of a tax audit or related litigation could have a material effect on our income tax provision, net income (loss) or cash flows in the period or periods for which that determination is made.

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A significant portion of our and our franchisee's real estate portfolios are leased; if we or our franchisees are unable to renew these leases on commercially reasonable terms or at all, then our future financial results could be adversely affected.

Many of our Company and franchise restaurants are presently located on leased premises. As leases underlying our Company and franchise restaurants expire, we or our franchisees may be unable to negotiate a new lease or lease extension, either on commercially acceptable terms or at all, which could cause us or our franchisees to close restaurants in desirable locations. As a result, our sales and our brand building initiatives could be adversely affected. We generally cannot cancel these leases; therefore, if an existing or future restaurant is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term.

We may not be able to adequately protect our intellectual property, which could harm the value of our brand and branded products and adversely affect our business.

We depend in large part on our brand, which represents 39% of the total assets on our balance sheet as of December 31, 2013, and we believe that our brand is very important to our success and our competitive position. We rely on a combination of trademarks, copyrights, service marks, trade secrets, patents and other intellectual property rights to protect our brand and branded products. The success of our business depends on our continued ability to use our existing trademarks and service marks in order to increase brand awareness and further develop our branded products in both domestic and international markets. We have registered certain trademarks and have other trademark registrations pending in the United States and foreign jurisdictions. Not all of the trademarks that we currently use have been registered in all of the countries in which we do business, and they may never be registered in all of these countries. We may not be able to adequately protect our trademarks, and our use of these trademarks may result in liability for trademark infringement, trademark dilution or unfair competition. The steps we have taken to protect our intellectual property in the United States and in foreign countries may not be adequate and our proprietary rights could be challenged, circumvented, infringed or invalidated. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States.

We may not be able to prevent third parties from infringing our intellectual property rights, and we may, from time to time, be required to institute litigation to enforce our trademarks or other intellectual property rights or to protect our trade secrets. Further, third parties may assert or prosecute infringement claims against us and we may or may not be able to successfully defend these claims. Any such litigation could result in substantial costs and diversion of resources and could negatively affect our revenue, profitability and prospects regardless of whether we are able to successfully enforce our rights.

We currently are and in the future may be subject to litigation that could have an adverse effect on our business.

We may from time to time, in the ordinary course of business, be subject to litigation relating to matters including, but not limited to, disputes with franchisees, suppliers, employees and customers, as well as disputes over our intellectual property.

Whether or not any claims against us are valid, or whether we are ultimately held liable, such litigation may be expensive to defend, harm our reputation and divert resources away from our operations and negatively impact our reported earnings. Furthermore, legal proceedings against a franchisee or its affiliates by third parties, whether in the ordinary course of business or otherwise, may include claims against us by virtue of our relationship with the franchisee.

Recent public and private concerns about the health risks associated with fast food may adversely affect our financial results.

Class action lawsuits have been filed, and may continue to be filed, against various quick service restaurants alleging, among other things, that quick service restaurants have failed to disclose the health risks associated with high-fat or high-sodium foods and that quick service restaurant marketing practices have targeted children and encouraged obesity. Adverse publicity about these allegations may negatively affect us and our franchisees, regardless of whether the allegations are true, by discouraging customers from buying our products. In addition, we face the risk of lawsuits and negative publicity resulting from illnesses and injuries, including injuries to infants and children, allegedly caused by our products, toys and other promotional items available in our restaurants or our playground equipment. In addition to decreasing our revenue and profitability and diverting our management resources, adverse publicity or a substantial judgment against us could negatively impact our business, results of operations, financial condition and brand reputation, hindering our ability to attract and retain franchisees and grow our business in the United States and internationally.

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Changes in governmental regulations may adversely affect restaurant operations and our financial results.

In the United States, each of our Company and franchise restaurants is subject to licensing and regulation by health, sanitation, safety and other agencies in the state and/or municipality in which the restaurant is located. State and local government authorities may enact laws, rules or regulations that impact restaurant operations and the cost of conducting those operations. In many of our markets, including the United States and Europe, we and our franchisees are subject to increasing regulation regarding our operations, which may significantly increase the cost of doing business. In developing markets, we face the risks associated with new and untested laws and judicial systems. Among the more important regulatory risks regarding our operations we face are the following:

- the impact of the Fair Labor Standards Act, which governs such matters as minimum wage, overtime and other working conditions, family leave mandates and a variety of other laws enacted by states that govern these and other employment matters;
- the impact of immigration and other local and foreign laws and regulations on our business;
- disruptions in our operations or price volatility in a market that can result from governmental actions, including price controls, currency and repatriation controls, limitations on the import or export of commodities we use or government-mandated closure of our or our vendors' operations;
- the impact of the United States federal menu labeling law which requires the listing of specified nutritional information on menus and menu boards on consumer demand for our products;
- the risks of operating in foreign markets in which there are significant uncertainties, including with respect to the application of legal requirements and the enforceability of laws and contractual obligations;
- the impact of the Patient Protection and Affordable Care Act on the businesses of our U.S franchisees, many of whom are small business owners who may have significant difficulty absorbing the increased costs or may need to revise the ways in which they conduct their business; and
- the impact of costs of compliance with privacy, consumer protection and other laws, the impact of costs resulting from consumer fraud and the impact on our margins as the use of cashless payments increases.

We are also subject to a Federal Trade Commission rule and to various state and foreign laws that govern the offer and sale of franchises. Various state and foreign laws regulate certain aspects of the franchise relationship, including terminations and the refusal to renew franchises. The failure to comply with these laws and regulations in any jurisdiction or to obtain required government approvals could result in a ban or temporary suspension on future franchise sales, fines, other penalties or require us to make offers of rescission or restitution, any of which could adversely affect our business and operating results. We could also face lawsuits by our franchisees based upon alleged violations of these laws.

The Americans with Disabilities Act ("ADA"), prohibits discrimination on the basis of disability in public accommodations and employment. We have, in the past, been required to make certain modifications to our restaurants pursuant to the ADA. In addition, future mandated modifications to our facilities to make different accommodations for disabled persons and modifications required under the ADA could result in material unanticipated expense to us and our franchisees.

If we fail to comply with existing or future laws and regulations, we may be subject to governmental or judicial fines or sanctions. In addition, our and our franchisees' capital expenditures could increase due to remediation measures that may be required if we are found to be noncompliant with any of these laws or regulations.

The personal information that we collect may be vulnerable to breach, theft or loss that could adversely affect our reputation, results of operation and financial condition.

In the ordinary course of our business, we collect, process, transmit and retain personal information regarding our employees and their families, franchisees, vendors and consumers, including social security numbers, banking and tax ID information, health care information and credit card information. Some of this personal information is held and managed by certain of our vendors. Although we use security and business controls to limit access and use of personal information, a third party may be able to circumvent those security and business controls, which could result in a breach of employee, consumer or franchisee privacy. A major breach, theft or loss of personal information regarding our employees and their families, our franchisees, vendors or consumers that is held by us or

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our vendors could result in substantial fines, penalties and potential litigation against us which could negatively impact our results of operations and financial condition. Furthermore, as a result of legislative and regulatory rules, we may be required to notify the owners of the personal information of any data breaches, which could harm our reputation and financial results, as well as subject us to litigation or actions by regulatory authorities.

Information technology system failures or interruptions or breaches of our network security may interrupt our operations, subject us to increased operating costs and expose us to litigation.

We rely heavily on our computer systems and network infrastructure across our operations including, but not limited to, point-of-sale processing at our restaurants. Despite our implementation of security measures, all of our technology systems are vulnerable to damage, disability or failures due to physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, denial of service attacks, viruses, worms and other disruptive problems caused by hackers. If our technology systems were to fail, and we were unable to recover in a timely way, we could experience an interruption in our operations. Furthermore, if unauthorized access to or use of our systems were to occur, data related to our proprietary information could be compromised. The occurrence of any of these incidents could have a material adverse effect on our business, financial condition and results of operations. To the extent that some of our worldwide reporting systems require or rely on manual processes, it could increase the risk of a breach.

In addition, a number of our systems and processes are not fully integrated worldwide and, as a result, require us to manually estimate and consolidate certain information that we use to manage our business. To the extent that we are not able to obtain transparency into our operations from our systems, it could impair the ability of our management to react quickly to changes in the business or economic environment.

Compliance with or cleanup activities required by environmental laws may hurt our business.

We are subject to various federal, state, local and foreign environmental laws and regulations. These laws and regulations govern, among other things, discharges of pollutants into the air and water as well as the presence, handling, release and disposal of and exposure to, hazardous substances. These laws and regulations provide for significant fines and penalties for noncompliance. If we fail to comply with these laws or regulations, we could be fined or otherwise sanctioned by regulators. Third parties may also make personal injury, property damage or other claims against us associated with releases of, or actual or alleged exposure to, hazardous substances at, on or from our properties.

Environmental conditions relating to prior, existing or future restaurants or restaurant sites, including franchised sites, may have a material adverse effect on us. Moreover, the adoption of new or more stringent environmental laws or regulations could result in a material environmental liability to us and the current environmental condition of the properties could be harmed by tenants or other third parties or by the condition of land or operations in the vicinity of our properties.

We outsource certain aspects of our business to third party vendors which subjects us to risks, including disruptions in our business and increased costs.

We have outsourced certain administrative functions, including account payment and receivable processing, to a third-party service provider. We also outsource certain information technology support services and benefit plan administration, and may outsource other functions in the future to achieve cost savings and efficiencies. If the service providers to which we outsource these functions do not perform effectively, we may not be able to achieve the expected cost savings and may have to incur additional costs in connection with such failure to perform. Depending on the function involved, such failures may also lead to business disruption, transaction errors, processing inefficiencies, the loss of sales and customers, the loss of or damage to intellectual property through security breach, and the loss of sensitive data through security breach or otherwise. Any such damage or interruption could have a material adverse effect on our business, cause us to face significant fines, customer notice obligations or costly litigation, harm our reputation with our customers or prevent us from paying our suppliers or employees or receiving payments on a timely basis.

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Risks related to our common stock

Concentration of ownership by 3G Capital may prevent other shareholders from influencing significant corporate decisions.

We are approximately 70% owned by 3G, which in turn is controlled by 3G Capital. As a result 3G Capital has the power to elect all of the members of our board of directors and effectively has control over major decisions regardless of whether other shareholders believe that any such decisions are in their own best interests. The interests of 3G Capital as equity holder may conflict with the interests of the other shareholders. 3G Capital may have an incentive to increase the value of its investment or cause us to distribute funds at the expense of our financial condition and affect our ability to make payments on our indebtedness. In addition, 3G Capital may have an interest in pursuing acquisitions, divestitures, financings, capital expenditures or other transactions that it believes could enhance its equity investments even though such transactions might involve risks to other stakeholders. 3G Capital is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. In addition, this significant concentration of share ownership may adversely affect the trading price for our Common Stock because investors often perceive disadvantages in owning stock in companies with a concentrated stockholder base.

Our amended and restated certificate of incorporation provides that the doctrine of corporate opportunity does not apply with respect to 3G, or any of our directors, in a manner that would prohibit them from investing or participating in competing businesses. To the extent they invest in such other businesses, 3G may have differing interests from our other stockholders.

We are a controlled company within the meaning of the New York Stock Exchange rules, and, as a result, we rely on exemptions from certain corporate governance requirements that provide protection to stockholders of other companies which do not rely on this exemption.

3G owns, in the aggregate, more than 50% of the total voting power of our common stock and, as a result, we are a controlled company under the New York Stock Exchange corporate governance standards. As a controlled company, we are exempt from certain of the New York Stock Exchange corporate governance requirements, including the requirements:

- that a majority of our board of directors consist of independent directors, as defined under the rules of the New York Stock Exchange;
- that we have a corporate governance and nominating committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.

Accordingly, for so long as we are a controlled company, holders of our common stock will not have the same protections afforded to stockholders of companies that are subject to all of the New York Stock Exchange corporate governance requirements.

Our stock price may be volatile or may decline regardless of our operating performance.

The market price for our common stock may fluctuate significantly in response to a number of factors, many of which we cannot control, including those described under “Risk Factors – Risks Related to Our Business”, and the following:

- changes in the economic or capital markets conditions that could affect valuations of the Company or fast food companies in general;
- changes in financial estimates by any securities analysts who follow our common stock, our failure to meet these estimates or failure of those analysts to initiate or maintain coverage of our common stock;
- downgrades by any securities analysts who follow our common stock;
- future sales of our common stock by our officers, directors and significant stockholders;
- global economic, legal, regulatory factors unrelated to our performance;
- announcements by us or our competitors of significant changes in product offerings, contracts, acquisitions, joint ventures or capital commitments; and
- changes in key personnel.

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Future sales of our common stock, or the perception in the public markets that these sales may occur, may depress our stock price.

As of December 31, 2013, there were 351,816,664 shares of common stock outstanding. Approximately 70% and 12% of our outstanding common stock is held by 3G and investment funds affiliated with Pershing Square Capital Management L.P., respectively. Sales of a substantial amount of our common stock in the public market, or the perception that these sales could occur, could adversely affect the price of our common stock and could impair our ability to raise capital through the sale of additional shares.

Certain holders of our common stock may require us to register their shares for resale under the federal securities laws under the terms of certain separate registration rights agreements between us and the holders of these securities, subject to lock-up restrictions in certain cases. Registration of those shares would allow the holders thereof to immediately resell their shares in the public market. Any such sales, or anticipation thereof, could cause the market price of our common stock to decline.

In addition, we have registered shares of common stock that are reserved for issuance under our 2011 Omnibus Incentive Plan and Amended and Restated 2012 Omnibus Incentive Plan.

Your percentage ownership in us may be diluted by future issuances of capital stock, which could reduce the influence of our stockholders over matters on which our stockholders vote.

Our board of directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock or shares of our authorized but unissued preferred stock. For example, we may issue our securities in connection with investments or acquisitions. The amount of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of the then-outstanding shares of our common stock and could materially dilute the ownership of our common stockholders. Issuances of common stock or voting preferred stock would reduce the influence of our common stockholders over matters on which our stockholders vote and, in the case of issuances of preferred stock, would likely result in the interest of the common stockholders in us being subject to the prior rights of holders of that preferred stock.

Anti-takeover provisions in our charter documents and Delaware law might discourage or delay acquisition attempts for us that our common stockholders might consider favorable.

Our amended and restated certificate of incorporation and bylaws contain provisions that may make the acquisition of the Company more difficult without the approval of our board of directors. These provisions:

- authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of common stock;
- provide that the board of directors is expressly authorized to make, alter or repeal our amended and restated bylaws; and
- establish advance notice requirements for nominations for elections to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of the Company, even if doing so would benefit our stockholders. These provisions could also discourage proxy contests and make it more difficult for our stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire.

Source: Burger King Worldwide, Inc., 10-K, February 21, 2014 Powered by Morningstar® Document Research℠

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This is no assurance that we will pay any cash dividends in the future.

Although we paid four cash dividends in 2013 and our board of directors recently declared a cash dividend for the first quarter of 2014, any future dividends will be determined at the discretion of our board of directors and will depend upon results of operations, financial condition, contractual restrictions, including agreements governing our debt and any future indebtedness we may incur, restrictions imposed by applicable law and other factors our board of directors deems relevant. Realization of a gain on an investment in our common stock will depend on the appreciation of the price of our common stock, which may never occur.

We may be restricted from paying cash dividends on our common stock in the future.

We are a holding company that does not conduct any business operations of our own. As a result, we are largely dependent upon cash dividends and distributions and other transfers from our subsidiaries to make dividend payments on our common stock. The amounts available to us to pay cash dividends may be restricted by law, regulation or any debt agreements entered into by our subsidiaries. The terms of our debt agreements will limit our ability to pay cash dividends. In addition, we cannot assure you that the agreements governing any future indebtedness of us or our subsidiaries, or applicable laws or regulations, will permit us to pay dividends on our common stock or otherwise adhere to any dividend policy we may adopt in the future.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

Our global restaurant support center and U.S. headquarters is located in Miami, Florida and consists of approximately 213,000 square feet which we lease. We extended the Miami lease for our global restaurant support center in May 2008 through September 2018 with an option to renew for one five-year period. We lease properties for our EMEA headquarters in Zug, Switzerland and our APAC headquarters in Singapore. We also lease additional support offices in Madrid, Spain and Slough, United Kingdom. We believe that our existing headquarters and other leased and owned facilities are adequate to meet our current requirements.

The following table presents information regarding our restaurant properties as of December 31, 2013:

		Leased			
	Own Land & Building	Land	Building/ Land & Building	Total Leases	Total
United States and Canada:					
Company restaurants	15	22	15	37	52
Franchisee-operated properties	737	498	610	1,108	1,845
Non-operating restaurant locations	36	6	8	14	50
Offices and other	—	—	7	7	7
Total	788	526	640	1,166	1,954
International:					
Company restaurants	—	—	—	—	—
Franchisee-operated properties	19	1	99	100	119
Non-operating restaurant locations	2	—	2	2	4
Offices and other	1	—	5	5	6
Total	22	1	106	107	129

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Item 3. ***Legal Proceedings***

Jay Clogg Realty Group, Inc. v. Burger King Corporation, Civ. Action No. 8-13-CV-00662 (U.S. District Court for the District of Maryland) . On March 1, 2013, a putative class action lawsuit was filed against BKC in the U.S. District Court of Maryland. The complaint alleges that BKC and/or its agents sent unsolicited advertisements by fax to thousands of consumers in Maryland and elsewhere in the United States to promote its home delivery program in violation of the Telephone Consumers Protection Act. The plaintiff is seeking monetary damages and injunctive relief. BKC has filed a motion to dismiss. If BKC's motion to dismiss is denied, it is anticipated that the parties will proceed with discovery. BKC will vigorously contest liability and class certification.

From time to time, we are involved in other legal proceedings arising in the ordinary course of business relating to matters including, but not limited to, disputes with franchisees, suppliers, employees and customers, as well as disputes over our intellectual property. The Company has an estimated liability of approximately $10.0 million as of December 31, 2013, representing the Company's best estimate within the range of losses which could be incurred in connection with pending litigation matters.

Item 4. ***Mine Safety Disclosures***

Not applicable.

Part II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Market for Our Common Stock

Our common stock trades on the New York Stock Exchange under the symbol BKW. Trading of our common stock commenced on June 20, 2012, following the completion of our merger with Justice. Prior to that date, no public market existed for our common stock. As of February 10, 2014, there were approximately 126 holders of record of our common stock. The following table sets forth for the periods indicated the high and low sales prices of our common stock on the New York Stock Exchange and dividends declared per share of common stock.

	Stock Price		Dividends per
	High	Low	Common Share
2013			
First Quarter	$19.95	$16.26	$ 0.05
Second Quarter	$ 21.00	$ 17.90	$ 0.06
Third Quarter	$ 20.42	$ 18.97	$ 0.06
Fourth Quarter	$ 22.86	$ 18.91	$ 0.07
2012			
Second Quarter (1)	$ 15.85	$ 14.97	$ —
Third Quarter	$ 15.88	$ 13.03	$ —
Fourth Quarter	$ 17.74	$ 14.10	$ 0.04

(1) Represents period from June 20, 2012 through the end of the quarter.

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Issuer Purchases of Equity Securities

The following table presents information related to the repurchase of our common stock during the three months ended December 31, 2013:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number (or Approximate Dollar Value) of Shares That May Yet be Purchased Under the Plans or Programs (1)
October 1-31, 2013	—	—	—	$ 200,000,000
November 1-30, 2013	—	—	—	$ 200,000,000
December 1-31, 2013	342,843	$ 21.40	342,843	$ 192,664,371
Total	**342,843**		**342,843**	

(1) On April 10, 2013, our Board of Directors authorized the repurchase of up to $200.0 million of our common stock. The repurchase authorization will remain in effect until May 31, 2016 or when the share repurchase limit is reached. The amount and timing of the repurchases will be determined by management. The share repurchases may be suspended or discontinued at any time.

Dividend Policy

On February 12, 2014, our board declared a cash dividend of $0.07 per share, which will be paid on March 12, 2014 to shareholders of record on February 26, 2014. Because we are a holding company, our ability to pay cash dividends on shares of our common stock may be limited by restrictions under our debt agreements. Although we do not have a dividend policy, our board may, subject to compliance with the covenants contained in our debt agreements and other considerations, determine to pay dividends in the future.

Securities Authorized for Issuance under Equity Compensation Plans

The following table presents information regarding equity awards outstanding under our compensation plans as of December 31, 2013 (amounts in thousands):

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Security Holders	15,980	$ 6.35	11,262
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	15,980	$ 6.35	11,262

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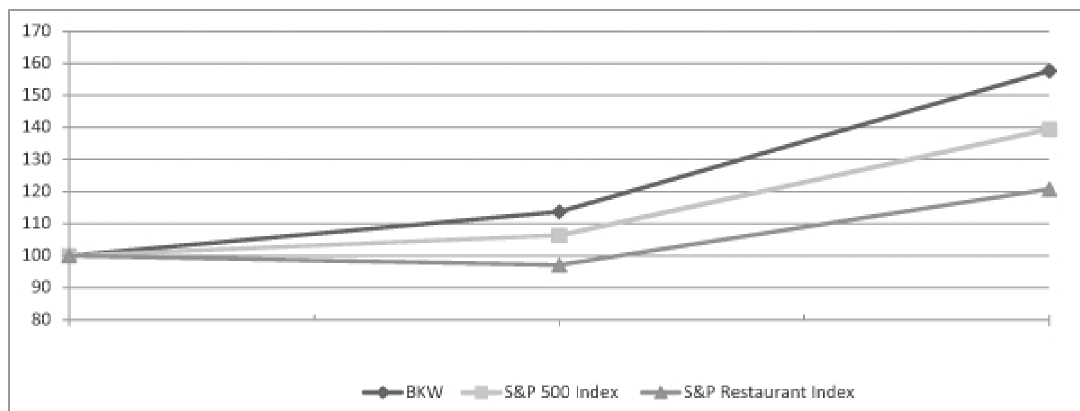
Stock Performance Graph

The following graph depicts the total return to shareholders from June 20, 2012, the date our common stock was listed on the New York Stock Exchange, through December 31, 2013, relative to the performance of the Standard & Poor's 500 Index and the Standard & Poor's Restaurant Index, a peer group. The graph assumes an investment of $100 in our common stock and each index on June 20, 2012 and the reinvestment of dividends paid since that date. The stock price performance shown in the graph is not necessarily indicative of future price performance.



	6/20/2012	12/31/2012	12/31/2013
BKW	$ 100	$ 114	$ 158
S&P 500 Index	$ 100	$ 106	$ 139
S&P Restaurant Index	$ 100	$ 97	$ 121

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Item 6. ***Selected Financial Data***

On October 19, 2010 (the "Acquisition Date"), we were acquired by 3G in a transaction accounted for as a business combination (the "3G Acquisition"). Unless the context otherwise requires, all references to "we", "us", "our" and "Successor" refer to the Company and its subsidiaries, collectively, for all periods subsequent to the 3G Acquisition. All references in this section to our "Predecessor" refer to Burger King Holdings, Inc. ("Holdings") and its subsidiaries for all periods prior to the 3G Acquisition, which operated under a different ownership and capital structure. In addition, the 3G Acquisition was accounted for under the acquisition method of accounting, which resulted in purchase price allocations that affect the comparability of results of operations for periods before and after the 3G Acquisition.

The following tables present our selected historical consolidated financial and other data for us and our Predecessor as of the dates and for each of the periods indicated. All references to 2013, 2012 and 2011 in this section are to the years ended December 31, 2013, December 31, 2012 and December 31, 2011, respectively. The selected historical financial data as of December 31, 2013 and December 31, 2012 and for 2013, 2012 and 2011 have been derived from our audited consolidated financial statements and notes thereto included in this report. The selected historical financial data as of December 31, 2010 and for the period from October 19, 2010 to December 31, 2010 have been derived from our audited consolidated financial statements and notes thereto, which are not included in this report. All references to Fiscal 2010 and 2009 refer to the Predecessor's fiscal years ended June 30, 2010 and June 30, 2009. The selected historical financial data as of June 30, 2010 and June 30, 2009 and for the period July 1, 2010 to October 18, 2010 and for Fiscal 2010 and 2009 have been derived from the audited consolidated financial statements and the notes thereto of our Predecessor, which are not included in this report.

The selected consolidated financial and other operating data presented below contain all normal recurring adjustments that, in the opinion of management, are necessary to present fairly our financial position and results of operations as of and for the periods presented. The selected historical consolidated financial and other operating data included below and elsewhere in this report are not necessarily indicative of future results. The information presented below should be read in conjunction with *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* in Part II, Item 7 and "*Financial Statements and Supplementary Data*" in Part II, Item 8 of this report.

	Successor				Predecessor		
				Transition Period			
	2013	2012	2011	October 19, 2010 to December 31, 2010	July 1, 2010 to October 18, 2010	Fiscal 2010	Fiscal 2009
	(In millions, except per share data)						
Statement of Operations Data:							
Revenues:							
Company restaurant revenues	$ 222.7	$ 1,169.0	$ 1,638.7	$ 331.7	$ 514.5	$ 1,839.3	$ 1,880.5
Franchise and property revenues	923.6	801.9	701.2	135.1	203.2	662.9	656.9
Total revenues	1,146.3	1,970.9	2,339.9	466.8	717.7	2,502.2	2,537.4
Income (loss) from operations (1)	522.2	417.7	362.5	(85.8)	101.5	332.9	339.4
Net income (loss) (1)	$ 233.7	$ 117.7	$ 88.1	$ (115.7)	$ 71.1	$ 186.8	$ 200.1
Earnings (loss) per common share:							
Basic	$ 0.67	$ 0.34	$ 0.25	$ (0.33)	$ 0.52	$ 1.38	$ 1.48
Diluted	$ 0.65	$ 0.33	$ 0.25	$ (0.33)	$ 0.52	$ 1.36	$ 1.46
Dividends per common share	$ 0.24	$ 0.04	$ 1.13	$ —	$ 0.06	$ 0.25	$ 0.25
Other Financial Data:							
Net cash provided by (used for) operating activities	$ 325.2	$ 224.4	$ 406.2	$ (126.5)	$ 121.3	$ 310.4	$ 310.8
Net cash provided by (used for) investing activities	43.0	33.6	(41.4)	(3,344.6)	(4.8)	(134.9)	(242.0)
Net cash provided by (used for) financing activities	(132.7)	(174.6)	(108.0)	3,396.4	(29.5)	(96.9)	(105.5)
Capital expenditures	25.5	70.2	82.1	28.4	18.2	150.3	204.0

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	Successor				Predecessor	
	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	June 30, 2010	June 30, 2009
			(In millions)			
Balance Sheet Data:						
Cash and cash equivalents	$ 786.9	$ 546.7	$ 459.0	$ 207.0	$ 187.6	$ 121.7
Total assets (2)	5,828.5	5,564.0	5,608.4	5,686.2	2,747.2	2,707.1
Total debt and capital lease obligations (2)	3,037.0	3,049.3	3,139.2	2,792.1	826.3	888.9
Total liabilities (2)	4,312.3	4,389.0	4,559.2	4,239.0	1,618.8	1,732.3
Total stockholders' equity (2)	1,516.2	1,175.0	1,049.2	1,447.2	1,128.4	974.8

	Successor			Transition Period	Predecessor	
	2013	2012	2011	Six Months Ended December 31, 2010	Fiscal 2010	Fiscal 2009
Other Operating Data:						
System-wide sales growth (3)(4)	4.2%	5.7%	1.7%	2.2%	2.1%	4.2%
Comparable sales growth (3)(4)(5)	0.5%	3.2%	(0.5)%	(2.7)%	(2.3)%	1.2%
Franchise Sales (in millions) (4)	$16,078.3	$14,672.5	$13,653.4	$ 6,721.2	$13,055.3	$12,788.7
Company Restaurant Margin Percentage (6)	12.3%	11.3%	11.7%	12.9%	12.2%	12.6%

(1) Amount includes $26.2 million of global portfolio realignment project costs for 2013. Amount includes $30.2 million of global portfolio realignment project costs and $27.0 million of business combination agreement expenses for 2012. Amount includes $3.7 million of 2010 Transaction costs, $46.5 million of global restructuring and related professional fees, $10.6 million of field optimization project costs and $7.6 million of global portfolio realignment project costs for 2011. Amount includes $94.9 million of 2010 Transaction costs and $67.2 million of global restructuring and related professional fees for October 19, 2010 to December 31, 2010.

(2) Amounts in the successor periods reflect the application of acquisition accounting as a result of the 3G Acquisition.

(3) Comparable sales growth and system-wide sales growth are analyzed on a constant currency basis, which means they are calculated by translating prior year results at current year average exchange rates, to remove the effects of currency fluctuations from these trend analyses. We believe these constant currency measures provide a more meaningful analysis of our business by identifying the underlying business trends, without distortion from the effect of foreign currency movements.

(4) Unless otherwise stated, comparable sales growth and system-wide sales growth are presented on a system-wide basis, which means they include 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 royalty revenues are calculated based on a percentage of franchise sales. See " *Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics* " in Part II, Item 7 of this report.

(5) 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.

(6) Company restaurant margin is derived by subtracting Company restaurant expenses from Company restaurant revenues, which we analyze as a percentage of Company restaurant revenues, a metric we refer to as Company Restaurant Margin Percentage.

Source: Burger King Worldwide, Inc., 10-K, February 21, 2014 Powered by Morningstar® Document Research℠

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Burger King Worldwide, Inc. and Subsidiaries Restaurant Count

The following table presents information relating to the analysis of our restaurant count for the geographic areas and periods indicated.

	Successor				Predecessor	
	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	June 30, 2010	December 31, 2009
Number of Company restaurants:						
U.S. & Canada	52	183	939	984	987	1,029
EMEA	—	132	192	203	241	277
Latin America	—	100	97	96	97	94
APAC	—	3	67	61	62	22
Total Company restaurants	52	418	1,295	1,344	1,387	1,422
Number of franchise restaurants:						
U.S. & Canada	7,384	7,293	6,561	6,566	6,562	6,516
EMEA	3,450	2,989	2,690	2,525	2,439	2,387
Latin America	1,550	1,290	1,125	1,044	1,041	1,011
APAC	1,231	1,007	841	772	745	742
Total franchise restaurants	13,615	12,579	11,217	10,907	10,787	10,656
Number of system-wide restaurants:						
U.S. & Canada	7,436	7,476	7,500	7,550	7,549	7,545
EMEA	3,450	3,121	2,882	2,728	2,680	2,664
Latin America	1,550	1,390	1,222	1,140	1,138	1,105
APAC	1,231	1,010	908	833	807	764
Total system-wide restaurants	13,667	12,997	12,512	12,251	12,174	12,078

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Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

You should read the following discussion together with Part II, Item 6 "Selected Financial Data" and our audited Consolidated Financial Statements and the related notes thereto included in Item 8 "Financial Statements and Supplementary Data." In addition to historical consolidated financial information, this discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Actual results could differ from these expectations as a result of factors including those described under Item 1A, "Risk Factors," "Special Note Regarding Forward-Looking Statements" and elsewhere in this report.

Unless the context otherwise requires, all references in this section to"BKW," the "Company," "we," "us," or "our" are to the Company and its subsidiaries, collectively. Unless otherwise stated, comparable sales growth and sales growth are presented on a system-wide basis, which means that these measures include sales at both 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 our current system-wide restaurants are franchised.

Overview

Burger King Worldwide, Inc. ("BKW," the "Company" or "we") is a Delaware corporation formed on April 2, 2012 and the indirect parent of Burger King Corporation ("BKC"), a Florida corporation that franchises and operates fast food hamburger restaurants, principally under the *Burger King®* brand. We are the world's second largest fast food hamburger restaurant, or FFHR, chain as measured by the total number of restaurants. As of December 31, 2013, we owned or franchised a total of 13,667 restaurants in 97 countries and U.S. territories worldwide. Of these restaurants, 13,615 were owned by our franchisees and 52 were Company restaurants. Our restaurants are limited service restaurants that feature flame-grilled hamburgers, chicken and other specialty sandwiches, French fries, soft drinks and other affordably-priced food items. We believe our restaurants appeal to a broad spectrum of consumers, with multiple day parts and product platforms appealing to different customer groups. During our nearly 60 years of operating history, we have developed a scalable and cost-efficient quick service hamburger restaurant model that offers guests fast, delicious food at affordable prices.

We generate revenues from three sources: (1) franchise revenues, consisting primarily of royalties based on a percentage of sales reported by franchise restaurants and fees paid by franchisees, (2) property income from properties that we lease or sublease to franchisees, and (3) retail sales at Company restaurants.

2013 Highlights

- Global comparable sales increased 0.5% and system-wide sales increased 4.2% in constant currency
- Diluted EPS increased 97% to $0.65 per share
- Successfully completed global refranchising initiative
- Net restaurant growth of 670, representing 5.2% system restaurant growth versus 2012

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Recent Events and Factors Affecting Comparability

Global Portfolio Realignment Project

During 2011, we initiated a project to realign our global restaurant portfolio by refranchising our Company restaurants and establishing strategic partnerships to accelerate development through joint ventures and master franchise and development agreements (the "global portfolio realignment project"). As a result of the global portfolio realignment project, we incurred $26.2 million of general and administrative expenses consisting of professional fees and severance in 2013, $30.2 million in 2012 and $7.6 million in 2011. We completed our global portfolio realignment project, including our refranchising initiative, in 2013. We continue to own and operate 52 restaurants in Miami, Florida, which we expect to use as a base for the testing of new products and systems. We also expect to continue to enter into joint ventures and master franchise and development agreements as part of our business strategy to accelerate development, but we do not currently intend to make any adjustments based on expenses that we incur in connection with these arrangements.

As a result of the global portfolio realignment project, our Company restaurant revenues and Company restaurant expenses have significantly decreased while our franchise and property revenues and franchise and property expenses have increased. Additionally, our selling expenses have decreased as a result of a decrease in advertising fund contributions for Company restaurants following the refranchisings.

During 2013, we refranchised 33 restaurants in the United States and 94 restaurants in Canada and entered into a master franchise and development agreement for Canada with the franchisee. During the same period, we refranchised 98 Company restaurants in Mexico to a joint venture with an existing franchisee in exchange for cash and a minority interest in the joint venture and entered into a master franchise and development agreement for Mexico with the joint venture. We also refranchised 91 restaurants in Germany and 41 restaurants in Spain.

Business Combination Agreement Expenses

On April 3, 2012, Burger King Worldwide Holdings, Inc., a Delaware corporation and the indirect parent company of Holdings ("Worldwide"), entered into a Business Combination Agreement and Plan of Merger with Justice Holdings Limited and its affiliates (the "Business Combination Agreement"). We did not incur any expenses during 2013 related to the Business Combination Agreement. We recorded $27.0 million of general and administrative expenses associated with the Business Combination Agreement during 2012, consisting of $5.9 million of one-time share-based compensation expense as a result of the increase in our equity value implied by the Business Combination Agreement and $21.1 million of professional fees and other transaction costs.

Field Optimization Project

During 2011, we completed a project to significantly expand and enhance our U.S. field organization to better support our franchisees in an effort to drive sales, increase profits and improve restaurant operations (the "field optimization project"). As a result of the field optimization project, we incurred $10.6 million in 2011 of severance related costs, compensation costs for overlap staffing, travel expenses, consulting fees and training costs.

Global Restructuring and Related Professional Fees

In 2011, we completed a global restructuring plan that resulted in work force reductions throughout our organization. In June 2011, we implemented a Voluntary Resignation Severance Program ("VRS Program") offered for a limited time to eligible employees based at our Miami headquarters. In addition, other involuntary work force reductions were also implemented. As a result of the global restructuring plan, VRS Program and the additional workforce reductions, we incurred $46.5 million of severance benefits and other severance related costs in 2011.

2010 Transaction Costs

In connection with the 3G Acquisition and related financing transactions, we incurred costs of $3.7 million in 2011 consisting of investment banking, legal fees and compensation related expenses.

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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 Company and franchise restaurants in one period from the same period in the prior year.
- 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 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.
- Net refranchisings refer to sales of Company restaurants to franchisees, net of acquisitions of franchise restaurants by us.

Comparable sales growth and system-wide 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 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”).

In addition, we assess our total business and evaluate our Company restaurants based on the following key financial measures:

- Adjusted EBITDA 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*.
- Company restaurant margin, or CRM, is derived by subtracting Company restaurant expenses from Company restaurant revenues for a stated period, which we analyze as a percentage of Company restaurant revenues, a metric we refer to as Company restaurant margin %, or CRM%. As a result of our refranchising initiative, the impact of CRM and CRM% on our operating results has substantially diminished, and therefore we expect to discontinue the use of these metrics commencing in 2014.

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Results of Operations

Tabular amounts in millions of dollars unless noted otherwise.

Consolidated

	2013	2012	2011	2013 Compared to 2012 $	2013 Compared to 2012 %	2012 Compared to 2011 $	2012 Compared to 2011 %
				Favorable / (Unfavorable)			
Revenues:							
Company restaurant revenues	$ 222.7	$1,169.0	$1,638.7	$ (946.3)	(80.9)%	$ (469.7)	(28.7)%
Franchise and property revenues	923.6	801.9	701.2	121.7	15.2%	100.7	14.4%
Total revenues	1,146.3	1,970.9	2,339.9	(824.6)	(41.8)%	(369.0)	(15.8)%
Company restaurant expenses:							
Food, paper and product costs	70.6	382.2	524.7	311.6	81.5%	142.5	27.2%
Payroll and employee benefits	68.1	345.1	481.2	277.0	80.3%	136.1	28.3%
Occupancy and other operating costs	56.6	309.9	441.5	253.3	81.7%	131.6	29.8%
Total Company restaurant expenses	195.3	1,037.2	1,447.4	841.9	81.2%	410.2	28.3%
Franchise and property expenses	152.4	115.1	100.2	(37.3)	(32.4)%	(14.9)	(14.9)%
Selling, general and administrative expenses	242.4	347.6	418.5	105.2	30.3%	70.9	16.9%
Other operating (income) expenses, net	34.0	53.3	11.3	19.3	36.2%	(42.0)	(371.7)%
Total operating costs and expenses	624.1	1,553.2	1,977.4	929.1	59.8%	424.2	21.5%
Income from operations	522.2	417.7	362.5	104.5	25.0%	55.2	15.2%
Interest expense, net	200.0	223.8	226.7	23.8	10.6%	2.9	1.3%
Loss on early extinguishment of debt	—	34.2	21.1	34.2	100.0%	(13.1)	(62.1)%
Income before income taxes	322.2	159.7	114.7	162.5	101.8%	45.0	39.2%
Income tax expense	88.5	42.0	26.6	(46.5)	(110.7)%	(15.4)	(57.9)%
Net income	$ 233.7	$ 117.7	$ 88.1	$ 116.0	98.6%	$ 29.6	33.6%

FX Impact Favorable/(Unfavorable)	2013	2012	2011
Consolidated revenues	$ (7.5)	$ (41.7)	$ 35.6
Consolidated CRM	0.1	(3.1)	2.5
Consolidated SG&A	(1.2)	6.1	(5.3)
Consolidated income from operations	(8.7)	(12.2)	4.8
Consolidated net income	(8.6)	(10.4)	4.0
Consolidated Adjusted EBITDA	(8.6)	(15.3)	7.5

Key Business Metrics	2013	2012	2011
System sales growth	4.2%	5.7%	1.7%
Franchise sales	$16,078.3	$14,672.5	$13,653.4
System comparable sales growth	0.5%	3.2%	(0.5)%
System Net Restaurant Growth (NRG)	670	485	261
Net Refranchisings	360	871	45
Restaurant counts at period end			
Company	52	418	1,295
Franchise	13,615	12,579	11,217
System	13,667	12,997	12,512
CRM%	12.3%	11.3%	11.7%

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Comparable Sales Growth

Global system comparable sales growth of 0.5% for 2013 was driven primarily by comparable sales growth in the EMEA and APAC segments, partially offset by negative comparable sales growth in the U.S. and Canada.

Global system comparable sales growth of 3.2% for 2012 was driven by comparable sales growth in the U.S. and Canada, EMEA and LAC segments, partially offset by negative comparable sales growth in APAC.

Company restaurants

During 2013, Company restaurant revenues decreased primarily due to the net refranchising of Company restaurants during the past two years.

CRM% increased to 12.3% in 2013 from 11.3% in 2012 primarily as a result of retaining restaurants with higher than average CRM%.

During 2012, Company restaurant revenues decreased primarily due to the net refranchising of Company restaurants during 2012 and unfavorable FX impact, partially offset by comparable sales growth.

CRM% decreased to 11.3% in 2012 from 11.7% in 2011 due to decreases in CRM% in the U.S. and Canada and LAC, partially offset by increases in CRM% in EMEA and APAC. The effects of promotional activity, increased food, paper and product costs, higher wage rates in Germany and Mexico and increased repair and maintenance expenses in the U.S. and Canada were partially offset by favorable adjustments to self insurance reserves in the U.S. and Canada and the leveraging effect of Company comparable sales growth on fixed occupancy and other operating costs.

Franchise and Property

Franchise and property revenues consist primarily of royalties earned on franchise sales, rents from real estate leased or subleased to franchisees and franchise fees and other revenue. During 2013, the increase in franchise and property revenues was driven by increases in royalties, property revenues and franchise fees and other revenue. These increases were driven primarily by comparable sales growth in EMEA and APAC, worldwide net restaurant growth and the net refranchising of Company restaurants during the past two years. These factors were partially offset by negative comparable sales growth in the U.S. and Canada, a decrease in franchise fees and other revenue in LAC and unfavorable FX impact.

During 2013, franchise and property expenses increased primarily due to new leases and subleases associated with additional restaurants leased or subleased to franchisees as a result of the refranchisings.

During 2012, the increase in franchise and property revenues was driven by increases in royalties and property revenues resulting from comparable sales growth in the U.S. and Canada, EMEA and LAC, the net refranchising of Company restaurants during 2012 and worldwide net restaurant growth. Additionally, franchise and property revenues increased as a result of a $22.6 million increase in franchise fees and other revenue primarily due to the timing of renewals. These factors were partially offset by negative comparable sales growth in APAC and unfavorable FX impact.

During 2012, franchise and property expenses increased primarily due to new leases and subleases associated with additional restaurants leased or subleased to franchisees as a result of the refranchisings, partially offset by a decrease in bad debt expense and favorable FX impact.

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Selling, general and administrative expenses

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

	2013	2012	2011	2013 Compared to 2012 $	2013 Compared to 2012 %	2012 Compared to 2011 $	2012 Compared to 2011 %
					Favorable / (Unfavorable)		
Selling expenses	$ 6.2	$ 48.3	$ 78.2	$ 42.1	87.2%	$ 29.9	38.2%
Management general and administrative expenses	181.0	214.3	249.6	33.3	15.5%	35.3	14.1%
Share-based compensation and non-cash incentive compensation expense	17.6	10.2	6.4	(7.4)	(72.5)%	(3.8)	(59.4)%
Depreciation and amortization	11.4	17.6	15.9	6.2	35.2%	(1.7)	(10.7)%
Global portfolio realignment project costs	26.2	30.2	7.6	4.0	13.2%	(22.6)	(297.4)%
Business combination agreement expenses	—	27.0	—	27.0	100.0%	(27.0)	NA
Field optimization project costs	—	—	10.6	—	NA	10.6	100.0%
Global restructuring and related professional fees	—	—	46.5	—	NA	46.5	100.0%
2010 Transaction costs	—	—	3.7	—	NA	3.7	100.0%
Total general and administrative expenses	236.2	299.3	340.3	63.1	21.1%	41.0	12.0%
Selling, general and administrative expenses	$ 242.4	$ 347.6	$ 418.5	$ 105.2	30.3%	$ 70.9	16.9%

NA – Not Applicable

Selling expenses consist primarily of Company restaurant advertising fund contributions. During 2013 and 2012, selling expenses decreased primarily as a result of the refranchisings.

Management general and administrative expenses ("Management G&A") are comprised primarily of salary and employee related costs for our non-restaurant employees, professional fees and general overhead for our corporate offices. General and administrative expenses also include certain non-cash expenses, including share-based compensation, depreciation and amortization as well as separately managed expenses associated with unusual or non-recurring events, such as costs associated with the global portfolio realignment project, business combination agreement expenses, field optimization project, global restructuring and 2010 Transactions. The decrease in Management G&A in 2013 was driven primarily by a decrease in salary and fringe benefits and professional services, partially offset by unfavorable FX impact. The decrease in Management G&A in 2012 was driven primarily by a decrease in salary and fringe benefits, professional services and favorable FX impact.

The decrease in our total general and administrative expenses in 2013 was driven primarily by a decrease in Management G&A, the non-recurrence of Business Combination Agreement expenses, lower depreciation and amortization expenses and a decrease in global portfolio realignment project costs, partially offset by an increase in share-based compensation and non-cash incentive compensation expense. The increase in share-based compensation and non-cash incentive compensation expense is mainly due to additional stock options granted during 2013 as well as a $4.0 million charge recorded in 2013 related to stock option modifications to allow for the continued vesting after termination of employment of certain stock options previously awarded to one of the Company's former executive officers and a former employee.

The decrease in our total general and administrative expenses in 2012 was driven primarily by a decrease in Management G&A and the completion of our global restructuring and field optimization projects in 2011, partially offset by business combination agreement expenses and increases in global portfolio realignment project costs and share-based compensation and non-cash incentive compensation expense.

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Other operating (income) expenses, net

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

	2013	2012	2011
Net (gains) losses on disposal of assets, restaurant closures and refranchisings	$ 0.7	$ 30.8	$ 6.2
Litigation settlements and reserves, net	7.6	1.7	1.3
Foreign exchange net losses (gains)	7.4	(4.2)	(4.6)
Loss on termination of interest rate cap	—	8.7	—
Equity in net loss from unconsolidated affiliates	12.7	4.1	1.2
Other, net	5.6	12.2	7.2
Other operating (income) expenses, net	$ 34.0	$ 53.3	$ 11.3

During 2013, net (gains) losses on disposal of assets, restaurant closures and refranchisings consisted of net gains associated with refranchisings of $5.3 million, net losses from sale of subsidiaries of $1.0 million and net losses associated with asset disposals and restaurant closures of $5.0 million.

During 2012, net (gains) losses on disposal of assets, restaurant closures and refranchisings consisted of net losses associated with refranchisings of $4.9 million, impairment losses associated with long-lived assets held for sale for Company restaurants of $13.2 million and net losses associated with asset disposals and restaurant closures of $12.7 million.

During 2013, litigation settlements and reserves, net of $7.6 million represent the Company's best estimate within the range of losses which could be incurred in connection with pending litigation matters. See Note 20 of the accompanying audited Consolidated Financial Statements included in Part II, Item 8 "Financial Statements and Supplementary Data" for additional information about accounting for our litigation reserves.

During 2013, the increase in equity in net loss from unconsolidated affiliates mainly pertains to losses recognized on our equity investments acquired during 2012 and reflects a full year of equity investment losses in 2013 compared to approximately three months during 2012. These equity losses from unconsolidated affiliates included integration costs and start-up costs incurred by our unconsolidated affiliates.

Interest expense, net

	2013	2012	2011
Interest expense, net	$200.0	$223.8	$226.7
Weighted average interest rate on long-term debt	6.6%	7.3%	7.5%

During 2013, interest expense, net decreased compared to 2012 primarily due to a lower weighted average interest rate as a result of the 2012 refinancing and reduced borrowings resulting from principal payments and prepayments of our term loans prior to the 2012 refinancing and repurchases of our Senior Notes and Discount Notes during 2012.

During 2012, interest expense, net decreased compared to 2011 primarily due to reduced borrowings as a result of principal payments and prepayments of our Term Loan and repurchases of our Senior Notes and Discount Notes, partially offset by incremental interest expense on our Discount Notes due to the timing of their issuance in the prior year and compounded interest.

Loss on early extinguishment of debt

We recorded a $34.2 million loss on early extinguishment of debt in 2012 related to our 2012 debt refinancing as well as prepayments of our Term Loan and repurchases of our Discount Notes and Senior Notes. We recorded a $21.1 million loss on early extinguishment of debt in 2011 related to our 2011 debt refinancing as well as prepayments of our Term Loan and repurchases of our Senior Notes and Discount Notes.

Income tax expense

Our effective tax rate was 27.5% in 2013, primarily as a result of the mix of income from multiple tax jurisdictions and the impact of non-deductible expenses related to our global portfolio realignment project, partially offset by a favorable impact from the sale of foreign subsidiaries and a reduction in the state effective tax rate related to our global portfolio realignment project.

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Our effective tax rate was 26.3% in 2012, primarily as a result of the mix of income from multiple tax jurisdictions, the release of a valuation allowance and the impact of costs on refranchisings primarily in foreign jurisdictions.

Our effective tax rate was 23.2% in 2011, primarily as a result of the mix of income from multiple tax jurisdictions and the 2010 Transactions.

Net Income

Our net income increased by $116.0 million in 2013, primarily as a result of a $104.5 million increase in our income from operations, which was driven by an increase in franchise and property revenues, decreases in SG&A and decreases in other operating (income) expenses, net, partially offset by a decrease in CRM and an increase in franchise and property expenses, as discussed above. Additionally, interest expense, net decreased by $23.8 million and we did not incur any loss on early extinguishment of debt in 2013. These factors were partially offset by a $46.5 million increase in income tax expense.

Our net income increased by $29.6 million in 2012, primarily as a result of a $55.2 million increase in our income from operations, which was driven by an increase in franchise and property revenues and decreases in SG&A, partially offset by a decrease in CRM, an increase in franchise and property expenses and an increase in other operating (income) expenses, net, as discussed above. Additionally, interest expense, net decreased by $2.9 million in 2012. These factors were partially offset by a $13.1 million increase in loss on early extinguishment of debt and a $15.4 million increase in income tax expense.

Non-GAAP Reconciliations

The table below contains information regarding EBITDA and Adjusted EBITDA, which are non-GAAP measures. EBITDA is defined as net income before depreciation and amortization, interest expense, net, loss on early extinguishment of debt and income tax expense. Adjusted EBITDA is defined as EBITDA excluding the impact of share-based compensation and non-cash incentive compensation expense, other operating expenses (income), net, and all other specifically identified costs associated with unusual or non-recurring projects, including global portfolio realignment project costs, business combination agreement expenses, field optimization project costs, global restructuring and related professional fees and 2010 Transaction 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.

				2013 Compared to 2012		2012 Compared to 2011	
	2013	2012	2011	$	%	$	%
				Favorable / (Unfavorable)			
Segment income:							
U.S. and Canada	$ 436.7	$ 447.0	$ 436.6	$ (10.3)	(2.3)%	$ 10.4	2.4%
EMEA	189.4	166.1	146.0	23.3	14.0%	20.1	13.8%
Latin America	67.7	73.2	63.9	(5.5)	(7.5)%	9.3	14.6%
APAC	49.3	41.1	26.7	8.2	20.0%	14.4	53.9%
Total	743.1	727.4	673.2	15.7	2.2%	54.2	8.1%
Unallocated Management G&A	(77.5)	(75.3)	(88.2)	(2.2)	(2.9)%	12.9	14.6%
Adjusted EBITDA	665.6	652.1	585.0	13.5	2.1%	67.1	11.5%
Share-based compensation and non-cash incentive compensation expense	17.6	10.2	6.4	(7.4)	(72.5)%	(3.8)	(59.4)%
Global portfolio realignment project costs	26.2	30.2	7.6	4.0	13.2%	(22.6)	(297.4)%
Business combination agreement expenses	—	27.0	—	27.0	NM	(27.0)	NM
Field optimization project costs	—	—	10.6	—	NM	10.6	100.0%
Global restructuring and related professional fees	—	—	46.5	—	NM	46.5	100.0%
2010 Transaction costs	—	—	3.7	—	NM	3.7	100.0%
Other operating (income) expenses, net	34.0	53.3	11.3	19.3	36.2%	(42.0)	(371.7)%
EBITDA	587.8	531.4	498.9	56.4	10.6%	32.5	6.5%
Depreciation and amortization	65.6	113.7	136.4	48.1	42.3%	22.7	16.6%
Income from operations	522.2	417.7	362.5	104.5	25.0%	55.2	15.2%
Interest expense, net	200.0	223.8	226.7	23.8	10.6%	2.9	1.3%
Loss on early extinguishment of debt	—	34.2	21.1	34.2	100.0%	(13.1)	(62.1)%
Income tax expense	88.5	42.0	26.6	(46.5)	(110.7)%	(15.4)	(57.9)%
Net income	$ 233.7	$ 117.7	$ 88.1	$ 116.0	98.6%	$ 29.6	33.6%

NM – Not Meaningful

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Adjusted EBITDA in 2013 reflects increases in segment income in our EMEA and APAC segments, partially offset by decreases in segment income in our U.S. and Canada and LAC segments and an increase in Unallocated Management G&A. Unallocated Management G&A represents corporate support costs in areas such as facilities, finance, human resources, information technology, legal, marketing and supply chain management, which benefit all of our geographic segments and system-wide restaurants and are not allocated specifically to any of the geographic segments. EBITDA for 2013 increased primarily for the same reasons that Adjusted EBITDA increased as well as the non-recurrence of Business Combination Agreement expenses, decreases in other operating (income) expenses, net and decreases in global portfolio realignment project costs, partially offset by an increase in share-based compensation and non-cash incentive compensation expense.

The increase in Adjusted EBITDA in 2012 was primarily driven by increases in segment income in all of our operating segments and reductions in Unallocated Management G&A. EBITDA for 2012 increased primarily for the same reasons that consolidated adjusted EBITDA increased as well as the non-recurrence of global restructuring and related professional fees, field optimization project costs and 2010 Transaction costs, partially offset by Business Combination Agreement expenses in 2012, increases in global portfolio realignment project costs and increases in other operating (income) expenses, net.

U.S. and Canada

	2013	2012	2011	2013 Compared to 2012	2012 Compared to 2011
				Favorable/(Unfavorable)	
Company:					
Company restaurant revenues	$ 111.2	$ 792.8	$ 1,172.0	$ (681.6)	$ (379.2)
CRM	13.5	90.1	142.2	(76.6)	(52.1)
CRM %	12.1%	11.4%	12.1%	0.8%	(0.8)%
Company restaurant expenses as a % of Company restaurant revenues:					
Food and paper	32.6%	33.0%	32.3%	0.4%	(0.7)%
Payroll and benefits	29.9%	30.5%	30.4%	0.6%	(0.1)%
Depreciation and amortization	5.2%	5.5%	5.7%	0.3%	0.2%
Other occupancy and operating	20.2%	19.6%	19.5%	(0.6)%	(0.1)%
Franchise:					
Franchise and property revenues	$ 554.0	$ 472.8	$ 401.3	$ 81.2	$ 71.5
Franchise and property expenses	119.8	82.8	73.0	(37.0)	(9.8)
Segment SG&A (1)	52.5	101.9	120.1	49.4	18.2
Segment depreciation and amortization	41.5	68.8	86.2	27.3	17.4
Segment income	436.7	447.0	436.6	(10.3)	10.4

(1) Segment selling, general and administrative expenses ("Segment SG&A") consists of segment selling expenses and Management G&A.

FX Impact Favorable/(Unfavorable)	2013	2012	2011
Segment revenues	$ (1.3)	$ (1.7)	$ 6.5
Segment CRM	(0.1)	(0.2)	0.6
Segment income	(0.7)	(0.3)	1.0

Key Business Metrics	2013	2012	2011
System-wide sales growth	(0.9)%	3.0%	(3.3)%
Franchise sales	$8,730.4	$8,143.9	$7,510.5
System comparable sales growth	(0.9)%	3.5%	(3.4)%
System NRG	(40)	(24)	(50)
Net Refranchisings	127	752	38
Restaurant counts at period end			
Company	52	183	939
Franchise	7,384	7,293	6,561
System	7,436	7,476	7,500

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Comparable Sales Growth

During 2013, negative system comparable sales growth of (0.9)% in the U.S. and Canada was primarily due to continued softness in consumer spending, ongoing competitive headwinds and the comparison against a strong 2012 when we launched the largest menu expansion in the brand's history in April 2012.

During 2012, system comparable sales growth of 3.5% in the U.S. and Canada was driven primarily by the implementation of our Four Pillars strategy. During 2012, we enhanced our menu by launching four new menu platforms (salads, wraps, smoothies and desserts), expanded our chicken, coffee and ancillary platforms and made compelling limited time offer promotions. We also implemented a marketing strategy that targets a broader consumer base with more inclusive messaging and food centric advertising designed to balance value promotions and premium limited-time offerings.

Company restaurants

During 2013, Company restaurant revenues decreased primarily due to the net refranchising of Company restaurants during the past two years. CRM% increased in 2013 primarily as a result of retaining restaurants with higher than average CRM%.

During 2012, Company restaurant revenues decreased primarily due to the net refranchising of Company restaurants during 2012, partially offset by comparable sales growth.

During 2012, the decrease in CRM% reflects an increase in promotional activity to drive traffic and trial of limited time offer menu items, increases in food, paper and product costs and an increase in repair and maintenance expenses associated with restaurants prepared for refranchisings, partially offset by favorable adjustments to our self insurance reserve.

Franchise and Property

During 2013, the increase in franchise and property revenues was driven primarily by increases in royalties and property revenues derived from the net refranchising of Company restaurants during the past two years. These factors were partially offset by the effects of negative comparable sales growth, negative net restaurant growth and unfavorable FX impact.

During 2012, the increase in franchise and property revenues was driven by increases in royalties and property revenues derived from the net refranchising of Company restaurants during 2012 and comparable sales growth. Additionally, franchise and property revenues increased as a result of a $10.4 million increase in franchise fees and other revenue mainly driven by the timing of renewals as a result of incentives provided to franchisees to accelerate restaurant remodels.

During 2013 and 2012, franchise and property expenses increased primarily due to new leases and subleases associated with additional restaurants leased or subleased to franchisees as a result of the net refranchising of Company restaurants.

Segment income

During 2013, segment income decreased due to a decrease in CRM, partially offset by an increase in franchise and property revenues net of expenses and a decrease in Segment SG&A.

During 2012, segment income increased due to an increase in franchise and property revenues net of expenses and a decrease in Segment SG&A, partially offset by a decrease in CRM.

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EMEA

	2013	2012	2011	2013 Compared to 2012	2012 Compared to 2011
				Favorable/(Unfavorable)	
Company:					
Company restaurant revenues	$ 95.3	$ 264.6	$ 330.7	$ (169.3)	$ (66.1)
CRM	12.1	30.7	35.5	(18.6)	(4.8)
CRM %	12.7%	11.6%	10.7%	1.1%	0.9%
Company restaurant expenses as a % of Company restaurant revenues:					
Food and paper	30.2%	30.1%	29.4%	(0.1)%	(0.7)%
Payroll and benefits	33.5%	32.5%	31.4%	(1.0)%	(1.1)%
Depreciation and amortization	1.7%	3.1%	3.5%	1.4%	0.4%
Other occupancy and operating	21.9%	22.7%	25.0%	0.8%	2.3%
Franchise:					
Franchise and property revenues	$ 240.5	$ 208.3	$ 194.9	$ 32.2	$ 13.4
Franchise and property expenses	30.0	29.7	25.9	(0.3)	(3.8)
Segment SG&A (1)	44.3	61.1	81.1	16.8	20.0
Segment depreciation and amortization (2)	11.1	17.9	22.6	6.8	4.7
Segment income	189.4	166.1	146.0	23.3	20.1

(1) Segment SG&A consists of segment selling expenses, Management G&A and regional restaurant support center depreciation and amortization.
(2) Amounts include depreciation and amortization related to regional restaurant support centers within Segment SG&A of $1.4 million in 2013, $2.0 million in 2012 and $2.2 million in 2011.

FX Impact Favorable/(Unfavorable)	2013	2012	2011
Segment revenues	$ 1.8	$ (31.5)	$ 20.5
Segment CRM	0.1	(2.2)	1.6
Segment income	0.3	(10.1)	4.2

Key Business Metrics	2013	2012	2011
System-wide sales growth	9.6%	9.0%	6.5%
Franchise sales	$4,420.6	$3,822.8	$3,649.0
System comparable sales growth	2.4%	3.2%	4.3%
System NRG	329	239	154
Net Refranchisings	132	59	7
Restaurant counts at period end			
Company	—	132	192
Franchise	3,450	2,989	2,690
System	3,450	3,121	2,882

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Comparable Sales Growth

During 2013, system comparable sales growth of 2.4% in EMEA was driven by comparable sales growth in Germany, Spain, Turkey, the United Kingdom and Russia. EMEA's successful balance of value promotions and strong premium product promotions continued to drive sales.

During 2012, system comparable sales growth of 3.2% in EMEA was driven by comparable sales growth in Germany, the United Kingdom, Russia and Turkey, partially offset by negative system comparable sales growth in Spain. EMEA's successful balance of value promotions and strong premium product promotions contributed to incremental sales primarily in Germany and the United Kingdom.

Company restaurants

During 2013, Company restaurant revenues decreased primarily due to the net refranchising of Company restaurants during the past two years, partially offset by comparable sales growth and favorable FX impact. As of October 25, 2013, we ceased to have any Company restaurants in EMEA.

During 2013, CRM% increased primarily as a result of the leveraging effect of comparable sales growth on our fixed occupancy and other operating costs, the net refranchising of Company restaurants with lower than average CRM% during 2013 and lower depreciation expense.

During 2012, Company restaurant revenues decreased primarily due to the net refranchising of Company restaurants during 2012 and unfavorable FX impact. These factors were partially offset by comparable sales growth.

During 2012, CRM% increased primarily as a result of the leveraging effect of comparable sales growth on our fixed occupancy and other operating costs and the net refranchising of Company restaurants with lower than average CRM% during 2012. These factors were partially offset by increased food, paper and product costs, promotions of lower margin menu items and wage rate increases in Germany.

Franchise and Property

During 2013, franchise and property revenues increased primarily due to an increase in royalties driven by comparable sales growth, net restaurant growth and the net refranchising of Company restaurants. Additionally, franchise and property revenues increased as a result of a $4.3 million increase in franchise fees and other revenue driven by the increase in the number of restaurant openings and favorable FX impact. During 2013, franchise and property expenses were relatively unchanged from the prior year.

During 2012, franchise and property revenues increased due to an increase in royalties driven by comparable sales growth, net restaurant growth and the net refranchising of Company restaurants. Additionally, franchise and property revenues increased as a result of an increase in property revenues associated with new leases and subleases to franchisees as a result of the net refranchising of Company restaurants and a $4.9 million increase in franchise fees and other revenue driven by the increase in the number of restaurant openings and the early renewal of franchise agreements. These factors were partially offset by unfavorable FX impact.

During 2012, franchise and property expenses increased due to property expense associated with additional properties leased or subleased to franchisees as a result of refranchisings and an increase in bad debt expense of approximately $0.6 million, partially offset by favorable FX impact.

Segment income

During 2013 and 2012, segment income increased due to an increase in franchise and property revenues net of expenses and a decrease in Segment SG&A, partially offset by a decrease in CRM.

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LAC

	2013	2012	2011	2013 Compared to 2012	2012 Compared to 2011
				Favorable/(Unfavorable)	
Company:					
Company restaurant revenues	$ 13.9	$62.5	$66.2	$ (48.6)	$ (3.7)
CRM	2.0	9.9	12.5	(7.9)	(2.6)
CRM %	14.4%	15.8%	18.9%	(1.5)%	(3.0)%
Franchise:					
Franchise and property revenues	$72.9	$71.9	$61.9	$ 1.0	$ 10.0
Franchise and property expenses	0.4	—	(1.1)	(0.4)	(1.1)
Segment SG&A (1)	7.5	14.6	18.3	7.1	3.7
Segment depreciation and amortization (2)	0.7	6.0	6.7	5.3	0.7
Segment income	67.7	73.2	63.9	(5.5)	9.3

(1) Segment SG&A consists of segment selling expenses, Management G&A and regional restaurant support center depreciation and amortization.
(2) Amounts include depreciation and amortization related to our regional restaurant support center within Segment SG&A of $ 0 in 2013 and $0.2 million in 2012 and 2011.

FX Impact Favorable/(Unfavorable)	2013	2012	2011
Segment revenues	$ (6.3)	$ (8.3)	$ 0.4
Segment CRM	0.1	(0.6)	0.2
Segment income	(6.5)	(4.7)	(0.8)

Key Business Metrics	2013	2012	2011
System-wide sales growth	14.6%	17.0%	13.5%
Franchise sales	$1,420.3	$1,334.1	$1,208.7
System comparable sales growth	0.1%	5.7%	7.9%
System NRG	160	168	82
Net Refranchisings	98	—	—
Restaurant counts at period end			
Company	—	100	97
Franchise	1,550	1,290	1,125
System	1,550	1,390	1,222

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Comparable Sales Growth

During 2013, system comparable sales growth in LAC was relatively flat. During 2012, system comparable sales growth of 5.7% in LAC was driven by comparable sales growth in Brazil and Mexico, partially offset by negative system comparable sales growth in Puerto Rico.

Company restaurants

During 2013, Company restaurant revenues decreased primarily due to the net refranchising of Company restaurants during the past year. As of April 1, 2013, we ceased to have any Company restaurants in LAC.

During 2013, CRM% decreased primarily as a result of the deleveraging effect of negative comparable sales on our fixed occupancy and other operating costs.

During 2012, Company restaurant revenues decreased primarily due to unfavorable FX impact, partially offset by comparable sales growth.

During 2012, CRM% decreased primarily as a result of increased food, paper and product costs associated with price increases in certain commodities, higher labor costs associated with wage rate increases, higher labor costs related to food delivery and kiosks and higher rent expense on certain lease renewals.

Franchise and Property

During 2013, franchise and property revenues increased due to an increase in royalties driven by net restaurant growth and the net refranchising of Company restaurants during 2013 and property revenues due to new leases associated with six restaurants leased to our Mexico joint venture. These factors were partially offset by unfavorable FX impact and a $2.4 million decrease in franchise fees and other revenue primarily due to the early renewal of franchise agreements in 2012.

During 2013, franchise and property expenses increased primarily due to property expense associated with six properties leased to our Mexico joint venture as a result of the net refranchising of Company restaurants during 2013.

During 2012, franchise and property revenues increased due to an increase in royalties driven by comparable sales growth and net restaurant growth. Additionally, franchise and property revenues increased as a result of a $4.5 million increase in franchise fees and other revenue driven by the increase in the number of restaurant openings and the early renewal of franchise agreements. These factors were partially offset by the prior year collection and recognition of cumulative royalties previously deferred.

During 2012, franchise and property expenses increased primarily due to a $1.1 million decrease in bad debt recoveries compared to 2011.

Segment income

During 2013, segment income decreased due to a decrease in CRM, partially offset by an increase in franchise and property revenues net of expenses and a decrease in Segment SG&A.

During 2012, segment income increased due to an increase in franchise and property revenues net of expenses and a decrease in Segment SG&A, partially offset by a decrease in CRM.

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APAC

	2013	2012	2011	2013 Compared to 2012	2012 Compared to 2011
				Favorable/(Unfavorable)	
Company:					
Company restaurant revenues	$ 2.3	$49.1	$69.8	$ (46.8)	$ (20.7)
CRM	(0.2)	1.1	1.1	(1.3)	—
CRM %	(8.6)%	2.3%	1.6%	(10.9)%	0.7%
Franchise:					
Franchise and property revenues	$56.2	$48.9	$ 43.1	$ 7.3	$ 5.8
Franchise and property expenses	2.2	2.6	2.4	0.4	(0.2)
Segment SG&A (1)	6.9	12.0	22.7	5.1	10.7
Segment depreciation and amortization (2)	2.4	5.7	7.6	3.3	1.9
Segment income	49.3	41.1	26.7	8.2	14.4

(1) Segment SG&A consists of segment selling expenses, Management G&A and regional restaurant support center depreciation and amortization.
(2) Amounts include depreciation and amortization related to regional restaurant support centers within Segment SG&A of $0.1 million in 2013 and 2012 and $0.2 million in 2011.

FX Impact Favorable/(Unfavorable)	2013	2012	2011
Segment revenues	$ (1.7)	$ (0.2)	$ 8.2
Segment CRM	—	(0.1)	0.1
Segment income	(1.7)	(0.2)	3.1

Key Business Metrics	2013	2012	2011
System-wide sales growth	10.9%	3.2%	13.2%
Franchise sales	$1,507.0	$1,371.6	$1,285.1
System comparable sales growth	4.1%	(0.5)%	(0.4)%
System NRG	221	102	75
Net Refranchisings	3	60	—
Restaurant counts at period end			
Company	—	3	67
Franchise	1,231	1,007	841
System	1,231	1,010	908

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Comparable Sales

During 2013, system comparable sales growth of 4.1% in APAC was driven by comparable sales growth in Australia, China and South Korea, partially offset by negative comparable sales growth in Japan and New Zealand.

During 2012, negative system comparable sales growth of 0.5% in APAC was driven by negative comparable sales growth in South Korea, Japan, New Zealand and China, partially offset by positive comparable sales growth in Australia.

Company restaurants

During 2013 and 2012, Company restaurant revenues decreased due to the net refranchising of Company restaurants during 2012 and unfavorable FX impact. As of December 1, 2013, we ceased to have any Company restaurants in APAC.

During 2012, CRM% increased primarily as a result of the leveraging effect of Company comparable sales growth on our fixed occupancy and other operating costs and lower food, paper and product costs, partially offset by higher labor costs in Singapore.

Franchise and Property

During 2013, franchise and property revenues increased due to an increase in royalties driven by comparable sales growth and net restaurant growth. Additionally, franchise and property revenues increased as a result of a $2.7 million increase in franchise fees and other revenue mainly driven by the increase in the number of restaurant openings. These factors were partially offset by unfavorable FX impact.

During 2013, franchise and property expenses decreased primarily due to a decrease in bad debt expense of approximately $0.2 million as a result of higher recoveries in the current year.

During 2012, franchise and property revenues increased due to an increase in royalties driven by net restaurant growth and the net refranchising of Company restaurants during 2012. Additionally, franchise and property revenues increased as a result of a $2.7 million increase in franchise fees and other revenue mainly driven by the increase in the number of restaurant openings. These factors were partially offset by negative comparable sales growth.

During 2012, franchise and property expenses were relatively unchanged from the prior year.

Segment income

During 2013 and 2012, segment income increased due to a decrease in Segment SG&A and an increase in franchise and property revenues net of expenses. During 2013 these factors were partially offset by a decrease in CRM.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash on hand, cash generated by operations and borrowings available under our 2012 Revolving Credit Facility (as defined below). We have used, and may in the future use, our liquidity to make required interest and principal payments, to repurchase shares of our common stock, to voluntarily repay and/or repurchase our or one of our affiliate's outstanding debt, to fund our investing activities and/or to pay dividends. As a result of our borrowings, we are highly leveraged. Our liquidity requirements are significant, primarily due to debt service requirements.

At December 31, 2013, we had cash and cash equivalents of $786.9 million and working capital of $728.4 million. In addition, at December 31, 2013, we had borrowing capacity of $130.0 million under our 2012 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 2012 Revolving Credit Facility, will provide sufficient liquidity to fund our current obligations, 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, which are considered indefinitely reinvested for U.S. income tax purposes. We do not currently plan to utilize cash flows from our foreign subsidiaries to meet our future debt service requirements in the U.S. However, adverse income tax consequences could result if we are compelled to make unplanned transfers of cash to meet future liquidity requirements in the U.S.

2012 Debt Refinancing

On September 28, 2012 (the "Closing Date"), BKC and Holdings entered into a Credit Agreement (the "2012 Credit Agreement") to refinance amounts borrowed under our previous credit agreement, the 2011 Amended Credit Agreement. The 2012 Credit Agreement provides for (i) tranche A term loans in the aggregate principal amount of $1,030.0 million (the "Tranche A Term Loans"), (ii) tranche B term loans in the aggregate amount of $705.0 million (the "Tranche B Term Loans" and, together with the Tranche A Term Loans, the "2012 Term Loans"), in each case under the new senior secured term loan facility (the "2012 Term Loan Facility"), and (iii) a new senior secured revolving credit facility for up to $130.0 million of revolving extensions of credit outstanding at any time (including revolving loans, swingline loans and letters of credit (the "2012 Revolving Credit Facility" and, together with the 2012 Term Loan Facility, the "2012 Credit Facilities").

On the Closing Date, the full amount of the Tranche A Term Loans and Tranche B Term Loans was drawn and no revolving loans were drawn. The proceeds of the Tranche A Term Loans and the Tranche B Term Loans were used to repay the term loans outstanding under the 2011 Amended Credit Agreement. In addition, approximately $11.5 million of letters of credit were issued on the Closing Date in order to backstop, replace or roll-over existing letters of credit under the 2011 Amended Credit Agreement. The Tranche A Term Loans have a five-year maturity, and the Tranche B Term Loans have a seven-year maturity. The 2012 Revolving Credit Facility matures on October 19, 2015, which was the maturity date of the revolving credit facility under the 2011 Amended Credit Agreement.

The 2012 debt refinancing provided for, among other things, lower interest rates and maturity extensions on our term loans.

Debt Instruments and Debt Service Requirements

Our long-term debt is comprised primarily of borrowings under our 2012 Credit Agreement, amounts outstanding under our Senior Notes and Discount Notes (each defined below), and obligations under capital leases. The following information summarizes the principal terms and near term debt service requirements under our 2012 Credit Agreement and the indentures governing our Senior Notes and Discount Notes (the "Senior Notes Indenture" and "Discount Notes Indenture", collectively, "Indentures"). For further information about our long-term debt, see Note 9 to the accompanying audited Consolidated Financial Statements included in Part II, Item 8 "Financial Statements and Supplementary Data."

2012 Credit Agreement

As of December 31, 2013, we had $991.4 million in Tranche A Term Loans and $689.4 million of Tranche B Term Loans outstanding. The Tranche A Term Loans mature on September 28, 2017 and the Tranche B Term Loans mature on September 28, 2019. The principal amount of the Tranche A Term Loans amortizes in quarterly installments of (i) $12.9 million from December 31, 2013 through September 30, 2014, (ii) $19.3 million from December 31, 2014 through September 30, 2015, (iii) $25.8 million from December 31, 2015 through September 30, 2016, and (iv) $32.2 million from December 31, 2016 through June 30, 2017, with the balance payable at maturity. The principal amount of the Tranche B Term Loans amortizes in quarterly installments equal to 0.25% of the original principal amount of the Tranche B Term Loans, with the balance payable at maturity.

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We may prepay the 2012 Term Loan Facility in whole or in part at any time without penalty. Additionally, subject to certain exceptions, the 2012 Credit Facilities are subject to mandatory prepayments in amounts equal to (1) 100% of the net cash proceeds from any non-ordinary course sale or other disposition of assets (including as a result of casualty or condemnation); (2) 100% of the net cash proceeds from issuances or incurrences of debt by Holdings, BKC or any of its restricted subsidiaries (other than indebtedness permitted by the 2012 Credit Facilities); and (3) 50% (with stepdowns to 25% and 0% based upon achievement of specified total leverage ratios) of annual excess cash flow of BKC and its restricted subsidiaries.

As of December 31, 2013, we had no amounts outstanding under the 2012 Revolving Credit Facility. Funds available under the 2012 Revolving Credit Facility for future borrowings may be used to repay other debt, finance debt or share repurchases, acquisitions, capital expenditures and other general corporate purposes. We have a $75.0 million letter of credit sublimit as part of the 2012 Revolving Credit Facility, which reduces our borrowing capacity under this facility by the cumulative amount of outstanding letters of credit. As of December 31, 2013, we had no letters of credit issued against the 2012 Revolving Credit Facility and our remaining borrowing capacity was $130.0 million.

As of December 31, 2013, the interest rate was 2.50% on our outstanding Tranche A Term Loan and 3.75% on our outstanding Tranche B Term Loan. Interest rate fluctuations applicable to borrowings under the 2012 Credit Agreement attributable to future changes in LIBOR will be partially mitigated by interest rate caps with a notional value of $1.2 billion.

Based on the amounts outstanding under the 2012 Term Loan Facility and the three-month LIBOR rates as of December 31, 2013, required debt service for the next twelve months is estimated to be approximately $51.0 million in interest payments and $65.0 million in principal payments.

Senior Notes

As of December 31, 2013 we had outstanding $794.5 million of senior notes due 2018 (the “Senior Notes”) which were issued by BKC. The Senior Notes bear interest at a rate of 9.875% per annum, which is payable semi-annually on October 15 and April 15 of each year. The Senior Notes mature on October 15, 2018. Based on the amount outstanding at December 31, 2013, required debt service for the next twelve months on the Senior Notes is $78.5 million in interest payments. No principal payments are due until maturity. BKW, Holdings and all of BKC’s existing direct and indirect domestic subsidiaries have guaranteed BKC’s obligations under the Senior Notes.

At any time prior to October 15, 2014, BKC may redeem all or part of the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes redeemed plus the “Applicable Premium” as of, and accrued and unpaid interest, to (but excluding) the redemption date. “Applicable Premium” means the greater of: (1) 1.0% of the principal amount of the Senior Notes redeemed; and (2) the excess of (a) the present value at such redemption date of (i) the redemption price of such Senior Notes at October 15, 2014, plus (ii) all required interest payments through October 15, 2014, computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the principal amount of the Senior Notes redeemed. On or after October 15, 2014, BKC may redeem the Senior Notes at the redemption prices (expressed as percentages of principal amount of the Senior Notes to be redeemed) set forth below, plus accrued and unpaid interest to (but excluding) the redemption date: October 15, 2014 – October 14, 2015 (104.938%); October 15, 2015 – October 14, 2016 (102.469%); and October 15, 2016 and thereafter (100%).

During 2012, we repurchased and retired Senior Notes with an aggregate face value of $3.0 million for a purchase price of $3.4 million, including accrued interest. No Senior Notes were repurchased during 2013. We may periodically repurchase additional Senior Notes in open market purchases or privately negotiated transactions, subject to our future liquidity requirements, contractual restrictions under our 2012 Credit Agreement and other factors.

Discount Notes

As of December 31, 2013, we had outstanding $453.1 million of senior discount notes due 2019 (the “Discount Notes”), which were issued by Burger King Capital Holdings, LLC (“BKCH”) and Burger King Capital Finance, Inc. (“BKCF” and together with BKCH, the “Issuers”).

Until April 15, 2016, no cash interest will accrue, but the Discount Notes will accrete at a rate of 11.0% per annum compounded semi-annually such that the accreted value on April 15, 2016 will be equal to the principal amount at maturity. Thereafter, cash interest on the Discount Notes will accrue at a rate equal to 11.0% per annum and will be payable semi-annually in cash in arrears on April 15 and October 15 of each year, commencing on October 15, 2016. The Discount Notes will mature on April 15, 2019. BKW has guaranteed the Issuers’ obligations under the Discount Notes. The Issuers have no operations or assets other than the interest in Holdings held by BKCH. Accordingly, the cash required to service the Discount Notes is expected to be funded through distributions from BKC.

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At any time prior to April 15, 2015, the Issuers may redeem all or a part of the Discount Notes at a redemption price equal to 100% of the accreted value thereof on the redemption date plus the Applicable Premium as of, and accrued and unpaid interest, to but excluding the redemption date. “Applicable Premium” means the greater of: (1) 1.0% of the accreted value of the Discount Notes redeemed; and (2) the excess of (a) the present value at such redemption date of (i) the redemption price of such Discount Notes at April 15, 2015, plus (ii) all required interest payments through April 15, 2015, computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the accreted value of the Discount Notes redeemed. In addition, prior to April 15, 2014, the Issuers may redeem up to 35% of the original principal amount of the Discount Notes with the proceeds of certain equity offerings at a redemption price equal to 111% of the accreted value of the Discount Notes, plus (without duplication) any accrued but unpaid interest, if any, to the date of redemption.

On or after April 15, 2015, the Issuers may redeem all or a part of the Discount Notes at the redemption prices (expressed as percentages of accreted value of the Discount Notes to be redeemed) set forth below, plus accrued and unpaid interest to (but excluding) the redemption date: April 15, 2015 – April 14, 2016 (105.5%); April 15, 2016 – April 14, 2017 (102.75%); and April 15, 2017 and thereafter (100%).

During 2012, we repurchased and retired Discount Notes with an aggregate face value of $92.9 million and an aggregate carrying value of $61.1 million, net of unamortized original issue discount, for a purchase price of $69.6 million. During 2011, we repurchased and retired Discount Notes with a carrying value of $7.9 million for a purchase price of $7.6 million. No Discount Notes were repurchased during 2013.

On December 16, 2011, the board of directors of Worldwide paid a dividend to its stockholders, including 3G, in the amount of $393.4 million, representing the net proceeds from the sale of the Discount Notes.

Restrictions and Covenants

The 2012 Credit Agreement and Indentures contain certain restrictions and covenants that we must meet during the term of the 2012 Credit Agreement, Senior Notes and Discount Notes, including, but not limited to, limitations on restricted payments (as defined in the 2012 Credit Agreement and Indentures), incurrence of indebtedness, issuance of disqualified stock and preferred stock, asset sales, mergers and consolidations, transactions with affiliates and guarantees of indebtedness by subsidiaries.

The 2012 Credit Agreement contains a number of customary affirmative and negative covenants that, among other things, will limit or restrict the ability of BKC and its restricted subsidiaries to: incur additional indebtedness (including guarantee obligations); incur liens; engage in mergers, consolidations, liquidations and dissolutions; sell assets (with exceptions for, among other things, sales of company-owned restaurants to existing or prospective franchisees and sales of real estate, subject to achievement of specified total leverage ratios in the case of real estate sales); pay dividends and make other payments in respect of capital stock; make investments, loans and advances; pay and modify the terms of certain indebtedness; engage in certain transactions with affiliates; enter into certain speculative hedging arrangements; enter into negative pledge clauses and clauses restricting subsidiary distributions; and change its line of business. In addition, under the 2012 Credit Agreement, BKC is required to maintain a specified minimum interest coverage ratio and not exceed a specified maximum total leverage ratio.

Pursuant to the Senior Notes Indenture, BKC is restricted from paying any dividend or making any payment or distribution on account of its equity interests unless, among other things, (i) the dividend, payment or distribution (together with all other such dividends, payments or distributions made since the issue date of the Senior Notes) is less than an amount calculated based in part on the Consolidated Net Income (as defined in the Senior Notes Indenture) of BKC and its restricted subsidiaries since the issue date of the Senior Notes, or (ii) the dividend, payment or distribution fits within one or more exceptions, including if:

- it is made with funds received from the issuance of equity interests of BKC or its direct or indirect parent companies and is used for the redemption, repurchase or other acquisition of equity interests of BKC or its direct or indirect parent companies;
- it is less than 6% per annum of the net cash proceeds received by or contributed to BKC from a public offering of BKC’s common stock or the common stock of any of its direct or indirect parent companies;
- it is used to fund certain operational expenditures of any of BKC’s direct or indirect parent companies; or
- it, when combined with all other Restricted Payments (as defined in the Senior Notes Indenture) that rely upon this exception, does not exceed $75 million (the transactions described in these four bullet points, collectively, the “Permitted Distributions”).

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Finally, pursuant to the Discount Notes Indenture, BKCH is restricted from paying any dividend or making any payment or distribution on account of its equity interests unless, among other things, (i) the dividend, payment or distribution (together with all other such dividends, payments or distributions made since October 19, 2010) is less than an amount calculated based in part on the Consolidated Net Income (as defined in the Discount Notes Indenture) of BKCH and its restricted subsidiaries since October 1, 2010, or (ii) the dividend, payment or distribution fits within one or more exceptions, including the Permitted Distributions.

The restrictions under the 2012 Credit Agreement and the Indentures have resulted in the restricted net assets of each of BKC and BKCH exceeding 25% of our consolidated net assets. Our restricted net assets at December 31, 2013 totaled $1,269.8 million.

As of December 31, 2013, we were in compliance with all covenants of the 2012 Credit Agreement and Indentures, and there were no limitations on our ability to draw on the remaining availability under our 2012 Revolving Credit Facility.

Interest Rate Cap Agreements

At December 31, 2013, we had interest rate cap agreements (notional amount of $1.2 billion), (the “Cap Agreements”) to effectively cap the LIBOR applicable to our variable rate borrowings at a weighted-average rate of 1.75% for U.S. Dollar denominated borrowings. The six year interest rate cap agreements are a series of individual caplets that reset and settle quarterly consistent with the payment dates of our LIBOR-based term debt.

Under the terms of the Cap Agreements, if LIBOR resets above the strike price, we will receive the net difference between the rate and the strike price. In addition, on quarterly settlement dates, we remit the deferred premium payment (plus interest) to the counterparty, whether LIBOR resets above or below the strike price.

Comparative Cash Flows

Operating Activities

Cash provided by operating activities was $325.2 million in 2013, compared to $224.4 million in 2012. The increase in cash provided by operating activities was driven primarily by changes in working capital resulting from the timing of advertising expenditures, lower interest and income tax payments and an increase in net income, excluding non-cash adjustments.

Cash provided by operating activities was $224.4 million in 2012 compared to $406.2 million in 2011. The decrease in cash provided by operating activities resulted primarily from the refranchising of Company restaurants in 2012 which resulted in uses of working capital, a $75.9 million federal tax refund received in 2011 and higher income taxes paid in 2012, partially offset by lower interest payments in 2012. The decrease in operating cash flows attributable to the refranchisings reflects use of cash to settle the negative working capital positions of the restaurants refranchised in the period of refranchising.

Investing Activities

Cash provided by investing activities was $43.0 million in 2013, compared to $33.6 million in 2012. The increase in cash provided by investing activities was driven primarily as a result of a decrease in capital expenditures and a decrease in payments for acquired franchise operations, partially offset by a decrease in proceeds from refranchisings, net.

Cash provided by investing activities was $33.6 million in 2012 compared to $41.4 million of cash used for investing activities in 2011, primarily as a result of an increase in proceeds from refranchisings, net of payments for acquisitions, and a decrease in capital expenditures.

Capital expenditures have historically been comprised primarily of (i) costs to build new Company restaurants and new restaurants that we lease to franchisees, (ii) costs to maintain the appearance of existing restaurants in accordance with our standards, including investments in new equipment and remodeling and (iii) investments in information technology systems and corporate furniture and fixtures. The following table presents capital expenditures, by type of expenditure:

	2013	2012	2011
New restaurants	$ 1.1	$ 1.1	$ 6.8
Existing restaurants	11.2	49.0	65.7
Other, including corporate	13.2	20.1	9.6
Total	$25.5	$70.2	$ 82.1

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While we expect to have capital expenditures during 2014, we did not have any material capital expenditure commitments as of December 31, 2013. We expect to fund capital expenditures from cash on hand and cash flow from operations.

Financing Activities

Cash used for financing activities was $132.7 million in 2013, compared to $174.6 million in 2012. The decrease in cash used for financing activities was driven primarily as a result of cash used for the prepayment of term loans and repurchase of Senior Notes and Discount Notes and the payment of financing costs during 2012, partially offset by higher scheduled debt principal payments, higher dividend payments and share repurchases during 2013.

Cash used for financing activities was $174.6 million in 2012, compared to $108.0 million in 2011, primarily as a result of an increase in cash used for the prepayment of our Term Loans, repurchase of our Senior Notes and Discount Notes, and dividend payments in 2012. 2011 proceeds were primarily provided by the sale of our Discount Notes, generating $393.4 million in net proceeds which were paid as a dividend to the stockholders of Worldwide, principally 3G.

Contractual Obligations and Commitments

	Payment Due by Period				
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
			(In millions)		
Term debt, including current portion, interest and interest rate cap premiums (1)	$1,929.4	$ 123.6	$ 318.0	$ 814.4	$ 673.4
Senior Notes, including interest	1,167.2	78.5	156.9	931.8	—
Discount Notes, including PIK interest	691.1	—	—	277.0	414.1
Operating lease obligations	826.7	97.1	175.7	148.1	405.8
Purchase commitments (2)	142.2	124.7	15.5	2.0	—
Capital lease obligations	125.0	17.2	30.4	24.6	52.8
Unrecognized tax benefits (3)	31.9	—	—	—	—
Severance and severance-related costs	5.6	5.6	—	—	—
Total	$4,919.1	$ 446.7	$696.5	$2,197.9	$1,546.1

(1) We have estimated our interest payments through the maturity of our 2012 Credit Facilities based on current LIBOR rates and the terms of our interest rate caps.
(2) Includes open purchase orders, as well as commitments to purchase advertising and other marketing services from third parties in advance on behalf of the *Burger King* system and obligations related to information technology and service agreements.
(3) We have provided only a total in the table above since the timing of the unrecognized tax benefit payments is unknown.

Other Commercial Commitments and Off-Balance Sheet Arrangements

During the fiscal year ended June 30, 2000, we entered into long-term, exclusive contracts with soft drink vendors to supply Company and franchise restaurants with their products and obligating *Burger King* restaurants in the United States to purchase a specified number of gallons of soft drink syrup. These volume commitments are not subject to any time limit and as of December 31, 2013, we estimate it will take approximately 16 years for these purchase commitments to be completed. In the event of early termination of this arrangement, we may be required to make termination payments that could be material to our financial position, results of operations and cash flows.

From time to time, we enter into agreements under which we guarantee loans made by third parties to qualified franchisees. As of December 31, 2013, there were $123.6 million of loans outstanding to franchisees that we had guaranteed under five such programs, with additional franchisee borrowing capacity of approximately $204.2 million remaining. Our maximum guarantee liability under these five programs is limited to an aggregate of $28.9 million, assuming full utilization of all borrowing capacity.We record a liability in the period the loans are funded. As of December 31, 2013, the liability reflecting the fair value of these guarantee obligations was $5.2 million. No significant payments have been made by us in connection with these guarantees through December 31, 2013.

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Cash Dividends and Share Repurchase Program

Cash dividends paid to shareholders of common stock were $84.3 million in 2013, $14.0 million in 2012 and $393.4 million in 2011. On December 16, 2011, we paid a dividend to our shareholders, principally 3G, in the amount of $393.4 million, representing the net proceeds from the sale of the Discount Notes.

On April 10, 2013, our Board of Directors authorized the repurchase of up to $200.0 million of our common stock. The repurchase authorization will remain in effect until May 31, 2016 or when the share repurchase limit is reached. The amount and timing of the repurchases will be determined by management. The share repurchases may be suspended or discontinued at any time. During 2013, we repurchased 342,843 shares of common stock under this program at an aggregate cost of $7.3 million, which we will retain in treasury for future use.

Impact of Inflation

We believe that our results of operations are not materially impacted by moderate changes in the inflation rate. Inflation did not have a material impact on our operations in 2013, 2012 or 2011. Severe increases in inflation, however, could affect the global and U.S. economies and could have an adverse impact on our business, financial condition and results of operations.

Critical Accounting Policies and Estimates

This discussion and analysis of financial condition and results of operations is based on our audited 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.

We consider our critical accounting policies and estimates to be as follows based on the high degree of judgment or complexity in their application:

Goodwill and Intangible Assets Not Subject to Amortization

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed in connection with the 3G Acquisition. Our indefinite-lived intangible asset consists of the *Burger King* brand (the “Brand”). We test goodwill and the Brand for impairment on an annual basis and more often if an event occurs or circumstances change that indicates impairment might exist. Our impairment review for goodwill consists of a qualitative assessment of whether it is more-likely-than-not that a reporting unit’s fair value is less than its carrying amount, and if required, followed by a two-step process of determining the fair value of the reporting unit and comparing it to the carrying value of the net assets allocated to the reporting unit. If the qualitative assessment demonstrates that it is more-likely-than-not that the estimated fair value of the reporting unit exceeds its carrying value, it is not necessary to perform the two-step goodwill impairment test. We may elect to bypass the qualitative assessment and proceed directly to the two-step process, for any reporting unit, in any period. We can resume the qualitative assessment for any reporting unit in any subsequent period. When performing the two-step process, if the fair value of the reporting unit exceeds its carrying value, no further analysis or write-down of goodwill is required. If the fair value of the reporting unit is less than the carrying value of its net assets, the estimated fair value of the reporting unit is allocated to all its underlying assets and liabilities, including both recognized and unrecognized tangible and intangible assets, based on their fair value. If necessary, goodwill is then written down to its implied fair value. Our impairment review for the Brand consists of a qualitative assessment similar to goodwill and if necessary, a comparison of the fair value of the Brand with its carrying amount. If the carrying amount exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. If the fair value exceeds its carrying amount, the Brand is not considered impaired.

Goodwill and our Brand are tested for impairment at least annually as of October 1 of each year. During the year ended December 31, 2013, we performed a qualitative assessment of whether it was more-likely-than-not that our reporting units’ fair values were less than their carrying values. Based on this analysis, we determined it was not more-likely-than-not that any of our reporting units had a

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fair value less than carrying value as of October 1, 2013 and thus we did not proceed to the two-step goodwill impairment test. Similarly, we performed a qualitative assessment of our Brand and determined it was not more-likely-than-not for the Brand fair value to be less than carrying value as of October 1, 2013. Significant changes in the estimates used in our analysis could result in an impairment charge related to goodwill and/or intangible assets not subject to amortization. In addition, we could record impairment losses in the future if profitability and cash flows of our reporting units decline to the point where their carrying values exceeded their market values.

See Note 2 to our audited Consolidated Financial Statements included in Part II, Item 8 "Financial Statements and Supplementary Data" for additional information about goodwill and intangible assets not subject to amortization.

Long-lived Assets

Long-lived assets (including intangible assets subject to amortization) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Long-lived assets are grouped for recognition and measurement of impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. Historically, certain long-lived assets and related liabilities were grouped together for impairment testing at the operating market level (based on geographic areas) in the United States and Canada.

During 2013, we reviewed our long-lived asset groupings and determined it would be more appropriate to evaluate long-lived asset groups for impairment by franchisee in the United States and Canada as a result of the completion of our portfolio realignment project. The long-lived assets of all Company restaurants in the United States are grouped together for impairment testing because they are located in a single operating market. No impairment charges resulted from this change in asset grouping. Future changes to our assessments of our long-lived asset groups for impairment testing purposes, changes in circumstances, operating results or other events could result in asset impairment testing and charges.

In countries in which we have a smaller number of properties leased to franchisees, most operating functions and advertising are performed at the country level, and shared by all restaurants in the country. As a result, we group long-lived assets and related liabilities for the entire country in the case of Spain, U.K. and Canada.

Some of the events or changes in circumstances that would trigger an impairment test include, but are not limited to:

- bankruptcy proceedings or other significant financial distress of a lessee;
- significant negative industry or economic trends;
- knowledge of transactions involving the sale of similar property at amounts below our carrying value; or
- our expectation to dispose of long-lived assets before the end of their estimated useful lives, even though the assets do not meet the criteria to be classified as "held for sale."

The impairment test for long-lived assets requires us to assess the recoverability of our long-lived assets by comparing their net carrying value to the sum of undiscounted estimated future cash flows directly associated with and arising from our use and eventual disposition of the assets. If the net carrying value of a group of long-lived assets exceeds the sum of related undiscounted estimated future cash flows, we would be required to record an impairment charge equal to the excess, if any, of net carrying value over fair value.

When assessing the recoverability of our long-lived assets, we make assumptions regarding estimated future cash flows and other factors. Some of these assumptions involve a high degree of judgment and also bear a significant impact on the assessment conclusions. Included among these assumptions are estimating undiscounted future cash flows, including the projection of rental income, capital requirements for maintaining property and residual values of asset groups. We formulate estimates from historical experience and assumptions of future performance, based on business plans and forecasts, recent economic and business trends, and competitive conditions. In the event that our estimates or related assumptions change in the future, we may be required to record an impairment charge.

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See Note 2 of the accompanying audited Consolidated Financial Statements included in Part II, Item 8 "Financial Statements and Supplementary Data" for additional information about accounting for long-lived assets.

Accounting for Income Taxes

We record income tax liabilities utilizing known obligations and estimates of potential obligations. A deferred tax asset or liability is recognized whenever there are future tax effects from existing temporary differences and operating loss and tax credit carry-forwards. When considered necessary, we record a valuation allowance to reduce deferred tax assets to the balance that is more likely than not to be realized. We must make estimates and judgments on future taxable income, considering feasible tax planning strategies and taking into account existing facts and circumstances, to determine the proper valuation allowance. When we determine that deferred tax assets could be realized in greater or lesser amounts than recorded, the asset balance and income statement reflect the change in the period such determination is made. Due to changes in facts and circumstances and the estimates and judgments that are involved in determining the proper valuation allowance, differences between actual future events and prior estimates and judgments could result in adjustments to this valuation allowance.

We file income tax returns, including returns for our subsidiaries, with federal, state, local and foreign jurisdictions. We are subject to routine examination by taxing authorities in these jurisdictions. We apply a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate available evidence to determine if it appears more likely than not that an uncertain tax position will be sustained on an audit by a taxing authority, based solely on the technical merits of the tax position. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settling the uncertain tax position.

Although we believe we have adequately accounted for our uncertain tax positions, from time to time, audits result in proposed assessments where the ultimate resolution may result in us owing additional taxes. We adjust our uncertain tax positions in light of changing facts and circumstances, such as the completion of a tax audit, expiration of a statute of limitations, the refinement of an estimate, and interest accruals associated with uncertain tax positions until they are resolved. We believe that our tax positions comply with applicable tax law and that we have adequately provided for these matters. However, to the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the provision for income taxes in the period in which such determination is made.

We use an estimate of the annual effective tax rate at each interim period based on the facts and circumstances available at that time, while the actual effective tax rate is calculated at year-end.

See Note 11 of the accompanying audited Consolidated Financial Statements included in Part II, Item 8 "Financial Statements and Supplementary Data" for additional information about accounting for income taxes.

Insurance Reserves

We carry insurance to cover claims such as workers' compensation, general liability, automotive liability, executive risk and property, and we are self-insured for healthcare claims for eligible participating employees. Through the use of insurance program deductibles (ranging from $0.1 million to $2.5 million) and self insurance, we retain a significant portion of the expected losses under these programs. Insurance reserves have been recorded based on our estimates of the anticipated ultimate costs to settle all claims, on an undiscounted basis, both reported and incurred-but-not-reported (IBNR).

Our accounting policies regarding these insurance programs include judgments and independent actuarial assumptions about economic conditions, the frequency or severity of claims and claim development patterns and claim reserve, management and settlement practices. Since there are many estimates and assumptions involved in recording insurance reserves, differences between actual future events and prior estimates and assumptions could result in adjustments to these reserves.

See Note 20 of the accompanying audited Consolidated Financial Statements included in Part II, Item 8 "Financial Statements and Supplementary Data" for additional information about accounting for our insurance reserves.

Investments in Unconsolidated Entities

We evaluate the recoverability of the carrying amount of our equity investments accounted for using the equity method when there is an indication of potential impairment. When an indication of potential impairment is present, we record a write-down of the equity investment if and when the amount of its estimated realizable value falls below carrying amount and we determine that this shortfall is

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other-than-temporary. Indications of a potential impairment that would cause us to perform this evaluation include, but are not necessarily limited to, an inability of the investee to sustain an earnings capacity that would justify the carrying amount of the investment or a quoted market price per share that remains significantly below our carrying amount per share for a sustained period of time. In determining whether a decline in the investment's estimated realizable value is other-than-temporary, we consider the length of time and the extent to which such value has been less than the carrying amount, the financial condition and prospects of the investee, and our ability and intent to retain our equity investment for a period of time sufficient to allow for any anticipated recovery in value. In the event that we determine that a decline in value is other-than-temporary, we recognize an impairment charge for the reduction in the value of the equity investment.

If we need to assess the recoverability of our equity method investments, we will make assumptions regarding estimated future cash flows and other factors. Some of these assumptions will involve a high degree of judgment and also bear a significant impact on the assessment conclusions. We will formulate estimates from historical experience and assumptions of future performance, based on business plans and forecasts, recent economic and business trends, and competitive conditions. In the event that our estimates or related assumptions change in the future, we may be required to record an impairment charge.

New Accounting Pronouncements

See Note 2, "Summary of Significant Accounting Policies – New Accounting Pronouncements," in the Notes to Consolidated Financial Statements for a discussion of new accounting pronouncements.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Market Risk

We are exposed to market risks associated with currency exchange rates, interest rates and commodity prices. In the normal course of business and in accordance with our policies, we manage these risks through a variety of strategies, which may include the use of derivative financial instruments to hedge our underlying exposures. Our policies prohibit the use of derivative instruments for speculative purposes, and we have procedures in place to monitor and control their use.

Currency Exchange Risk

Movements in currency exchange rates may affect the translated value of our earnings and cash flow associated with our foreign operations, as well as the translation of net asset or liability positions that are denominated in foreign currencies. We have operating expenses and selling, general and administrative expenses in countries outside the United States and our franchisees pay royalties to us in currencies other than U.S. dollars. These revenues and expenses are translated using the average rates during the period in which they are recognized and are impacted by changes in currency exchange rates.

During 2012, we entered into cross-currency rate swaps with an aggregate notional value of $430 million to hedge a portion of the net investment in a Swiss subsidiary, Burger King Europe GmbH. A total notional value of $230 million of these swaps are contracts to exchange quarterly fixed-rate payments we make in Euros for quarterly fixed-rate payments we receive in US dollars and mature on October 19, 2016. A total notional value of $200 million of these swaps are contracts to exchange quarterly floating-rate payments we make in Euros for quarterly floating-rate payments we receive in U.S. Dollars and mature on September 28, 2017. Changes in the fair value of these instruments are immediately recognized in accumulated other comprehensive income (loss) to offset the change in the value of the net investment being hedged. At December 31, 2013, the estimated fair value of our cross-currency rate swaps was a liability of $25.9 million. A hypothetical 10% strengthening of the Euro relative to the U.S. dollar as of December 31, 2013, would have resulted in an after-tax translation loss of $28.8 million within accumulated other comprehensive income (loss). A hypothetical 10% weakening of the Euro relative to the U.S. dollar as of December 31, 2013, would have resulted in an after-tax translation gain of $28.8 million within accumulated other comprehensive income (loss). Gains (losses) on the net investment hedge recorded in accumulated other comprehensive income (loss) are offset by a corresponding decrease (increase) in the carrying amount of our net investment in Burger King Europe GmbH.

From time to time, we have entered into foreign currency forward contracts intended to economically hedge our income statement exposure to fluctuations in exchange rates associated with our intercompany loans denominated in foreign currencies. We are exposed to losses in the event of nonperformance by counterparties on these forward contracts. We attempt to minimize this risk by selecting counterparties with investment grade credit ratings and regularly monitoring our market position with each counterparty.

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During 2013, income from operations would have decreased or increased $20.0 million if all foreign currencies uniformly weakened or strengthened 10% relative to the U.S. dollar, holding other variables constant, including sales volumes. The effect of a uniform movement of all currencies by 10% is provided to illustrate a hypothetical scenario and related effect on operating income. Actual results will differ as foreign currencies may move in uniform or different directions and in different magnitudes.

Interest Rate Risk

We are exposed to changes in interest rates related to our 2012 Term Loan Facility and 2012 Revolving Credit Facility, which bear interest at LIBOR/EURIBOR plus a spread, subject to a LIBOR/EURIBOR floor. Generally, interest rate changes could impact the amount of our interest paid and, therefore, our future earnings and cash flows, assuming other factors are held constant. To mitigate the impact of changes in LIBOR/EURIBOR, we entered into interest rate cap agreements. At December 31, 2013 and December 31, 2012, we had U.S. Dollar denominated interest rate cap agreements (notional amount of $1.2 billion and $1.4 billion, respectively) (the "Cap Agreements") to effectively cap the LIBOR applicable to our variable rate borrowings at a weighted-average rate of 1.75% for U.S. Dollar denominated borrowings. The six year interest rate cap agreements are a series of individual caplets that reset and settle quarterly consistent with the payment dates of our LIBOR-based term debt. Under the terms of the Cap Agreements, if LIBOR/EURIBOR resets above the strike price, we will receive the net difference between the rate and the strike price. During 2012, we terminated our Euro denominated interest rate cap agreements (notional amount of €193.6 million at December 31, 2011) which effectively capped the annual interest expense applicable to our borrowings under the 2011 Amended Credit Agreement for Euro denominated borrowings. In connection with the termination of the Euro denominated interest rate cap agreements, we recorded a charge of $8.4 million within other operating (income) expense, net related to realized losses reclassified from accumulated other comprehensive income ("AOCI").

At December 31, 2013, we had fixed rate debt of $1.27 billion and variable rate debt of $1.68 billion. Based on our variable rate debt balance and LIBOR as of December 31, 2013, a hypothetical 1.00% increase in the three-month LIBOR would increase our annual interest expense by approximately $11.7 million.

We are also exposed to losses in the event of nonperformance by the counterparty to these Cap Agreements. We attempt to minimize this risk by selecting a counterparty with investment grade credit ratings and regularly monitoring our market position with the counterparty.

During 2012, we entered into three forward-starting interest rate swaps to hedge the variability of forecasted interest payments associated with changes in interest rates beginning in 2015 and 2016. The forward-starting interest rate swaps have a total notional value of $2.3 billion with terms calling for us to receive interest quarterly at a variable rate equal to the forward 90-day LIBOR swap rate and to pay interest quarterly at a fixed rate. The forward-starting interest rate swaps effectively fix the interest rate on $1.0 billion of floating-rate debt beginning 2015 and $1.3 billion of floating-rate debt starting 2016. At December 31, 2013, the estimated fair value of our forward starting interest rate swaps was an asset of $169.9 million.

Commodity Price Risk

We purchase certain products, including beef, chicken, cheese, French fries, tomatoes and other commodities which are subject to price volatility that is caused by weather, market conditions and other factors that are not considered predictable or within our control. Additionally, our ability to recover increased costs is typically limited by the competitive environment in which we operate. We occasionally take forward pricing positions through our suppliers to manage commodity prices. As a result, we purchase beef and other commodities at market prices, which fluctuate on a daily basis and may differ between different geographic regions, where local regulations may affect the volatility of commodity prices.

The estimated change in Company restaurant food, paper and product costs from a hypothetical 10% change in average prices of our commodities would have been approximately $7.1 million for 2013. The hypothetical change in food, paper and product costs could be positively or negatively affected by changes in prices or product sales mix.

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Item 8. ***Financial Statements and Supplementary Data***

BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES

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Management's Report on Internal Control Over Financial Reporting

Management is responsible for the preparation, integrity and fair presentation of the consolidated financial statements, related notes and other information included in this annual report. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and include certain amounts based on management's estimates and assumptions. Other financial information presented in the annual report is derived from the financial statements.

Management is also responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2013. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management performed an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2013 based on criteria established in *Internal Control — Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment and those criteria, management determined that the Company's internal control over financial reporting was effective as of December 31, 2013.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2013 has been audited by KPMG LLP, the Company's independent registered public accounting firm, as stated in its report which is included herein.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Burger King Worldwide, Inc.:

We have audited the accompanying consolidated balance sheets of Burger King Worldwide, Inc. and subsidiaries (the Company) as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2013. We also have audited the Company's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, "Management's Report on Internal Control Over Financial Reporting." Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Burger King Worldwide, Inc. and subsidiaries as of December 31, 2013 and 2012, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. Also in our opinion, Burger King Worldwide, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(signed) KPMG LLP

February 21, 2014
Miami, Florida
Certified Public Accountants

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(In millions, except share data)

	As of	
	December 31, 2013	**December 31, 2012**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 786.9	$ 546.7
Trade and notes receivable, net	179.7	179.0
Prepaids and other current assets, net	69.8	91.3
Deferred income taxes, net	38.0	73.5
Total current assets	1,074.4	890.5
Property and equipment, net of accumulated depreciation of $187.9 million and $184.2 million, respectively	801.5	885.2
Intangible assets, net	2,796.0	2,811.2
Goodwill	630.0	619.2
Net investment in property leased to franchisees	163.1	180.4
Other assets, net	363.5	177.5
Total assets	$ 5,828.5	$ 5,564.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts and drafts payable	$ 31.1	$ 68.7
Accrued advertising	56.5	66.5
Other accrued liabilities	177.0	206.8
Current portion of long term debt and capital leases	81.4	55.8
Total current liabilities	346.0	397.8
Term debt, net of current portion	2,880.2	2,905.1
Capital leases, net of current portion	75.4	88.4
Other liabilities, net	317.9	382.4
Deferred income taxes, net	692.8	615.3
Total liabilities	4,312.3	4,389.0
Commitments and Contingencies (Note 20)		
Stockholders' equity:		
Preferred stock, $0.01 par value; 200,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock, $0.01 par value; 2,000,000,000 shares authorized;		
352,161,950 shares issued at December 31, 2013;		
350,238,771 shares issued and outstanding at December 31, 2012	3.5	3.5
Additional paid-in capital	1,239.9	1,205.7
Retained earnings	225.5	76.1
Accumulated other comprehensive income (loss)	54.6	(110.3)
Treasury stock, at cost; 345,286 shares at December 31, 2013 and 0 shares at December 31, 2012	(7.3)	—
Total stockholders' equity	1,516.2	1,175.0
Total liabilities and stockholders' equity	$ 5,828.5	$ 5,564.0

See accompanying notes to consolidated financial statements.

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

(In millions, except per share data)

	2013	2012	2011
Revenues:			
Company restaurant revenues	$ 222.7	$1,169.0	$1,638.7
Franchise and property revenues	923.6	801.9	701.2
Total revenues	1,146.3	1,970.9	2,339.9
Company restaurant expenses:			
Food, paper and product costs	70.6	382.2	524.7
Payroll and employee benefits	68.1	345.1	481.2
Occupancy and other operating costs	56.6	309.9	441.5
Total Company restaurant expenses	195.3	1,037.2	1,447.4
Franchise and property expenses	152.4	115.1	100.2
Selling, general and administrative expenses	242.4	347.6	418.5
Other operating (income) expenses, net	34.0	53.3	11.3
Total operating costs and expenses	624.1	1,553.2	1,977.4
Income from operations	522.2	417.7	362.5
Interest expense, net	200.0	223.8	226.7
Loss on early extinguishment of debt	—	34.2	21.1
Income before income taxes	322.2	159.7	114.7
Income tax expense	88.5	42.0	26.6
Net income	$ 233.7	$ 117.7	$ 88.1
Earnings per share:			
Basic	$ 0.67	$ 0.34	$ 0.25
Diluted	$ 0.65	$ 0.33	$ 0.25
Weighted average shares outstanding			
Basic	351.0	349.7	348.2
Diluted	357.8	354.1	348.2
Dividends per common share	$ 0.24	$ 0.04	$ 1.13

See accompanying notes to consolidated financial statements.

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss)
(In millions)

	2013	2012	2011
Net income	$ 233.7	$117.7	$ 88.1
Foreign currency translation adjustment	50.1	15.5	(44.3)
Reclassification of foreign currency translation adjustment into net income	(3.0)	—	—
Net change in fair value of net investment hedges (net of tax of $5.7, $4.2 and $0.0)	(9.1)	(6.6)	—
Net change in fair value of interest rate caps/swaps (net of tax of $65.8, $6.4 and $26.4)	103.3	(10.0)	(40.9)
Amounts reclassified to earnings of cash flow hedges (net of tax of $2.3, $4.6 and $0.4)	3.8	7.0	(0.6)
Pension and post-retirement benefit plans (net of tax of $10.7, $0.2 and $5.8)	20.8	(1.3)	(9.7)
Amortization of prior service costs (net of tax of $1.2, $1.0 and $0.0)	(1.8)	(1.6)	—
Amortization of actuarial losses (net of tax of $0.4, $0.0 and $0.0)	0.8	—	—
Other comprehensive income (loss)	164.9	3.0	(95.5)
Total comprehensive income (loss)	$398.6	$ 120.7	$ (7.4)

See accompanying notes to consolidated financial statements.

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

(In millions, except per share data)

	Issued Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
	Shares	Amount					
Balances at December 31, 2010	347.9	$ 3.5	$ 1,577.2	$ (115.7)	$ (17.8)	$ —	$ 1,447.2
Share-based compensation	—	—	1.2	—	—	—	1.2
Issuance of shares	0.3	—	1.6	—	—	—	1.6
Dividend paid on common shares ($ 1.13 per share)	—	—	(393.4)	—	—	—	(393.4)
Comprehensive income (loss):							
Net income	—	—	—	88.1	—	—	88.1
Other comprehensive income (loss)	—	—	—	—	(95.5)	—	(95.5)
Total Comprehensive income (loss)							(7.4)
Balances at December 31, 2011	348.2	$ 3.5	$ 1,186.6	$ (27.6)	$ (113.3)	$ —	$ 1,049.2
Stock option exercises	0.5	—	1.5	—	—	—	1.5
Share-based compensation	—	—	12.2	—	—	—	12.2
Issuance of shares	1.5	—	5.4	—	—	—	5.4
Dividend paid on common shares ($ 0.04 per share)	—	—	—	(14.0)	—	—	(14.0)
Comprehensive income (loss):							
Net income	—	—	—	117.7	—	—	117.7
Other comprehensive income (loss)	—	—	—	—	3.0	—	3.0
Total Comprehensive income (loss)							120.7
Balances at December 31, 2012	350.2	$ 3.5	$ 1,205.7	$ 76.1	$ (110.3)	$ —	$ 1,175.0
Stock option exercises	1.7	—	6.0	—	—	—	6.0
Stock option tax benefits	—	—	10.1	—	—	—	10.1
Share-based compensation	—	—	14.6	—	—	—	14.6
Issuance of shares	0.3	—	3.5	—	—	—	3.5
Treasury stock purchases	—	—	—	—	—	(7.3)	(7.3)
Dividend paid on common shares ($ 0.24 per share)	—	—	—	(84.3)	—	—	(84.3)
Comprehensive income (loss):							
Net income	—	—	—	233.7	—	—	233.7
Other comprehensive income (loss)	—	—	—	—	164.9	—	164.9
Total Comprehensive income (loss)							398.6
Balances at December 31, 2013	352.2	$ 3.5	$ 1,239.9	$ 225.5	$ 54.6	$ (7.3)	$1,516.2

See accompanying notes to consolidated financial statements.

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In millions)

	2013	2012	2011
Cash flows from operating activities:			
Net income	$ 233.7	$ 117.7	$ 88.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	65.8	114.2	136.4
Loss on early extinguishment of debt	—	34.2	21.1
Amortization of deferred financing costs and debt issuance discount	56.3	57.0	46.3
Equity in net loss from unconsolidated affiliates	12.7	4.1	1.2
Loss (gain) on remeasurement of foreign denominated transactions	0.3	(8.2)	0.4
Amortization of defined benefit pension and postretirement items	(2.1)	(2.5)	—
Realized loss on terminated caps/swaps	6.1	11.8	0.5
Net (gains) losses on refranchisings and dispositions of assets	(3.9)	27.0	(1.0)
Impairment on non-restaurant properties	—	—	2.3
Bad debt expense (recoveries), net	2.0	(0.8)	6.1
Share-based compensation expense	14.8	12.2	1.2
Deferred income taxes	32.1	8.9	(27.3)
Changes in current assets and liabilities, excluding acquisitions and dispositions:			
Trade and notes receivable	(7.6)	(22.2)	(6.0)
Prepaids and other current assets	(7.8)	(7.0)	105.5
Accounts and drafts payable	(30.6)	(23.9)	8.7
Accrued advertising	(10.6)	(32.3)	18.3
Other accrued liabilities	(5.4)	(40.3)	21.2
Other long-term assets and liabilities	(30.6)	(25.5)	(16.8)
Net cash provided by operating activities	325.2	224.4	406.2
Cash flows from investing activities:			
Payments for property and equipment	(25.5)	(70.2)	(82.1)
Proceeds from refranchisings, disposition of assets and restaurant closures	64.8	104.9	29.9
Investments in / advances to unconsolidated affiliates	—	—	(4.5)
Payments for acquired franchisee operations, net of cash acquired	(11.9)	(15.3)	—
Return of investment on direct financing leases	15.4	14.2	14.6
Other investing activities	0.2	—	0.7
Net cash provided by (used for) investing activities	43.0	33.6	(41.4)
Cash flows from financing activities:			
Proceeds from term debt	—	1,733.5	1,860.0
Proceeds from Discount Notes	—	—	401.5
Repayments of term debt and capital leases	(57.2)	(1,766.8)	(1,874.5)
Extinguishment of debt	—	(112.8)	(70.6)
Payment of financing costs	—	(16.0)	(32.6)
Dividends paid on common stock	(84.3)	(14.0)	(393.4)
Proceeds from stock option exercises	6.0	1.5	—
Excess tax benefits from share-based compensation	10.1	—	—
Proceeds from issuance of shares	—	—	1.6
Repurchases of common stock	(7.3)	—	—
Net cash used for financing activities	(132.7)	(174.6)	(108.0)
Effect of exchange rates on cash and cash equivalents	4.7	4.3	(4.8)
Increase in cash and cash equivalents	240.2	87.7	252.0
Cash and cash equivalents at beginning of period	546.7	459.0	207.0
Cash and cash equivalents at end of period	$786.9	$ 546.7	$ 459.0
Supplemental cashflow disclosures:			
Interest paid	$ 139.1	$ 170.3	$ 183.0
Income taxes paid	$ 35.6	$ 40.1	$ 26.2
Non-cash investing and financing activities:			
Investments in unconsolidated affiliates	$ 17.8	$ 98.6	$ —
Acquisition of property with capital lease obligations	$ 1.0	$ 36.1	$ 3.2
Net investment in direct financing leases	$ —	$ 0.7	$ 14.6

See accompanying notes to consolidated financial statements.

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 1. Description of Business and Organization

Description of Business

Burger King Worldwide, Inc. ("BKW," the "Company," "we," "us" and "our") is a Delaware corporation formed on April 2, 2012, and the indirect parent of Burger King Corporation ("BKC"), a Florida corporation that franchises and operates fast food hamburger restaurants, principally under the *Burger King*® brand. We are the world's second largest fast food hamburger restaurant, or FFHR, chain as measured by the total number of restaurants. As of December 31, 2013, we franchised or owned a total of 13,667 restaurants in 97 countries and territories worldwide. Of these restaurants, 13,615 were owned by our franchisees and 52 were Company restaurants.

We generate revenue from three sources: (1) retail sales at Company restaurants, (2) franchise revenues, consisting primarily of royalties based on a percentage of sales reported by franchise restaurants and initial and renewal fees paid by franchisees, and (3) property income from properties that we lease or sublease to franchisees.

Restaurant sales are affected by the timing and effectiveness of our advertising, new products and promotional programs. Our results of operations also fluctuate from quarter to quarter as a result of seasonal trends and other factors, such as the timing of restaurant openings and closings and the refranchising or acquisition of franchise restaurants, as well as variability of the weather. Restaurant sales are typically higher in the spring and summer months when the weather is warmer than in the fall and winter months. Restaurant sales during the winter are typically highest in December, during the holiday shopping season. Restaurant sales are typically lowest during the winter months, which include February, the shortest month of the year. The timing of religious holidays may also impact restaurant sales.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries. We consolidate entities in which we have a controlling financial interest, the usual condition of which is ownership of a majority voting interest. All material intercompany balances and transactions have been eliminated in consolidation. Investments in affiliates owned 50% or less are accounted for by the equity method.

We also consider for consolidation an entity in which we have certain interests, where the controlling financial interest may be achieved through arrangements that do not involve voting interests. Such an entity, known as a variable interest entity ("VIE"), is required to be consolidated by its primary beneficiary. The primary beneficiary is the entity that possesses the power to direct the activities of the VIE that most significantly impact its economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that are significant to it. Our most significant variable interests are in entities that operate restaurants under our franchise arrangements and certain equity method investees that operate as master franchisees. We do not have any ownership interests in our franchisees' businesses, except for our investments in various entities that are accounted for under the equity method. Additionally, we generally do not provide financial support to our franchisees in a typical franchise relationship. As our franchise and master franchise arrangements provide our franchise and master franchise entities the power to direct the activities that most significantly impact their economic performance, we do not consider ourselves the primary beneficiary of any such entity that might be a VIE. Based on the results of our analysis of potential VIEs, we have not consolidated any franchisee entities. Our maximum exposure to loss resulting from involvement with potential VIEs is attributable to trade and notes receivable balances, outstanding loan guarantees and future lease payments, where applicable.

Certain prior year amounts in the consolidated financial statements and accompanying notes have been reclassified in order to be comparable with the current year classifications. These reclassifications had no effect on previously reported net income (loss).

Concentrations of Risk

Our operations include franchise and Company restaurants located in 97 countries and territories worldwide. Of the 13,667 restaurants in operation as of December 31, 2013, 13,615 were franchise restaurants and 52 were Company restaurants.

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Four distributors currently service approximately 86% of our U.S. system restaurants and the loss of any one of these distributors would likely adversely affect our business. In many of our international markets, a single distributor services all the *Burger King* restaurants in the market. The loss of any of one of these distributors would likely have an adverse effect on the market impacted, and depending on the market, could have an adverse impact on our financial results. In addition, we have moved to a business model in which we enter into exclusive agreements with master franchisees to develop and operate restaurants, and subfranchise to third parties the right to develop and operate restaurants in defined geographic areas. The termination of an arrangement with a master franchisee or a lack of expansion by certain master franchisees could result in the delay or discontinuation of the development of franchise restaurants, or an interruption in the operation of our brand in a particular market or markets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. Management adjusts such estimates and assumptions when facts and circumstances dictate. Volatile credit, equity, foreign currency and energy markets and declines in consumer spending may continue to affect the 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.

Foreign Currency Translation

The functional currency of each foreign subsidiary is generally the local currency. Foreign currency balance sheets are translated using the end of period exchange rates, and statements of operations and statements of cash flows are translated at the average exchange rates for each period. The translation adjustments resulting from the translation of foreign currency financial statements are recorded in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss).

Foreign Currency Transaction Gains or Losses

Foreign currency transaction gains or losses resulting from the re-measurement of our foreign-denominated assets and liabilities or our subsidiaries are reflected in earnings in the period when the exchange rates change and are included within other operating (income) expenses, net in the consolidated statements of operations.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less and credit card receivables.

Allowance for Doubtful Accounts

We evaluate the collectability of our trade accounts receivable from franchisees based on a combination of factors, including the length of time the receivables are past due and the probability of collection from litigation or default proceedings, where applicable. We record a specific allowance for doubtful accounts in an amount required to adjust the carrying values of such balances to the amount that we estimate to be net realizable value. We write off a specific account when (a) we enter into an agreement with a franchisee that releases the franchisee from outstanding obligations, (b) franchise agreements are terminated and the projected cost of collections exceeds the benefits expected to be received from pursuing the balance owed through legal action, or (c) franchisees do not have the financial wherewithal or unprotected assets from which collection is reasonably assured.

Notes receivable represent loans made to franchisees arising from refranchisings of Company restaurants, sales of property, and in certain cases when past due trade receivables from franchisees are restructured into an interest-bearing note. Trade receivables restructured to interest-bearing notes are generally already fully reserved, and as a result, are transferred to notes receivable at a net carrying value of zero. Notes receivable with a carrying value greater than zero are written down to net realizable value when it is probable or likely that we are unable to collect all amounts due under the contractual terms of the loan agreement.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or net realizable value, and consist primarily of restaurant food items and paper supplies. Inventories are included in prepaids and other current assets in the accompanying consolidated balance sheets.

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Property and Equipment, net

Property and equipment, net, that we own are recorded at historical cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method based on the estimated useful lives of the assets. Leasehold improvements to properties where we are the lessee are amortized over the lesser of the remaining term of the lease or the estimated useful life of the improvement.

Assets Held For Sale

We classify assets as held for sale when we commit to a plan to dispose of the assets by refranchising specific restaurants in their current condition at a price that is reasonable, and we believe completing the plan of sale within one year is probable without significant changes. Assets held for sale are recorded at the lower of their carrying value or fair value, less costs to sell and we cease depreciation on assets at the time they are classified as held for sale. We classify impairment losses associated with restaurants held for sale as losses on refranchisings.

If we subsequently decide to retain a restaurant or group of restaurants previously classified as held for sale, the assets would be reclassified from assets held for sale at the lower of (a) their then-current fair value or (b) the carrying value at the date the assets were classified as held for sale, less the depreciation that would have been recorded since that date.

Leases

We define a lease term as the initial term of the lease, plus any renewals covered by bargain renewal options or that are reasonably assured of exercise because non-renewal would create an economic penalty.

Assets we acquire as lessee under capital leases are stated at the lower of the present value of future minimum lease payments or fair market value at the date of inception of the lease. Capital lease assets are depreciated using the straight-line method over the shorter of the useful life of the asset or the underlying lease term.

We also have net investments in properties leased to franchisees, which meet the criteria of direct financing leases. Investments in direct financing leases are recorded on a net basis, consisting of the gross investment and residual value in the lease less the unearned income. Unearned income is recognized over the lease term yielding a constant periodic rate of return on the net investment in the lease. Direct financing leases are reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable based on the payment history under the lease.

We record rent expense and income from operating leases that contain rent holidays or scheduled rent increases on a straight-line basis over the lease term. Contingent rentals are generally based on sales levels in excess of stipulated amounts, and thus are not considered minimum lease payments at lease inception.

Favorable and unfavorable operating leases are recorded in connection with the acquisition method of accounting. We amortize favorable and unfavorable leases on a straight-line basis over the remaining term of the leases, as determined at the acquisition date. Upon early termination of a lease, the write-off of the favorable or unfavorable lease carrying value associated with the lease is recognized as a loss or gain within other operating (income) expense, net in the consolidated statements of operations. Amortization of favorable and unfavorable leases on Company restaurants is included in occupancy and other operating costs in the consolidated statement of operations. Amortization of favorable and unfavorable income leases is included in franchise and property revenues in the consolidated statement of operations. Amortization of favorable and unfavorable commitment leases for franchise restaurants is included in franchise and property expenses in the consolidated statement of operations.

Lease incentives we provide to our lessees are recorded as a lease incentive asset and amortized as a reduction of rental income on a straight-line basis over the lease term.

We recognize a loss on leases and subleases and a related lease liability when expenses to be recorded under the lease exceed future minimum rents to us under the lease or sublease. The lease liability is amortized on a straight-line basis over the lease term as a reduction of property expense.

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Goodwill and Intangible Assets Not Subject to Amortization

Goodwill and indefinite-lived intangible assets are not amortized, but are tested for impairment on an annual basis and more often if an event occurs or circumstances change that indicates impairment might exist. Our indefinite-lived intangible asset consists of the *Burger King* brand (the "Brand"). Our annual goodwill impairment testing date is October 1 of each year. Our impairment review for goodwill consists of a qualitative assessment of whether it is more-likely-than-not that a reporting unit's fair value is less than its carrying amount, and if required, followed by a two-step process of determining the fair value of the reporting unit and comparing it to the carrying value of the net assets allocated to the reporting unit. If the qualitative assessment demonstrates that it is more-likely-than-not that the estimated fair value of the reporting unit exceeds its carrying value, it is not necessary to perform the two-step goodwill impairment test. We may elect to bypass the qualitative assessment and proceed directly to the two-step process, for any reporting unit, in any period. We can resume the qualitative assessment for any reporting unit in any subsequent period. When performing the two-step process, if the fair value of the reporting unit exceeds its carrying value, no further analysis or write-down of goodwill is required. If the fair value of the reporting unit is less than the carrying value of its net assets, the implied fair value of the reporting unit is allocated to all its underlying assets and liabilities, including both recognized and unrecognized tangible and intangible assets, based on their fair value. If necessary, goodwill is then written down to its implied fair value. Our impairment review for the Brand consists of a qualitative assessment similar to goodwill and if necessary, a comparison of the fair value of the Brand with its carrying amount on a consolidated basis. If the carrying amount exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. If the fair value exceeds its carrying amount, the Brand is not considered impaired.

We completed our goodwill and Brand impairment tests as of October 1, 2013, 2012 and 2011 and no impairment resulted.

When we dispose of a restaurant business within six months of acquisition, the goodwill recorded in connection with the acquisition is written off. Otherwise, goodwill is written off based on the relative fair value of the business sold to the reporting unit when disposals occur more than six months after acquisition. The sale of Company restaurants to franchisees is referred to as a "refranchising."

Long-Lived Assets

Long-lived assets, such as property and equipment and intangible assets subject to amortization, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Some of the events or changes in circumstances that would trigger an impairment review include, but are not limited to, bankruptcy proceedings or other significant financial distress of a lessee; significant negative industry or economic trends; knowledge of transactions involving the sale of similar property at amounts below the carrying value; or our expectation to dispose of long-lived assets before the end of their estimated useful lives. The impairment test for long-lived assets requires us to assess the recoverability of long-lived assets by comparing their net carrying value to the sum of undiscounted estimated future cash flows directly associated with and arising from use and eventual disposition of the assets. If the net carrying value of a group of long-lived assets exceeds the sum of related undiscounted estimated future cash flows, we must record an impairment charge equal to the excess, if any, of net carrying value over fair value.

Long-lived assets are grouped for recognition and measurement of impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. Historically, certain long-lived assets and related liabilities were grouped together for impairment testing at the operating market level (based on geographic areas) in the United States.

During 2013, we reviewed our long-lived asset groupings and determined it would be more appropriate to evaluate long-lived asset groups for impairment by franchisee in the United States and Canada as a result of the completion of our portfolio realignment project. The long-lived assets of all Company restaurants in the United States are grouped together for impairment testing because they are located in a single operating market. No impairment charges resulted from this change in asset grouping. Future changes to our assessments of our long-lived asset groups for impairment testing purposes, changes in circumstances, operating results or other events could result in asset impairment testing and charges.

In countries in which we have a smaller number of properties leased to franchisees, most operating functions and advertising are performed at the country level, and shared by all restaurants in the country. As a result, we group long-lived assets and related liabilities for the entire country in the case of Spain, U.K. and Canada.

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Equity Method Investments

Equity investments in which we hold at least a 20% ownership interest or have significant influence over the investee but not control over the investee are accounted for using the equity method and are included in other assets, net in our consolidated balance sheets. We also have equity investments in which our ownership interest is less than 20% that are accounted for using the equity method because we have a significant influence over the investee. Our share of investee net income or loss is classified as a component of other income (expense), net in our consolidated statements of operations. The difference between the carrying value of our equity investment and the underlying equity in the historical net assets of the investee is accounted for as if the investee were a consolidated subsidiary. Accordingly, the carrying value difference is amortized over the estimated lives of the assets of the investee to which such difference would have been allocated if the equity investment were a consolidated subsidiary. To the extent the carrying value difference represents goodwill an indefinite lived assets, it is not amortized. We did not record basis difference amortization related to equity method investments for 2013, 2012 and 2011. We evaluate our investments in equity method investments for impairment whenever events occur or circumstances change in a manner that indicates our investment may not be recoverable. We did not record impairment charges related to equity method investments for 2013, 2012 and 2011.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) refers to revenues, expenses, gains and losses that are included in comprehensive income (loss), but are excluded from net income (loss) as these amounts are recorded directly as an adjustment to stockholders' equity, net of tax. Our other comprehensive income (loss) is comprised of unrealized gains and losses on foreign currency translation adjustments, unrealized gains and losses on hedging activity, net of tax, and minimum pension liability adjustments, net of tax.

Derivative Financial Instruments

Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings or recorded in other comprehensive income (loss) and recognized in the consolidated statements of operations when the hedged item affects earnings, depending on the purpose of the derivatives and whether they qualify for, and we have applied, hedge accounting treatment.

When applying hedge accounting, our policy is to designate, at a derivative's inception, the specific assets, liabilities or future commitments being hedged, and to assess the hedge's effectiveness at inception and on an ongoing basis. We may elect not to designate the derivative as a hedging instrument where the same financial impact is achieved in the financial statements. We do not enter into or hold derivatives for speculative purposes.

Disclosures About Fair Value

Certain assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustment in certain circumstances. These items primarily include long-lived assets, goodwill and intangible assets for which fair value is determined as part of the related impairment tests and asset retirement obligations initially measured at fair value. At December 31, 2013 and December 31, 2012, there were no significant adjustments to fair value or fair value measurements required for non-financial assets or liabilities.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (the exit price). The fair value should be based on assumptions that market participants would use when pricing the asset or liability. The fair values are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation, as follows:

Level 1 Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

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Certain of our derivatives are valued using various pricing models or discounted cash flow analyses that incorporate observable market parameters, such as interest rate yield curves and currency rates, classified as Level 2 within the valuation hierarchy. Derivative valuations incorporate credit risk adjustments that are necessary to reflect the probability of default by the counterparty or us.

The carrying amounts for cash and equivalents, trade accounts and notes receivable and accounts and drafts payable approximate fair value based on the short-term nature of these accounts.

Restricted investments, consisting of investment securities held in a rabbi trust to invest compensation deferred under our Executive Retirement Plan and fund future deferred compensation obligations, are carried at fair value, with net unrealized gains and losses recorded in our consolidated statements of operations. The fair value of these investment securities are determined using quoted market prices in active markets classified as Level 1 within the fair value hierarchy.

Fair value of variable rate term debt was estimated using inputs based on bid and offer prices and are Level 2 inputs within the fair value hierarchy.

Revenue Recognition

Revenues include retail sales at Company restaurants, franchise revenues and property income. Franchise revenues consist primarily of royalties, based on a percentage of sales reported by the franchise restaurants, and initial and renewal franchise fees paid by franchisees. Property income consists of operating lease rentals and earned income on direct financing leases on property leased or subleased to franchisees. Retail sales at Company restaurants are recognized at the point of sale. We present sales net of sales tax and other sales-related taxes. Royalties are based on a percentage of gross sales at franchise restaurants and are recognized when earned and collectability is reasonably assured. Initial franchise fees are recognized as revenue when the related restaurant begins operations. Fees collected in advance are deferred until earned. A franchisee may pay a renewal franchise fee and renew its franchise for an additional term. Renewal franchise fees are recognized as revenue upon receipt of the non-refundable fee and execution of a new franchise agreement. Upfront fees paid by franchisees in connection with development agreements are deferred when the development agreement includes a minimum number of restaurants to be opened by the franchisee. The deferred amounts are recognized as franchise fee revenue on a pro rata basis as the franchisee opens each respective restaurant. The cost recovery accounting method is used to recognize revenues for franchisees for which collectability is not reasonably assured. Rental income for base rentals is recorded on a straight-line basis over the term of the lease and earned income on direct financing leases are recognized when earned and collectability is reasonably assured. Contingent rent is recognized as earned, and any amounts received from lessees in advance of achieving stipulated thresholds are deferred until such threshold is actually achieved.

Advertising and Promotional Costs

Historically Company restaurants and franchise restaurants contribute to advertising funds that we manage in the United States and certain international markets. Under our franchise agreements, advertising contributions received from franchisees must be spent on advertising, product development, marketing and related activities. The advertising funds expense the production costs of advertising when the advertisements are first aired or displayed. All other advertising and promotional costs are expensed in the period incurred. The revenues and expenses of the advertising funds are not included in our consolidated statements of operations because we do not have complete discretion over the usage of the funds.

Advertising expense, which primarily consists of advertising contributions by Company restaurants based on a percentage of gross sales, totaled $6.2 million for 2013, $48.3 million for 2012 and $78.2 million for 2011 and is included in selling, general and administrative expenses in the accompanying consolidated statements of operations.

As of the balance sheet date, contributions received may not equal advertising and promotional expenditures for the period due to the timing of advertising promotions. To the extent that contributions received exceed advertising and promotional expenditures, the excess contributions are accounted for as a deferred liability and are recorded in accrued advertising in the accompanying consolidated balance sheets. To the extent that advertising and promotional expenditures temporarily exceed contributions received, the excess expenditures are accounted for as a receivable from the fund and are recorded in prepaids and other current assets, net in the accompanying consolidated balance sheets.

In most of our international markets, franchisees contribute to advertising funds that are not managed by us. Such contributions and related fund expenditures are not reflected in our results of operations or financial position.

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Insurance Reserves

We carry insurance to cover claims such as workers' compensation, general liability, automotive liability, executive risk and property, and we are self-insured for healthcare claims for eligible participating employees. Through the use of insurance program deductibles (ranging from $0.1 million to $2.5 million) and self insurance, we retain a significant portion of the expected losses under these programs. Insurance reserves have been recorded based on our estimates of the anticipated ultimate costs to settle all claims, on an undiscounted basis, both reported and incurred-but-not-reported (IBNR).

Litigation accruals

From time to time, we are subject to proceedings, lawsuits and other claims related to competitors, customers, employees, franchisees, government agencies and suppliers. We are required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new developments in settlement strategy in dealing with these matters.

Guarantees

We record a liability to reflect the estimated fair value of guarantee obligations at the inception of the guarantee. Expenses associated with the guarantee liability, including the effects of any subsequent changes in the estimated fair value of the liability, are classified as other operating income (expenses), net in our consolidated statements of operations.

Income Taxes

Amounts in the financial statements related to income taxes are calculated using the principles of FASB ASC Topic 740, *"Income Taxes."* Under these principles, deferred tax assets and liabilities reflect the impact of temporary differences between the amounts of assets and liabilities recognized for financial reporting purposes and the amounts recognized for tax purposes, as well as tax credit carryforwards and loss carryforwards. These deferred taxes are measured by applying currently enacted tax rates. A deferred tax asset is recognized when it is considered more likely than not to be realized. The effects of changes in tax rates on deferred tax assets and liabilities are recognized in income in the year in which the law is enacted. A valuation allowance reduces deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be recognized.

Income tax benefits credited to stockholders' equity relate to tax benefits associated with amounts that are deductible for income tax purposes but do not affect earnings. These benefits are principally generated from employee exercises of nonqualified stock options and settlement of restricted stock awards.

We recognize positions taken or expected to be taken in a tax return, in the financial statements when it is more likely than not (i.e., a likelihood of more than fifty percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit with greater than fifty percent likelihood of being realized upon ultimate settlement.

Transaction gains and losses resulting from the remeasurement of foreign deferred tax assets or liabilities are classified as other operating (income) expense, net in the consolidated statements of operations.

Share-based Compensation

We recognize share-based compensation cost based on the grant date estimated fair value of each award, net of estimated forfeitures, over the employee's requisite service period, which is generally the vesting period of the equity grant. For awards that have a cliff-vesting schedule, share-based compensation cost is recognized ratably over the requisite service period.

Retirement Plans

The funded status of our defined benefit pension plans and postretirement benefit plans are recognized in the consolidated balance sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at December 31, the measurement date. The fair value of plan assets represents the current market value of contributions made to irrevocable trust

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funds, held for the sole benefit of participants, which are invested by the trust funds. For defined benefit pension plans, the benefit obligation represents the actuarial present value of benefits expected to be paid upon retirement. For postretirement benefit plans, the benefit obligation represents the actuarial present value of postretirement benefits attributed to employee services already rendered. Gains or losses and prior service costs or credits related to our pension plans are being recognized as they arise as a component of other comprehensive income (loss) to the extent they have not been recognized as a component of net periodic benefit cost.

We sponsor the Burger King Savings Plan (the "Savings Plan"), a defined contribution plan under the provisions of Section 401(k) of the Internal Revenue Code. The Savings Plan is voluntary and is provided to all employees who meet the eligibility requirements. A participant can elect to contribute up to 50% of their compensation, subject to IRS limits, and we match 100% of the first 4% of employee compensation.

We also maintain an Executive Retirement Plan ("ERP") for all officers and senior management. Prior to December 31, 2011, officers and senior management could elect to defer up to 75% of base pay once 401(k) limits were reached and up to 100% of incentive pay on a before-tax basis under the ERP. BKC provided a dollar-for-dollar match up to the first 6% of base pay. In the quarter ended December 31, 2011, we elected to cease further participation deferrals and contributions to the ERP.

We have a rabbi trust to invest compensation deferred under the ERP and fund future deferred compensation obligations. The rabbi trust is subject to creditor claims in the event of insolvency, but the assets held in the rabbi trust are not available for general corporate purposes and are classified as restricted investments within other assets, net in our consolidated balance sheets. The rabbi trust is required to be consolidated into our consolidated financial statements. Participants receive returns on amounts they deferred under the deferred compensation plan based on investment elections they make.

Aggregate amounts recorded in the consolidated statements of operations representing our contributions to the Savings Plan and ERP on behalf of restaurant and corporate employees was $1.0 million for 2013, $1.8 million for 2012 and $4.2 million for 2011. Our contributions made on behalf of restaurant employees are classified as payroll and employee benefit expenses in our consolidated statements of operations, while our contributions made on behalf of corporate employees are classified as selling, general and administrative expenses in our consolidated statements of operations.

New Accounting Pronouncements

During 2013, we adopted a Financial Accounting Standards Board ("FASB") accounting standards update that amends accounting guidance to require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amounts reclassified are required by GAAP to be reclassified to net income in their entirety in the same reporting period. The disclosures required by this accounting standards update are included in this report.

During 2013, we adopted an accounting standards update that amends accounting guidance for the release of the cumulative translation adjustment into net income when a reporting entity (parent) ceases to have a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity. Accordingly, the cumulative translation adjustment should be released into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided. The adoption of this accounting standard update did not have a significant impact on our consolidated financial position, results of operations or cash flows.

Note 3. Trade and Notes Receivable, net

Trade and notes receivable, net, consists of the following (in millions):

	As of December 31,	
	2013	2012
Trade accounts receivable	$ 190.6	$ 195.6
Notes receivable, current portion	4.9	3.1
	195.5	198.7
Allowance for doubtful accounts	(15.8)	(19.7)
Total, net	$ 179.7	$ 179.0

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The change in allowances for doubtful accounts is as follows (in millions):

	As of December 31,	
	2013	2012
Beginning balance	$ 19.7	$ 21.3
Bad debt expense (recoveries), net	2.0	(0.8)
Write-offs and other	(5.9)	(0.8)
Ending balance	$ 15.8	$ 19.7

Note 4. Prepaids and Other Current Assets, net

Prepaid and other current assets, net consist of the following (in millions):

	As of December 31,	
	2013	2012
Prepaid expenses	$ 34.2	$ 23.3
Refundable and prepaid income taxes	25.3	28.5
Inventories	1.2	6.7
Deferred financing costs - current portion	9.1	8.9
Assets held for sale	—	23.9
Total Prepaids and other current assets	$ 69.8	$ 91.3

At December 31, 2012, assets held for sale consisted primarily of goodwill and machinery and equipment to be sold in connection with refranchisings.

Note 5. Property and Equipment, net

Property and equipment, net, along with their estimated useful lives, consist of the following (in millions):

		As of December 31,	
		2013	2012
Land		$ 444.3	$ 446.7
Buildings and improvements (1)	(up to 40 years)	431.6	469.7
Machinery and equipment (2)	(up to 18 years)	26.2	69.4
Furniture, fixtures, and other	(up to 10 years)	68.3	51.1
Construction in progress		19.0	32.5
		989.4	1,069.4
Accumulated depreciation and amortization (3)		(187.9)	(184.2)
Property and equipment, net		$ 801.5	$ 885.2

(1) Buildings and improvements include assets under capital leases of $47.9 million as of December 31, 2013 and $49.3 million as of December 31, 2012.
(2) Machinery and equipment include assets under capital leases of $2.1 million as of December 31, 2013 and $3.7 million as of December 31, 2012.
(3) Accumulated depreciation related to assets under capital leases totaled $13.6 million as of December 31, 2013 and $9.0 million as of December 31, 2012.

Depreciation and amortization expense on property and equipment totaled $49.7 million for 2013, $102.2 million for 2012 and $124.6 million for 2011.

Construction in progress represents new restaurant and equipment construction, reimaging of restaurants and software.

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Note 6. Intangible Assets, net and Goodwill

Intangible assets, net and goodwill consist of the following (in millions):

	As of December 31,						Weighted Average Life as of December 31, 2013
	2013			2012			
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net	
Identifiable assets subject to amortization:							
Franchise agreements	$ 491.3	$ (66.0)	$ 425.3	$ 485.6	$ (46.2)	$ 439.4	20.6 Years
Favorable leases	158.4	(48.5)	109.9	183.1	(40.2)	142.9	9.5 Years
Subtotal	649.7	(114.5)	535.2	668.7	(86.4)	582.3	18.3 Years
Indefinite lived intangible assets - Brand	$2,260.8	$ —	$2,260.8	$2,228.9	$ —	$2,228.9	
Intangible assets, net			$2,796.0			$2,811.2	
Goodwill	$ 630.0			$ 619.2			

We recorded amortization expense on intangible assets of $36.3 million for 2013, $38.2 million for 2012 and $40.2 million for 2011.

As of December 31, 2013, the estimated future amortization expense on intangible assets is as follows (in millions):

Twelve-months ended December 31,	Amount
2014	$ 34.6
2015	33.8
2016	33.1
2017	32.5
2018	31.3
Thereafter	369.9
Total	$ 535.2

The changes in the carrying amount of goodwill during 2013 and 2012 by geographic segment are as follows (in millions):

	U.S. & Canada	EMEA	LAC	APAC	Total
Balances at December 31, 2011	$ 254.8	$ 198.8	$ 137.9	$ 66.2	$ 657.7
Impact from refranchisings	(23.8)	(1.1)	—	(3.7)	(28.6)
Effects of foreign currency adjustments	—	3.9	—	—	3.9
Transfer from (to) assets held for sale	—	—	(13.8)	—	(13.8)
Balances at December 31, 2012	231.0	201.6	124.1	62.5	619.2
Impact from refranchisings	(0.1)	(2.2)	—	—	(2.3)
Effects of foreign currency adjustments	—	8.5	—	—	8.5
Transfer from (to) assets held for sale	—	—	4.6	—	4.6
Balances at December 31, 2013	$ 230.9	$ 207.9	$ 128.7	$ 62.5	$ 630.0

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Note 7. Equity Method Investments

The carrying amount of all our equity method investments was $102.0 million as of December 31, 2013 and $97.3 million as of December 31, 2012 and is included as a component of other assets, net in our consolidated balance sheets. Below are the name of the entities, country of operation and our equity interest in our significant equity method investments based on the carrying value as of December 31, 2013.

Entity	Country	Equity Interest
Carrols Restaurant Group, Inc.	United States	28.9%
Operadora de Franquicias Alsea S.A.P.I. de C.V.	Mexico	20.0%
Pangaea Foods (China) Holdings, Ltd.	China	27.5%

The aggregate market value of our equity interest in Carrols Restaurant Group, Inc., based on the quoted market price on December 31, 2013, is approximately $62.2 million. No quoted market prices are available for our remaining equity method investments.

Most of the entities in which we have an equity interest own or franchise *Burger King* restaurants. Franchise and property revenue we recognized from franchisees that are owned or franchised by entities in which we have an equity interest consist of the following (in millions):

	2013	2012	2011
Revenues from affiliates:			
Franchise royalties	$57.2	$28.5	$ 4.3
Property revenues	26.3	15.3	—
Franchise fees and other revenue	6.6	4.6	0.7
Total	$ 90.1	$ 48.4	$ 5.0

At December 31, 2013 and December 31, 2012, we had $12.9 million and $10.7 million, respectively, of accounts receivable from our equity method investments which were recorded in trade and notes receivable, net in our consolidated balance sheets.

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Note 8. Other Accrued Liabilities and Other Liabilities

Other accrued liabilities (current) and other liabilities, net (non-current) consist of the following (in millions):

	As of December 31,	
	2013	2012
Current:		
Accrued compensation and benefits	$ 30.9	$ 49.0
Restructuring and other provisions	16.0	14.6
Interest payable	16.9	16.9
Casualty insurance - current portion	5.1	7.3
Gift card liabilities	22.0	18.2
Income tax payable	5.2	2.8
Deferred income	19.5	18.1
Lease liability - current portion	9.8	8.0
Other	51.6	71.9
Other accrued liabilities	$ 177.0	$ 206.8
Non-current:		
Accrued pension	$ 37.4	$ 77.7
Unfavorable leases	116.6	169.1
Casualty insurance - noncurrent	13.1	18.6
Retiree health benefits	7.4	8.0
Deferred compensation	6.0	7.8
Income tax payable	31.6	26.3
Derivatives liability	25.9	11.0
Lease liability - noncurrent	38.6	32.2
Other	41.3	31.7
Other liabilities, net	$ 317.9	$ 382.4

Note 9. Long-Term Debt

Long-term debt is comprised of the following (in millions):

	Maturity dates	As of December 31,		Interest rates (a)	
		2013	2012	2013	2012
Tranche A Term Loans	2017	$ 991.4	$ 1,023.6	3.2%	3.1%
Tranche B Term Loans (b)	2019	689.4	695.1	4.5%	4.5%
9 7/8 % Senior Notes	2018	794.5	794.5	10.1%	10.1%
11.0% Discount Notes (c)	2019	453.1	407.1	11.5%	11.5%
Deferred Premiums on interest rate caps	2016	22.0	29.0	2.5%	2.5%
Other	N/A	0.7	0.9		
Total debt		2,951.1	2,950.2		
Less: current maturities of debt		(70.9)	(45.1)		
Total long-term debt		$ 2,880.2	$2,905.1		

(a) Represents the effective interest rate for the instrument computed on a quarterly basis, including the amortization of deferred debt issuance costs and original issue discount, as applicable, and in the case of our term loans, the effect of interest rate caps.

(b) Principal face amount herein is presented net of a discount of $6.7 million at December 31, 2013 and $8.1 million at December 31, 2012.

(c) Principal face amount herein is presented net of a discount of $126.0 million at December 31, 2013 and $172.0 million at December 31, 2012.

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2012 Credit Agreement

On September 28, 2012 (the "Closing Date"), BKC and Holdings entered into a Credit Agreement (the "2012 Credit Agreement") to refinance amounts borrowed under the 2011 Amended Credit Agreement (as defined below). The 2012 Credit Agreement provides for (i) tranche A term loans in the aggregate principal amount of $1,030.0 million (the "Tranche A Term Loans"), (ii) tranche B term loans in the aggregate principal amount of $705.0 million (the "Tranche B Term Loans"), in each case under the new senior secured term loan facility (the "2012 Term Loan Facility"), and (iii) a new senior secured revolving credit facility for up to $130.0 million of revolving extensions of credit outstanding at any time (including revolving loans, swingline loans and letters of credit) (the "2012 Revolving Credit Facility" and, together with the 2012 Term Loan Facility, the "2012 Credit Facilities").

On the Closing Date, the full amount of the Tranche A Term Loans and Tranche B Term Loans was drawn and no revolving loans were drawn. The proceeds of the Tranche A Term Loans and the Tranche B Term Loans were used to repay the term loans outstanding under the 2011 Amended Credit Agreement.

The Tranche A Term Loans mature on September 28, 2017 and the Tranche B Term Loans mature on September 28, 2019. The 2012 Revolving Credit Facility matures on October 19, 2015, which was the maturity date of the revolving credit facility under the 2011 Amended Credit Agreement. The principal amount of the Tranche A Term Loans amortizes in quarterly installments of (i) $6.4 million from December 31, 2012 through September 30, 2013, (ii) $12.9 million from December 31, 2013 through September 30, 2014, (iii) $19.3 million from December 31, 2014 through September 30, 2015, (iv) $25.8 million from December 31, 2015 through September 30, 2016, and (v) $32.2 million from December 31, 2016 through June 30, 2017, with the balance payable at maturity. The principal amount of the Tranche B Term Loans amortizes in quarterly installments equal to 0.25% of the original principal amount of the Tranche B Term Loans, with the balance payable at maturity.

As of December 31, 2013, we had no amounts outstanding under the 2012 Revolving Credit Facility. Funds available under the 2012 Revolving Credit Facility for future borrowings may be used to repay other debt, finance debt or share repurchases, acquisitions, capital expenditures and other general corporate purposes. We have a $75.0 million letter of credit sublimit as part of the 2012 Revolving Credit Facility, which reduces our borrowing capacity under this facility by the cumulative amount of outstanding letters of credit. As of December 31, 2013, we had no letters of credit issued against the 2012 Revolving Credit Facility and our borrowing capacity was $130.0 million.

Subject to certain exceptions, the 2012 Credit Facilities are subject to mandatory prepayments in amounts equal to (1) 100% of the net cash proceeds from any non-ordinary course sale or other disposition of assets (including as a result of casualty or condemnation); (2) 100% of the net cash proceeds from issuances or incurrences of debt by Holdings, BKC or any of its restricted subsidiaries (other than indebtedness permitted by the 2012 Credit Facilities); and (3) 50% (with stepdowns to 25% and 0% based upon achievement of specified total leverage ratios) of annual excess cash flow of BKC and its restricted subsidiaries.

At BKC's election, the interest rate per annum applicable to the loans is based on a fluctuating rate of interest determined by reference to either (i) a base rate determined by reference to the highest of (a) the prime rate of JPMorgan Chase Bank, N.A., (b) the federal funds effective rate plus 0.50% and (c) the Eurocurrency rate applicable for an interest period of one month plus 1.00% ("Alternate Base Rate Loans"), plus an applicable margin equal to 1.25% for any Tranche A Term Loan, 1.75% for any Tranche B Term Loan and 2.25% for loans under the 2012 Revolving Credit Facility, or (ii) a Eurocurrency rate determined by reference to LIBOR, adjusted for statutory reserve requirements ("Eurocurrency Loans"), plus an applicable margin equal to 2.25% for any Tranche A Term Loan, 2.75% for any Tranche B Term Loan and 3.25% for loans under the 2012 Revolving Credit Facility; provided that the foregoing margins applicable to the Tranche A Term Loans are subject to reduction after financial statements have been delivered for the first full fiscal quarter after the Closing Date based upon achievement of specified leverage ratios. Borrowings of Tranche B Term Loans will be subject to a floor of 1.00% in the case of Eurocurrency Loans and 2.00% in the case of Alternate Base Rate Loans. We have elected our applicable rate per annum as Eurocurrency rate determined by reference to LIBOR. As of December 31, 2013, the interest rate was 2.50% on our outstanding Tranche A Term Loan and 3.75% on our outstanding Tranche B Term Loan.

The 2012 Credit Facilities contain a number of customary affirmative and negative covenants that, among other things, will limit or restrict the ability of BKC and its restricted subsidiaries to: incur additional indebtedness (including guarantee obligations); incur liens; engage in mergers, consolidations, liquidations and dissolutions; sell assets (with exceptions for, among other things, sales of Company restaurants to existing or prospective franchisees and sales of real estate, subject to achievement of specified total leverage ratios in the case of real estate sales); pay dividends and make other payments in respect of capital stock; make investments, loans and advances; pay and modify the terms of certain indebtedness; engage in certain transactions with affiliates; enter into certain speculative hedging arrangements; enter into negative pledge clauses and clauses restricting subsidiary distributions; and change its line of business. In addition, under the 2012 Credit Facilities, BKC will be required to maintain a specified minimum interest coverage ratio and may not exceed a specified maximum total leverage ratio.

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The 2012 Credit Facilities contain customary events of default, including nonpayment of principal, interest, fees or other amounts; material inaccuracy of a representation or warranty when made; violation of a covenant; cross-default to material indebtedness; bankruptcy events; certain ERISA events; material unsatisfied judgments; actual or asserted invalidity of any guarantee, security document or subordination provisions; non-perfection of security interest; changes in the passive holding company status of Holdings; and a change of control. BKC's ability to borrow under the 2012 Credit Facilities will be dependent on, among other things, its compliance with the above-described covenants and financial ratios. Failure to comply with these covenants, ratios or the other provisions of the 2012 Credit Facilities (subject to certain grace periods) could, absent a waiver or an amendment from the lenders under such agreement, restrict the availability of the 2012 Revolving Credit Facility and permit the acceleration of all outstanding borrowings under the 2012 Credit Facility. There are no provisions in the 2012 Credit Agreement that could accelerate payment of debt as a result of a change in credit ratings.

At December 31, 2013, we were in compliance with all covenants of the 2012 Credit Agreement and there were no limitations on our ability to draw on the remaining availability under the 2012 Revolving Credit Facility.

In connection with the 2012 Credit Facilities, the Company entered into a Guarantee Agreement (the "Guarantee Agreement"), dated as of September 28, 2012 in favor of JPMorgan Chase Bank, N.A., as administrative agent, pursuant to which the Company guaranteed amounts borrowed under the 2012 Credit Facilities. Holdings, BKC and certain of BKC's subsidiaries (the "Subsidiary Guarantors") entered into a Guarantee and Collateral Agreement (the "Guarantee and Collateral Agreement"), dated as of September 28, 2012 in favor of JPMorgan Chase Bank, N.A. as administrative agent. Pursuant to the Guarantee and Collateral Agreement, Holdings and the Subsidiary Guarantors guaranteed amounts borrowed under the 2012 Credit Facilities. Additionally, amounts borrowed under the 2012 Credit Facilities and any swap agreements and cash management arrangements provided by any lender party to the 2012 Credit Facilities or any of its affiliates are secured on a first priority basis by a perfected security interest in substantially all of Holdings', BKC's and each Subsidiary Guarantor's tangible and intangible assets (subject to certain exceptions), including U.S. registered intellectual property, owned real property over $10 million in value and all of the capital stock of BKC and each of its direct and indirect restricted subsidiaries (limited, in the case of foreign subsidiaries, to 65%, of the capital stock of first tier foreign subsidiaries).

We are required to pay certain recurring fees with respect to the 2012 Credit Facilities, including (i) fees on the unused commitments of the lenders under the revolving facility, (ii) letters of credit fees on the aggregate face amounts of outstanding letters of credit plus a fronting fee to the issuing bank and (iii) administration fees. Amounts outstanding under the 2012 Revolving Credit Facility bear interest at a rate equal to LIBOR plus 3.25% on the amount drawn under each letter of credit that is issued and outstanding under the 2012 Revolving Credit Facility. The interest rate on the unused portion of the 2012 Revolving Credit Facility ranges from 0.50% to 0.75%, depending on our leverage ratio, and our current rate is 0.50%.

We incurred approximately $16.0 million of financing costs related to the 2012 Credit Agreement, including approximately $10.8 million recorded as deferred financing costs, which are classified as other assets, net on the condensed consolidated balance sheets, and amortized to interest expense using the effective interest method. The remaining fees are included in loss on early extinguishment of debt.

2011 Amended Credit Agreement

In connection with the 3G Acquisition of Holdings by 3G, BKC and Holdings entered into a credit agreement dated as of October 19, 2010, as amended and restated as of February 15, 2011 (the "2011 Amended Credit Agreement"). The 2011 Amended Credit Agreement provided for (i) two tranches of term loans in aggregate principal amounts of $1,600.0 million and €200.0 million (the "Term Loans"), each under a term loan facility (the "Term Loan Facility") and (ii) a senior secured revolving credit facility for up to $150.0 million of revolving extensions of credit outstanding at any time (including revolving loans, swingline loans and letters of credit) (the "Revolving Credit Facility," and together with the Term Loan Facility, the "Credit Facilities"). The maturity date for the Term Loan Facility was October 19, 2016 and the maturity date for the Revolving Credit Facility was October 19, 2015. As described above, borrowings under the 2011 Amended Credit Agreement were refinanced by the 2012 Credit Agreement.

We were allowed to prepay the Term Loans in whole or in part at any time. During 2012, we made $37.7 million in voluntary prepayments of our Term Loans.

Under the Credit Facilities, BKC was required to comply with customary financial ratios and the Credit Facilities also contained a number of customary affirmative and negative covenants. The Company was in compliance with all 2011 Amended Credit Agreement financial ratios and covenants at the time of the refinancing in September 2012.

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9 7/8% Senior Notes

We have senior notes due 2018 that bear interest at a rate of 9.875% per annum, which is payable semi-annually on October 15 and April 15 of each year (the "Senior Notes"). The Senior Notes mature on October 15, 2018. During 2012, we repurchased and retired Senior Notes with an aggregate face value of $3.0 million for a purchase price of $3.4 million, including accrued interest. During 2011, we repurchased and retired Senior Notes with an aggregate face value of $2.5 million for a purchase price of $2.7 million, including accrued interest. We did not repurchase any Senior Notes in 2013.

The Senior Notes are general unsecured senior obligations of BKC that rank pari passu in right of payment with all our existing and future senior indebtedness. The Senior Notes are effectively subordinated to all our Secured Indebtedness (including the 2012 Credit Facilities) to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all indebtedness and other liabilities, including preferred stock, of non-guarantor subsidiaries.

The Senior Notes are guaranteed by Holdings and all existing direct and indirect subsidiaries that borrow under or guarantee any indebtedness or indebtedness of another guarantor. Additionally, in August 2012 the Company entered into a Supplemental Indenture to guarantee BKC's obligations under the Senior Notes. Under certain circumstances, subsidiary guarantors may be released from their guarantees without the consent of the holders of the Senior Notes.

At any time prior to October 15, 2014, BKC may redeem all or part of the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes redeemed plus the "Applicable Premium" as of, and accrued and unpaid interest, to (but excluding) the redemption date. "Applicable Premium" means the greater of: (1) 1.0% of the principal amount of the Senior Notes redeemed; and (2) the excess of (a) the present value at such redemption date of (i) the redemption price of such Senior Notes at October 15, 2014, plus (ii) all required interest payments through October 15, 2014, computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the principal amount of the Senior Notes redeemed. On or after October 15, 2014, BKC may redeem the Senior Notes at the redemption prices (expressed as percentages of principal amount of the Senior Notes to be redeemed) set forth below, plus accrued and unpaid interest, to (but excluding) the redemption date: October 15, 2014 – October 14, 2015 (104.938%); October 15, 2015 – October 14, 2016 (102.469%); and October 15, 2016 and thereafter (100%).

The occurrence of a change in control of BKC and/or its parent entities will require us to offer to purchase all or a portion of the Senior Notes at a price equal to 101% of the principal amount, together with accrued and unpaid interest, if any, to the date of purchase. Certain asset dispositions will also require us to use the proceeds from those asset dispositions to make an offer to purchase the Senior Notes at 100% of their principal amount, if such proceeds are not otherwise used within a specified period to repay indebtedness or to invest in capital assets related to our business or capital stock of a restricted subsidiary.

The Senior Notes were issued pursuant to an indenture (the "Senior Notes Indenture"), which contains certain covenants that we must meet during the term of the Senior Notes, including, but not limited to, limitations on restricted payments (as defined in the Senior Notes Indenture), incurrence of indebtedness, issuance of disqualified stock and preferred stock, asset sales, mergers and consolidations, transactions with affiliates, guarantees of indebtedness by subsidiaries and activities of Holdings.

The Senior Notes Indenture also includes customary events of default including, but not limited to, nonpayment of principal, interest, premiums or other amounts due under the Senior Notes Indenture, violation of a covenant, cross-default to material indebtedness, bankruptcy and a change of control. Failure to comply with the covenants or other provision of the Senior Notes Indenture (subject to grace periods) could, absent a waiver or an amendment from the lenders under such Senior Notes Indenture, permit the acceleration of all outstanding borrowings under the Senior Notes Indenture.

Pursuant to the Senior Notes Indenture, BKC is restricted from paying any dividend or making any payment or distribution on account of its equity interests unless, among other things, (i) the dividend, payment or distribution (together with all other such dividends, payments or distributions made since the issue date of the Senior Notes) is less than an amount calculated based in part on the Consolidated Net Income (as defined in the Senior Notes Indenture) of BKC and its restricted subsidiaries since the issue date of the Senior Notes, or (ii) the dividend, payment or distribution fits within one or more exceptions, including if:

- it is made with funds received from the issuance of equity interests of BKC or its direct or indirect parent companies and is used for the redemption, repurchase or other acquisition of equity interests of BKC or its direct or indirect parent companies;
- it is less than 6% per annum of the net cash proceeds received by or contributed to BKC from a public offering of BKC's common stock or the common stock of any of its direct or indirect parent companies;
- it is used to fund certain operational expenditures of any of BKC's direct or indirect parent companies; or
- it, when combined with all other Restricted Payments (as defined in the Senior Notes Indenture) that rely upon this exception, does not exceed $75 million (the transactions described in these four bullet points, collectively, the "Permitted Distributions").

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At December 31, 2013, we were in compliance with all covenants of the Senior Notes Indenture.

11.0% Discount Notes

On April 19, 2011, Burger King Capital Holdings, LLC (“BKCH”) and Burger King Capital Finance, Inc. (“BKCF” and together with BKCH, the “Issuers”) entered into an indenture with Wilmington Trust FSB, as trustee, pursuant to which the Issuers sold $685.0 million in the aggregate principal amount at maturity of 11.0% senior discount notes due 2019 (the “Discount Notes”). The Discount Notes generated $401.5 million in gross proceeds. Until April 15, 2016, no cash interest will accrue, but the Discount Notes will accrete at a rate of 11.0% per annum compounded semi-annually such that the accreted value on April 15, 2016 will be equal to the principal amount at maturity. Thereafter, cash interest on the Discount Notes will accrue at a rate equal to 11.0% per annum and will be payable semi-annually in cash in arrears on April 15 and October 15 of each year, commencing on October 15, 2016. The Discount Notes will mature on April 15, 2019. In August 2012, the Company entered into a Supplemental Indenture to guarantee the Issuers’ obligations under the Discount Notes. The Issuers have no operations or assets other than the interest in Holdings held by BKCH. Accordingly, the cash required to service the Discount Notes is expected to be funded through distributions from BKC. During 2012, we repurchased Discount Notes with an aggregate face value of $92.9 million and an aggregate carrying value of $61.1 million, net of unamortized original issue discount, for a purchase price of $69.6 million. We did not repurchase any Discount Notes in 2013.

At any time prior to April 15, 2015, the Issuers may redeem all or a part of the Discount Notes at a redemption price equal to 100% of the accreted value thereof on the redemption date plus the Applicable Premium as of, and accrued and unpaid interest, to but excluding the redemption date. “Applicable Premium” means the greater of: (1) 1.0% of the accreted value of the Discount Notes redeemed; and (2) the excess of (a) the present value at such redemption date of (i) the redemption price of such Discount Notes at April 15, 2015, plus (ii) all required interest payments through April 15, 2015, computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the accreted value of the Discount Notes redeemed. In addition, prior to April 15, 2014, the Issuers may redeem up to 35% of the original principal amount of the Discount Notes with the proceeds of certain equity offerings at a redemption price equal to 111% of the accreted value of the Discount Notes, plus (without duplication) any accrued but unpaid interest, if any, to the date of redemption.

On or after April 15, 2015, the Issuers may redeem all or a part of the Discount Notes at the redemption prices (expressed as percentages of accreted value of the Discount Notes to be redeemed) set forth below, plus accrued and unpaid interest, to (but excluding) the redemption date: April 15, 2015 – April 14, 2016 (105.5%); April 15, 2016 – April 14, 2017 (102.75%); and April 15, 2017 and thereafter (100%).

The occurrence of a change in control of the Issuers will require us to offer to purchase all or a portion of the Discount Notes at a price equal to 101% of the accreted value, plus (without duplication) accrued and unpaid interest, if any, to the date of purchase. Certain asset dispositions will also require us to use the proceeds from those asset dispositions to make an offer to purchase the Discount Notes at 100% of their accreted value, plus accrued and unpaid interest, if any, if such proceeds are not otherwise used within a specified period to repay indebtedness or to invest in capital assets related to our business or capital stock of a restricted subsidiary.

The Discount Notes were issued pursuant to an indenture (the “Discount Notes Indenture”), which contains certain covenants that we must meet during the term of the Discount Notes, as well as customary events of default, which are similar to those described above for the Credit Facilities and Senior Notes.

Pursuant to the Discount Notes Indenture, BKCH is restricted from paying any dividend or making any payment or distribution on account of its equity interests unless, among other things, (i) the dividend, payment or distribution (together with all other such dividends, payments or distributions made since October 19, 2010) is less than an amount calculated based in part on the Consolidated Net Income (as defined in the Discount Notes Indenture) of BKCH and its restricted subsidiaries since October 1, 2010, or (ii) the dividend, payment or distribution fits within one or more exceptions, including the Permitted Distributions.

At December 31, 2013, we were in compliance with all covenants of the Discount Notes Indenture.

Loss on Early Extinguishment of Debt

We recorded a $34.2 million loss on early extinguishment of debt during 2012 in connection with the refinancing of term loans outstanding under the 2011 Amended Credit Agreement, as described above, as well as prepayments of term loans prior to the refinancing and repurchases of our Discount Notes and Senior Notes. We recorded a $21.1 million loss on early extinguishment of debt in 2011 in connection with the 2011 Amended Credit Agreement and the early extinguishment of debt relating to prepayments of our Term Loan and repurchases of our Senior Notes and Discount Notes.

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Other

In connection with entering into the 2012 Credit Agreement as described above, we settled interest rate caps denominated in Euros with a notional amount of €183.8 million, including the payment of $6.4 million in deferred premiums.

Maturities

The aggregate maturities of long-term debt as of December 31, 2013, including the effects of the discount accretion on the 2012 Credit Facilities and Discount Notes, are as follows (in millions):

Year Ended December 31,	Principal Amount
2014	$ 72.3
2015	98.2
2016	124.2
2017	747.5
2018	801.6
Thereafter	1,240.0
Total	$ 3,083.8

Interest Expense, net

Interest expense, net consists of the following (in millions):

	2013	2012	2011
Tranche A Term Loans	$ 26.3	$ 7.1	$ —
Tranche B Term Loans	26.6	7.1	—
Secured Term Loan—USD tranche	—	51.2	75.4
Secured Term Loan—Euro tranche	—	8.8	14.3
Interest Rate Caps	6.8	4.2	1.2
9 7/8 % Senior Notes	78.5	78.6	78.8
11.0% Discount Notes	46.0	43.8	31.0
Amortization of deferred financing costs and debt issuance discount	10.3	13.2	15.3
Capital lease obligations	6.4	8.2	9.1
Other	1.7	2.7	3.2
Interest income	(2.6)	(1.1)	(1.6)
Total	$ 200.0	$ 223.8	$ 226.7

We had total unamortized deferred financing costs of $44.6 million at December 31, 2013 and $53.5 million at December 31, 2012. The long-term portion of these amounts are classified as other assets, net and are amortized over the term of the debt into interest expense using the effective interest method. The amortization of deferred financing costs included in interest expense was $8.9 million for 2013, $10.9 million for 2012 and $12.5 million for 2011.

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Note 10. Leases

As of December 31, 2013, we leased or subleased 1,964 restaurant properties to franchisees and 54 non-restaurant properties to third parties under direct financing leases and operating leases, where we are the lessor. Initial lease terms generally range from 10 to 20 years. Most leases to franchisees provide for fixed monthly payments and many of these leases provide for future rent escalations and renewal options. Certain leases also include provisions for contingent rent, determined as a percentage of sales, generally when annual sales exceed specific levels. The lessees bear the cost of maintenance, insurance and property taxes.

Assets leased to franchisees and other third parties under operating leases, where we are the lessor, that are included within our property and equipment, net was as follows (in millions):

	As of December 31,	
	2013	2012
Land	$ 421.7	$ 399.5
Buildings and improvements	397.9	361.3
Restaurant equipment	2.7	4.8
Gross property and equipment leased	822.3	765.6
Accumulated depreciation	(130.3)	(95.7)
Net property and equipment leased	$692.0	$669.9

Our net investment in direct financing leases was as follows (in millions):

	As of December 31,	
	2013	2012
Future rents to be received		
Future minimum lease receipts	$ 184.8	$ 213.0
Contingent rents(1)	92.1	104.8
Estimated unguaranteed residual value	23.8	25.6
Unearned income	(120.5)	(145.8)
Allowance on direct financing leases	(0.3)	(0.8)
	179.9	196.8
Current portion included within trade receivables	(16.8)	(16.4)
Net investment in property leased to franchisees	$ 163.1	$ 180.4

(1) Amounts represent estimated contingent rents recorded in connection with the acquisition method of accounting.

In addition, we lease land, building, equipment, office space and warehouse space, including 336 restaurant buildings under capital leases. Initial lease terms are generally 10 to 20 years and most leases provide for fixed monthly payments. Many of these leases provide for future rent escalations and renewal options and certain leases also include provisions for contingent rent, determined as a percentage of sales, generally when annual sales exceed specific levels. Most leases also obligate us to pay the cost of maintenance, insurance and property taxes.

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As of December 31, 2013, future minimum lease receipts and commitments were as follows (in millions):

	Lease Receipts		Lease Commitments(a)	
	Direct Financing Leases	Operating Leases	Capital Leases	Operating Leases
2014	$ 24.1	$ 150.6	$ 22.6	$ 97.1
2015	23.5	145.3	20.9	90.8
2016	23.2	140.2	19.1	84.9
2017	22.4	137.1	16.9	78.6
2018	18.6	131.2	15.3	69.5
Thereafter	73.0	1,310.9	30.2	405.8
Total minimum payments	$ 184.8	$2,015.3	$ 125.0	$ 826.7
Less amount representing interest			(39.1)	
Present value of minimum capital lease payments			85.9	
Current portion of capital lease obligation			(10.5)	
Long-term portion of capital lease obligation			$ 75.4	

(a) Lease commitments under operating leases have not been reduced by minimum sublease rentals of $1,404.6 million due in the future under noncancelable subleases.

Property revenues are comprised primarily of rental income from operating leases and earned income on direct financing leases with franchisees as follows (in millions):

	2013	2012	2011
Rental income:			
Minimum	$ 165.9	$ 108.1	$ 72.9
Contingent	25.0	17.4	0.3
Amortization of favorable and unfavorable income lease contracts, net	5.6	6.3	6.6
Total rental income	196.5	131.8	79.8
Earned income on direct financing leases	17.2	19.5	31.4
Total property revenues	$ 213.7	$ 151.3	$ 111.2

Rent expense associated with the lease commitments is as follows (in millions):

	2013	2012	2011
Rental expense:			
Minimum	$ 115.0	$ 148.8	$ 167.3
Contingent	4.9	9.3	4.5
Amortization of favorable and unfavorable payable lease contracts, net	0.9	(2.4)	(3.4)
Total rental expense (a)	$ 120.8	$ 155.7	$ 168.4

(a) Amounts include rental expense related to properties subleased to franchisees of $94.0 million for 2013, $74.4 million for 2012 and $53.1 million for 2011.

The impact of favorable and unfavorable lease amortization on operating income is as follows (in millions):

	2013	2012	2011
Franchise and property revenues	$ 5.6	$ 6.3	$ 6.6
Company restaurant expenses:			
Occupancy and other operating costs	1.3	3.4	4.1
Franchise and property expenses	(2.1)	(1.0)	(0.7)

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Estimated future amortization of favorable and unfavorable lease contracts subject to amortization are as follows (in millions):

	Company Restaurants Occupancy and Other Operating Expenses		Franchise and Property Revenue		Franchise and Property Expenses	
	Favorable	Unfavorable	Favorable	Unfavorable	Favorable	Unfavorable
2014	$ 0.3	$ (0.6)	$ 3.4	$ (9.1)	$ 10.2	$ (7.0)
2015	0.3	(0.3)	3.1	(8.8)	9.7	(6.4)
2016	0.2	(0.3)	3.0	(8.5)	9.2	(6.0)
2017	0.2	(0.3)	2.8	(8.3)	8.7	(5.1)
2018	0.2	(0.2)	2.3	(7.8)	8.1	(4.4)
Thereafter	2.5	(0.6)	12.5	(24.2)	33.2	(18.7)
Total	$ 3.7	$ (2.3)	$ 27.1	$ (66.7)	$ 79.1	$ (47.6)

Note 11. Income Taxes

Income before income taxes, classified by source of income (loss), is as follows (in millions):

	2013	2012	2011
Domestic	$ 127.4	$ (4.7)	$ 5.4
Foreign	194.8	164.4	109.3
Income before income taxes	$ 322.2	$ 159.7	$ 114.7

Income tax expense (benefit) attributable to income from continuing operations consists of the following (in millions):

	2013	2012	2011
Current:			
Domestic			
Federal	$ 29.9	$ 19.0	$ 19.3
State, net of federal income tax benefit	3.7	1.1	(0.5)
Foreign	22.8	13.0	14.3
	$ 56.4	$ 33.1	$ 33.1
Deferred:			
Domestic			
Federal	$ 27.8	$ (1.0)	$ (13.6)
State, net of federal income tax benefit	(1.2)	1.6	0.1
Foreign	5.5	8.3	7.0
	$ 32.1	$ 8.9	$ (6.5)
Total	$ 88.5	$ 42.0	$ 26.6

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The U.S. Federal tax statutory rate reconciles to the effective tax rate as follows:

	2013	2012	2011
U.S. Federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	0.5	1.0	1.0
Costs and taxes related to foreign operations	6.2	10.7	14.6
Foreign tax rate differential	(14.6)	(25.0)	(26.2)
Foreign exchange differential on tax benefits	—	—	(0.1)
Change in valuation allowance	0.6	(1.1)	3.8
Change in accrual for tax uncertainties	1.5	1.6	1.8
Deductible FTC	(1.9)	(3.2)	(3.7)
Non Deductible Transaction Costs	0.3	2.5	(1.2)
Other	(0.1)	4.8	(1.8)
Effective income tax rate	27.5%	26.3%	23.2%

Our effective tax rate was 27.5% for 2013, primarily as a result of the mix of income from multiple tax jurisdictions and the impact of non-deductible expenses related to our refranchisings, partially offset by a favorable impact from the sale of a foreign subsidiary and a reduction in the state effective tax rate related to our refranchisings. Our effective tax rate was 26.3% for 2012, primarily as a result of the mix of income from multiple tax jurisdictions, the release of valuation allowance and the impact of costs on refranchisings primarily in foreign jurisdictions. Our effective tax rate was 23.2% for 2011, primarily as a result of the exclusion of the tax benefit of foreign ordinary losses not expected to be realized, the mix of income from multiple tax jurisdictions and the resolution of state tax audits.

The following table provides the amount of income tax expense (benefit) allocated to continuing operations and amounts separately allocated to other items (in millions):

	2013	2012	2011
Income tax expense from continuing operations	$ 88.5	$ 42.0	$ 26.6
Interest rate caps in accumulated other comprehensive income (loss)	2.3	(2.1)	(26.8)
Interest rate swaps in accumulated other comprehensive income (loss)	65.8	0.3	—
Pension liability in accumulated other comprehensive income (loss)	9.9	(1.2)	(5.8)
Net investment hedge in accumulated other comprehensive income (loss)	(5.7)	(4.2)	—
Stock option tax benefit in additional paid-in capital	(10.1)	—	—
Total	$ 150.7	$ 34.8	$ (6.0)

The significant components of deferred income tax expense (benefit) attributable to income from continuing operations are as follows (in millions):

	2013	2012	2011
Deferred income tax expense			
(exclusive of the effects of components listed below)	$ 9.9	$ 17.9	$ (11.1)
Change in valuation allowance	22.6	(8.3)	4.6
Change in effective state income tax rate	(4.0)	0.8	—
Change in effective foreign income tax rate	3.6	(1.5)	—
Total	$ 32.1	$ 8.9	$ (6.5)

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The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below (in millions):

	As of December 31,	
	2013	2012
Deferred tax assets:		
Trade and notes receivable, principally due to allowance for doubtful accounts	$ 9.2	$ 11.6
Accrued employee benefits	34.1	40.5
Unfavorable leases	58.8	77.0
Liabilities not currently deductible for tax	53.2	53.8
Tax loss and credit carryforwards	107.2	130.2
Other	0.5	10.3
Total gross deferred tax assets	263.0	323.4
Valuation allowance	(97.7)	(93.3)
Net deferred tax assets	165.3	230.1
Less deferred tax liabilities:		
Property and equipment, principally due to differences in depreciation	10.3	11.9
Intangible assets	640.2	644.3
Leases	89.0	104.3
Statutory Impairment	9.2	8.8
Derivatives	65.9	0.3
Total gross deferred tax liabilities	814.6	769.6
Net deferred tax liability	$ 649.3	$ 539.5

The valuation allowance had a net increase of $4.4 million during 2013 as a result of changes in the projected utilization of deferred tax assets, currency fluctuations and the sale of foreign subsidiaries.

Changes in valuation allowance are as follows (in millions):

	2013	2012	2011
Beginning balance	$ 93.3	$ 99.6	$ 96.0
Change in estimates recorded to deferred income tax expense	22.6	(8.3)	4.6
Changes from foreign currency exchange rates	0.1	2.0	(1.0)
Sale of foreign subsidiaries	(18.3)	—	—
Ending balance	$ 97.7	$ 93.3	$ 99.6

Change in estimates recorded to deferred income tax expense primarily relate to the realizability of capital losses from the sale of foreign subsidiaries of $22.6 million for 2013, utilization of deferred tax assets in foreign countries of $(8.3) million for 2012 and realizability of foreign tax credit carryforwards and deferred tax assets in foreign countries of $4.6 million for 2011.

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The amount and expiration dates of operating loss and tax credit carryforwards as of December 31, 2013 are as follows (in millions):

	Amount	Expiration Date
Non-U.S. net operating loss carryforwards	$ 2.1	2014 - 2023
Non-U.S. net operating loss carryforwards	205.1	Indefinite
State net operating loss carryforwards	63.8	2016 - 2033
U.S. foreign tax credits	15.3	2014 - 2015
Total	$ 286.3	

During 2013, the company provided for $1.0 million of taxes on $2.7 million of foreign undistributed earnings of certain subsidiaries that are expected to be repatriated. Deferred tax liabilities have not been provided on approximately $499.0 million of undistributed earnings that are considered to be permanently reinvested. Determination of the deferred income tax liability on these unremitted earnings is not practicable. Such liability, if any, depends on circumstances existing if and when remittance occurs.

We had $27.7 million of unrecognized tax benefits at December 31, 2013, which if recognized, would favorably affect the effective income tax rate. A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in millions):

	2013	2012	2011
Beginning balance	$ 23.3	$ 21.6	$ 22.4
Additions on tax position related to the current year	2.2	1.9	1.4
Additions for tax positions of prior years	2.4	0.9	2.8
Reductions for tax positions of prior year	(0.1)	(0.5)	(2.9)
Reductions for settlement	(0.1)	(0.5)	(2.0)
Reductions due to statute expiration	—	(0.1)	(0.1)
Ending balance	$ 27.7	$ 23.3	$ 21.6

During the twelve months beginning January 1, 2014, it is reasonably possible we will reduce unrecognized tax benefits by approximately $0.3 million, primarily as a result of the expiration of certain statutes of limitations and the resolution of audits.

We recognize interest and penalties related to unrecognized tax benefits in income tax expense. The total amount of accrued interest and penalties was $4.1 million at December 31, 2013 and $3.5 million at December 31, 2012. Potential interest and penalties associated with uncertain tax positions recognized was $0.6 million during the year ended December 31, 2013, $0.3 million during the year ended December 31, 2012, and zero during the year ended December 31, 2011. To the extent interest and penalties are not assessed with respect to uncertain tax positions, amounts accrued will be reduced and reflected as a reduction of the overall income tax provision.

We file income tax returns, including returns for our subsidiaries, with federal, state, local and foreign jurisdictions. Generally we are subject to routine examination by taxing authorities in these jurisdictions, including significant international tax jurisdictions, such as the United Kingdom, Germany, Spain, Switzerland, Singapore, Canada and Mexico. None of the foreign jurisdictions should be individually material. Our federal income tax returns for fiscal 2009, 2010, the period July 1, 2010 through October 18, 2010 and the period October 19, 2010 through December 31, 2010 are currently under audit by the Internal Revenue Service. In addition, we have various state and foreign income tax returns in the process of examination. From time to time, these audits result in proposed assessments where the ultimate resolution may result in owing additional taxes. We believe that our tax positions comply with applicable tax law and that we have adequately provided for these matters.

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Note 12. Pension and Post Retirement Medical Benefits

Pension Benefits

We sponsor noncontributory defined benefit pension plans for our employees in the United States (the “U.S. Pension Plans”) and certain employees in the United Kingdom, Germany and Switzerland (the “International Pension Plans”). Effective December 31, 2005, all benefits accrued under the U.S. Pension Plans were frozen at the benefit level attained as of that date.

Postretirement Medical Benefits

Our postretirement medical plan (the “U.S. Retiree Medical Plan”) provides medical, dental and life insurance benefits to U.S. salaried retirees hired prior to June 30, 2001 and who were age 40 or older as of June 30, 2001, and their eligible dependents. The amount of retirement health care coverage an employee will receive depends upon the length of credited service. In 2011, the credited service for this plan was frozen for all participants. Beginning January 1, 2012, the annual employer-provided subsidy will be $160 (pre-age 65) and $80 (post-age 65) per year of credited service for anyone not already receiving benefits prior to this date. In 2011, we recognized a reduction to the retiree medical plan liability as a result of a negative plan amendment of $7.1 million, with an offset to accumulated other comprehensive income (AOCI).

During 2012, we eliminated the option to delay enrollment for the U.S. Retiree Medical Plan and participants were required to make a one-time election to participate in the plan. This change was accounted for as a negative plan amendment and resulted in a reduction to the U.S. Retiree Medical Plan liability of $11.1 million. This reduction is being amortized as a reduction to net periodic benefit costs over 6 years, the average remaining years until expected retirement. This negative plan amendment resulted in net periodic benefit cost reductions of approximately $1.8 million in 2013 and $1.5 million in 2012 and will result in net periodic benefit costs reductions of approximately $1.8 million every year thereafter during the amortization period.

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Obligations and Funded Status

The following table sets forth the change in benefit obligations, fair value of plan assets and amounts recognized in the balance sheets for the U.S. Pension Plans, International Pension Plans and U.S. Retiree Medical Plan (in millions):

	U.S. Pension Plans		U.S. Retiree Medical Plan	
	2013	2012	2013	2012
Change in benefit obligation				
Benefit obligation at beginning of year	$ 212.9	$ 193.0	$ 8.5	$ 19.5
Service cost	—	—	—	—
Interest cost	8.4	8.6	0.4	0.4
Plan amendments	—	—	—	(11.1)
Actuarial (gains) losses	(17.4)	21.0	(0.6)	0.1
Part D Rx Subsidy Received	—	—	—	0.1
Benefits paid	(10.3)	(9.7)	(0.4)	(0.5)
Benefit obligation at end of year	$ 193.6	$ 212.9	$ 7.9	$ 8.5
Change in plan assets				
Fair value of plan assets at beginning of year	$ 145.4	$ 129.0	$ —	$ —
Actual return on plan assets	17.0	17.5	—	—
Employer contributions	7.5	8.6	0.4	0.5
Benefits paid	(10.3)	(9.7)	(0.4)	(0.5)
Fair value of plan assets at end of year	$ 159.6	$ 145.4	$ —	$ —
Funded status of plan	$ (34.0)	$ (67.5)	$ (7.9)	$ (8.5)
Amounts recognized in the consolidated balance sheet				
Current liabilities	$ (0.8)	$ (0.7)	$ (0.5)	$ (0.5)
Noncurrent liabilities	(33.2)	(66.8)	(7.4)	(8.0)
Net pension liability, end of fiscal year	$ (34.0)	$ (67.5)	$ (7.9)	$ (8.5)
Amounts recognized in accumulated other comprehensive income (AOCI)				
Prior service cost / (credit)	$ —	$ —	$ (12.4)	$ (15.3)
Unrecognized actuarial loss (gain)	(2.9)	24.8	(2.1)	(1.6)
Total AOCI (before tax)	$ (2.9)	$ 24.8	$ (14.5)	$ (16.9)

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	International Pension Plans	
	2013	2012
Benefit obligation at end of year	$ 27.0	$ 32.5
Fair value of plan assets at end of year	28.8	23.3
Funded status of plan	$ 1.8	$ (9.2)
Amounts recognized in the consolidated balance sheet		
Noncurrent Assets	$ 6.1	$ 1.6
Current liabilities	(0.1)	—
Noncurrent liabilities	(4.2)	(10.8)
Net pension liability, end of fiscal year	$ 1.8	$ (9.2)
Amounts recognized in accumulated other comprehensive income (AOCI)		
Unrecognized actuarial loss (gain)	$ (5.6)	$ (1.2)
Total AOCI (before tax)	$ (5.6)	$ (1.2)

Additional year-end information for the U.S. Pension Plans, International Pension Plans and U.S. Retiree Medical Plan with accumulated benefit obligations in excess of plan assets

The following sets forth the projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the U.S. Pension Plans, International Pension Plans and U.S. Retiree Medical Plan (in millions):

	U.S. Pension Plans As of December 31,		U.S. Retiree Medical Plan As of December 31,		International Pension Plans As of December 31,	
	2013	2012	2013	2012	2013	2012
Projected benefit obligation	$ 193.6	$212.9	$ 7.9	$ 8.5	$ 27.0	$ 32.5
Accumulated benefit obligation	$ 193.6	$212.9	$ 7.9	$ 8.5	$ 16.9	$ 26.2
Fair value of plan assets	$159.6	$ 145.4	$ —	$ —	$ 28.8	$ 23.3

Components of Net Periodic Benefit Cost

The net periodic benefit costs for the U.S. Pension Plans and U.S. Retiree Medical Plan and International Pension Plans did not exceed $2.0 million in any comparative period.

Other Changes in Plan Assets and Projected Benefit Obligation Recognized in Other Comprehensive Income

	U.S. Pension Plans			U.S. Retiree Medical Plan		
	2013	2012	2011	2013	2012	2011
Unrecognized actuarial (gain) loss	$ (26.2)	$ 12.0	$ 21.6	$ (0.6)	$ 0.1	$ (0.8)
(Gain) loss recognized due to settlement	(0.3)	(0.2)	(0.4)	—	—	—
Prior service cost (credit)	—	—	—	—	(11.1)	(7.1)
Amortization of prior service (cost) credit	—	—	—	2.9	2.6	0.4
Amortization of actuarial gain (loss)	(1.2)	—	—	0.1	0.1	—
Total recognized in OCI	$ (27.7)	$ 11.8	$ 21.2	$ 2.4	$ (8.3)	$ (7.5)

	International Pension Plans		
	2013	2012	2011
Unrecognized actuarial (gain) loss	$ (4.4)	$ (2.1)	$ 1.3
Amortization of actuarial gain (loss)	—	2.3	0.6
Total recognized in OCI	$ (4.4)	$ 0.2	$ 1.9

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As of December 31, 2013, for the combined U.S. and International Pension Plans, we expect to amortize during 2014 from accumulated other comprehensive income (loss) into net periodic pension cost an estimated $2.9 million of net prior service credit and $0.2 million of net actuarial gain.

Assumptions

The weighted-average assumptions used in computing the benefit obligations of the U.S. Pension Plans, International Pension Plans and U.S. Retiree Medical Plan are as follows:

	2013	2012	2011
U.S. Pension Plans:			
Discount rate as of year-end	4.84%	4.04%	4.58%
U.S. Retiree Medical Plan:			
Discount rate as of year-end	4.84%	4.04%	4.58%
International Pension Plans:			
Discount rate as of year-end	4.70%	4.03%	4.82%
Range of compensation rate increase	3.52%	3.14%	3.44%

The discount rate used in the calculation of the benefit obligation at December 31, 2013 and December 31, 2012 for the U.S. Plans is derived from a yield curve comprised of the yields of approximately 700 and 650 market-weighted corporate bonds, respectively, rated AA on average by Moody's, Standard & Poor's, and Fitch, matched against the cash flows of the U.S. Plans. The discount rate used in the calculation of the benefit obligation at December 31, 2013 and December 31, 2012 for the International Pension Plans is primarily derived from the yields on Swiss government bonds with a maturity matched against the cash flows of the International Pension Plans.

The weighted-average assumptions used in computing the net periodic benefit cost of the U.S. Pension Plans, International Pension Plans and the U.S. Retiree Medical Plan are as follows:

	2013	2012	2011
U.S. Pension Plans:			
Discount rate	4.04%	4.58%	5.35%
Expected long-term rate of return on plan assets	6.05%	6.50%	7.50%
U.S. Retiree Medical Plan:			
Discount rate	4.04%	4.58%	5.35%
Expected long-term rate of return on plan assets	N/A	N/A	N/A
International Pension Plans:			
Discount rate	4.18%	4.86%	5.38%
Range of compensation rate increase	3.27%	3.47%	3.79%
Expected long-term rate of return on plan assets	5.64%	5.25%	6.49%

The expected long-term rate of return on plan assets is determined by expected future returns on the asset categories in target investment allocation. These expected returns are based on historical returns for each asset's category adjusted for an assessment of current market conditions.

The assumed healthcare cost trend rates are as follows:

	2013	2012	2011
Healthcare cost trend rate assumed for next year	8.00%	8.00%	8.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2020	2020	2020

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Assumed healthcare cost trend rates do not have a significant effect on the amounts reported for the postretirement healthcare plans, since a one-percentage point increase or decrease in the assumed healthcare cost trend rate would have a minimal effect on service and interest cost for the postretirement obligation.

Plan Assets

The fair value of the major categories of pension plan assets for U.S. and International Pension Plans at December 31, 2013 and December 31, 2012 is presented below (in millions):

	U.S. Pension Plans	International Pension Plan	U.S. Pension Plan	International Pension Plan
	As of December 31,			
	2013		2012	
Level 2				
Cash and Cash equivalents (a)	$ 2.7	$ 0.2	$ 1.4	$ 0.5
Equity Securities (b):				
U.S.	44.0	5.5	70.1	4.3
Non—U.S.	38.1	14.5	18.1	12.0
Fixed Income (b) :				
Corporate Bonds and Notes	45.3	—	34.1	—
U.S. Government Treasuries	11.6	0.6	12.3	—
International Debt	3.9	—	0.1	—
Mortgage-Backed Securities	0.9	—	3.2	—
U.S. Government Agencies	8.2	—	0.5	—
Asset-Backed Securities	—	—	1.9	—
Municipal Bonds	3.0	—	0.1	—
Non-U.S. Bonds	1.1	7.4	3.6	6.4
Other (c)	0.8	0.6	—	0.1
Total fair value of plan assets	$ 159.6	$ 28.8	$ 145.4	$ 23.3

(a) Short-term investments in money market funds and short term receivables for investments sold
(b) Securities held in common commingled trust funds
(c) Other securities held in common commingled trust funds including interest rate swaps and foreign currency contracts

We categorize plan assets within a three level fair value hierarchy as described in Note 2. Pooled funds are primarily classified as Level 2 and are valued using net asset values of participation units held in common collective trusts, as reported by the managers of the trusts and as supported by the unit prices of actual purchase and sale transactions.

The investment objective for the U.S. Pension Plans and International Pension Plans is to secure the benefit obligations to participants while minimizing our costs. The goal is to optimize the long-term return on plan assets at an average level of risk. The Investment Committee developed a strategic allocation policy for the U.S. Pension Plan to reduce return seeking assets and increase fixed income assets as the Plan's funded status improves. The portfolio of equity securities, currently targeted at 50% for U.S. Pension Plan and 70% for International Pension Plan, includes primarily large-capitalization companies with a mix of small-capitalization U.S. and foreign companies well diversified by industry. The portfolio of fixed income asset allocation, currently targeted at 50% for U.S. Pension Plan and 30% for International Pension Plan, is actively managed and consists of long duration fixed income securities primarily in U.S. debt markets and non-U.S. bonds with long-term maturities that help to reduce exposure to interest variation and to better correlate asset maturities with obligations.

Estimated Future Cash Flows

Total contributions to the U.S. Pension Plans and International Pension Plans were $8.2 million for 2013, $10.1 million for 2012 and $6.2 million for 2011.

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The U.S. and International Pension Plans' and U.S. Retiree Medical Plan's expected contributions to be paid in the next year, the projected benefit payments for each of the next five years and the total aggregate amount for the subsequent five years are as follows (in millions):

	U.S. Pension Plans	International Pension Plans	U.S. Retiree Medical Plan
Estimated Net Contributions During Year Ended 2014	$ 9.2	$ 0.3	$ 0.6
Estimated Future Year Benefit Payments During Years Ended:			
2014	$ 8.8	$ 0.2	$ 0.6
2015	$ 9.2	$ 0.2	$ 0.6
2016	$ 9.5	$ 0.2	$ 0.5
2017	$ 9.9	$ 0.2	$ 0.5
2018	$ 10.2	$ 0.2	$ 0.5
2019 - 2023	$ 61.2	$ 2.2	$ 2.9

Note 13. Fair Value Measurements

Fair Value Measurements

The following table presents financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 and December 31, 2012 (in millions):

		Fair Value Measurements at December 31, 2013			Fair Value Measurements at December 31, 2012		
	Balance Sheet Location	(Level 1)	(Level 2)	Total	(Level 1)	(Level 2)	Total
Assets:							
Derivatives designated as cash flow hedges:							
Interest rate caps	Other assets, net	$ —	$ 4.2	$ 4.2	$ —	$ 4.3	$ 4.3
Forward-starting interest rate swaps	Other assets, net	—	169.9	169.9	—	0.8	0.8
Other:							
Investments held in a rabbi trust	Other assets, net	8.9	—	8.9	6.3	—	6.3
Total assets at fair value		$ 8.9	$ 174.1	$ 183.0	$ 6.3	$ 5.1	$11.4
Liabilities:							
Derivatives designated as net investment hedges:							
Cross-currency rate swaps	Other liabilities, net	$ —	$ 25.9	$ 25.9	$ —	$ 11.0	$11.0
Other:							
ERP liabilities	Other accrued liabilities	—	2.8	2.8	—	4.4	4.4
ERP liabilities	Other liabilities, net	—	6.0	6.0	—	7.8	7.8
Total liabilities at fair value		$ —	$ 34.7	$ 34.7	$ —	$ 23.2	$23.2

Our derivatives are valued using a discounted cash flow analysis that incorporates observable market parameters, such as interest rate yield curves and currency rates, classified as Level 2 within the valuation hierarchy. Derivative valuations incorporate credit risk adjustments that are necessary to reflect the probability of default by us or the counterparty.

Investments held in a rabbi trust consist of money market funds and mutual funds and the fair value measurements are derived using quoted prices in active markets for the specific funds which are based on Level 1 inputs of the fair value hierarchy. The fair value measurements of the ERP liabilities are derived principally from observable market data which are based on Level 2 inputs of the fair value hierarchy.

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At December 31, 2013 and December 31, 2012, the fair value of our variable rate term debt and bonds was estimated at $3.1 billion, compared to a carrying amount of $2.9 billion, net of original issuance discount. Fair value of variable rate term debt was estimated using inputs based on bid and offer prices and are Level 2 inputs within the fair value hierarchy. Fair value of the Senior Notes and Discount Notes was estimated using quoted market prices and are Level 1 inputs within the fair value hierarchy.

Certain nonfinancial assets and liabilities are measured at fair value on a nonrecurring basis. These assets and liabilities are not measured at fair value on an ongoing basis but are subject to periodic impairment tests. These items primarily include long-lived assets, goodwill, the Brand and other intangible assets. Refer to Note 2 for inputs and valuation techniques used to measure fair value of these nonfinancial assets.

With respect to our assets held for sale recorded at fair value, the fair value measurements are typically based on binding purchase prices from acquirers of Company restaurants that we plan to refranchise. In certain cases, our corporate development team may develop fair value estimates for assets held for sale for which there is no binding purchase price. These fair value measurements, which are based on Level 3 inputs, and changes in fair value measurements are reviewed and assessed each quarter for assets classified as held for sale by our corporate development team. Our corporate development team utilizes its knowledge of the FFHR industry and historical experience in refranchising transactions in establishing the valuation process, which is generally based on a market approach. Under the market approach, our corporate development team uses transaction prices for refranchisings that were recently completed, adjusting where necessary for factors specific to the assets held for sale.

At December 31, 2012, assets held for sale totaled $23.9 million and consisted primarily of goodwill and machinery and equipment to be sold in connection with refranchisings. We did not have assets classified as held for sale at December 31, 2013. Assets held for sale are included with Prepaids and Other Current Assets, net in our consolidated balance sheets.

We assess the fair value less costs to sell of assets held for sale each reporting period they remain classified as held for sale. We report subsequent changes in the fair value less costs to sell of assets held for sale as an adjustment to the carrying amount of the assets held for sale. However, the adjusted carrying amount cannot exceed the carrying amount of the long-lived asset at the time it was initially classified as held for sale. During 2012, we recorded impairment losses of $13.2 million associated with long-lived assets for Company restaurants we classified as held for sale in the U.S. We did not record any impairment charges associated with assets held for sale during 2013 and 2011.

Note 14. Derivative Instruments

Disclosures about Derivative Instruments and Hedging Activities

We enter into derivative instruments for risk management purposes, including derivatives designated as cash flow hedges, derivatives designated as net investment hedges and those utilized as economic hedges. We use derivatives to manage exposure to fluctuations in interest rates and currency exchange rates. See Note 13 for fair value measurements of our derivative instruments.

Interest Rate Caps

We have entered into interest rate cap agreements to manage interest rate risk. Such agreements cap the borrowing rate on variable debt to provide a hedge against the risk of rising rates. At December 31, 2013 and December 31, 2012, we had interest rate cap agreements (notional amount of $1.2 billion and $1.4 billion, respectively) (the “Cap Agreements”) to mitigate the impact of fluctuations in the three-month LIBOR and effectively cap the LIBOR applicable to our variable rate debt at a weighted-average rate of 1.75%. The six year Cap Agreements are a series of individual caplets that reset and settle quarterly through October 19, 2016 consistent with the payment dates of our LIBOR-based term debt.

During 2012, we terminated our Euro denominated interest rate cap agreements which effectively capped the annual interest expense applicable to our borrowings under the 2011 Amended Credit Agreement for Euro denominated borrowings. In connection with the termination of the Euro denominated interest rate cap agreements, we recorded a charge of $8.4 million in 2012 within other operating (income) expense, net related to realized losses reclassified from accumulated other comprehensive income (loss) (“AOCI”).

Under the terms of the Cap Agreements, if LIBOR resets above a strike price, we will receive the net difference between LIBOR and the strike price. We have elected our applicable rate per annum as Eurocurrency rate determined by reference to LIBOR. In addition, on the quarterly settlement dates, we will remit the deferred premium payment (plus interest) to the counterparty, whether LIBOR resets above or below the strike price.

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The Cap Agreements are designated as cash flow hedges and to the extent they are effective in offsetting the variability of the variable rate interest payments, changes in the derivatives' fair values are not included in current earnings but are included in accumulated other comprehensive income (AOCI) in the accompanying condensed consolidated balance sheets. At each cap maturity date, the portion of the fair value attributable to the matured cap will be reclassified from AOCI into earnings as a component of interest expense.

From time to time, as we prepay portions of the 2012 Term Loan Facility, we may modify our Cap Agreements to reduce the notional amount. The terms of the Cap Agreements will not otherwise be revised by these modifications. On the modification date, the portion of the fair value attributable to the modified cap will be reclassified from AOCI into earnings as a component of interest expense.

Cross-currency Rate Swaps

To protect the value of our investments in our foreign operations against adverse changes in foreign currency exchange rates, we may, from time to time, hedge a portion of our net investment in one or more of our foreign subsidiaries. At December 31, 2013, we had outstanding cross-currency rate swaps with an aggregate notional value of $430.0 million to hedge a portion of the net investment in our Switzerland subsidiary, Burger King Europe GmbH. A total notional value of $230.0 million of these swaps are contracts to exchange quarterly fixed-rate interest payments we make in Euros for quarterly fixed-rate interest payments we receive in U.S. dollars and mature on October 19, 2016. A total notional value of $200.0 million of these swaps are contracts to exchange quarterly floating-rate interest payments we make in Euros based on EURIBOR for quarterly floating-rate interest payments we receive in U.S. dollars based on LIBOR and mature on September 28, 2017. These cross-currency rate swaps also require the exchange of Euros and U.S. dollar principal payments upon maturity. Changes in the fair value of these instruments are recognized in AOCI to offset the change in the carrying amount of the net investment being hedged. Amounts are reclassified out of AOCI into earnings when the hedged net investment is either sold or substantially liquidated.

Forward-Starting Interest Rate Swaps

At December 31, 2013, we had outstanding three forward-starting interest rate swaps with a total notional value of $2.3 billion to hedge the variability of forecasted interest payments attributable to changes in LIBOR. The forward-starting interest rate swaps effectively fix LIBOR on $1.0 billion of floating-rate debt beginning 2015 and an additional $1.3 billion of floating-rate debt starting 2016. The hedges have a seven year maturity. We account for these hedges as cash flow hedges, and as such, the effective portion of unrealized changes in market value has been recorded in AOCI and is reclassified to income during the period in which the hedge transaction affects earnings. Gains and losses from hedge ineffectiveness are recognized in current earnings.

Foreign Currency Forward Contracts

From time to time, we enter into foreign currency forward contracts to economically hedge the remeasurement of certain foreign currency-denominated intercompany loans receivable and other foreign-currency denominated assets recorded in our consolidated balance sheets. The forward currency forward contracts are not designated as hedging instruments. Gains and losses on foreign currency forward contracts are recognized in other (income) expense, net and are offset by the gains or losses resulting from the settlement of the underlying foreign currency denominated assets and liabilities. At December 31, 2013, we had no outstanding foreign currency forward contracts.

Credit Risk

By entering into derivative instrument contracts, we are exposed to counterparty credit risk. Counterparty credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is in an asset position, the counterparty has a liability to us, which creates credit risk for us. We attempt to minimize this risk by selecting counterparties with investment grade credit ratings and regularly monitoring our market position with each counterparty.

Credit-Risk Related Contingent Features

Our derivative instruments do not contain any credit-risk related contingent features.

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The following tables present the required quantitative disclosures for our derivative instruments (in millions):

	Gain (Loss) Recognized in Other Comprehensive Income (Loss) (effective portion)		
	2013	2012	2011
Derivatives designated as cash flow hedges:			
Interest rate caps	$ —	$ (17.1)	$ (67.2)
Forward-starting interest rate swaps	$ 169.1	$ 0.7	$ —
Derivatives designated as net investment hedges:			
Cross-currency rate swaps	$ (14.8)	$ (10.8)	$ —

	Gain (Loss) Reclassified from AOCI into Earnings		
	2013	2012	2011
Derivatives designated as cash flow hedges:			
Interest rate caps—gain (loss) reclassified into interest expense, net (1)	$ (6.1)	$ (3.2)	$ 0.5
Interest rate caps—gain (loss) reclassified into other operating expenses (income), net	$ —	$ (8.4)	$ —

	Gain (Loss) Recognized in Earnings		
	2013	2012	2011
Derivatives not designated as hedging instruments:			
Foreign currency forward contracts—gain (loss) recognized in other operating expenses (income), net	$ (0.4)	$ (0.5)	$ 0.1
Interest Rate Swaps—gain (loss) recognized in interest expense, net	$ —	$ —	$ (0.1)

(1) Includes $1.1 million in gains during 2011 related to the interest rate caps modified in connection with the 2011 Amended Credit Agreement.

The net amount of pre-tax gains and losses in accumulated other comprehensive income (loss) as of December 31, 2013 that we expect to be reclassified into earnings within the next 12 months is $9.3 million of losses.

Note 15. Stockholders' Equity

Dividends Paid

Cash dividend payments to shareholders of common stock were $84.3 million in 2013, $14.0 million in 2012 and $393.4 million in 2011.

Although we do not currently have a dividend policy, we may declare dividends periodically if our Board of Directors determines that it is in the best interests of the shareholders. The terms of the 2012 Credit Agreement, Senior Notes Indenture and Discount Notes Indenture limit our ability to pay cash dividends in certain circumstances. In addition, because we are a holding company, our ability to pay cash dividends on shares (including fractional shares) of our common stock may be limited by restrictions on our ability to obtain sufficient funds through dividends from our subsidiaries, including the restrictions under the 2012 Credit Agreement, Senior Notes Indenture and Discount Notes Indenture. Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of our Board of Directors and will depend upon such factors as earnings levels, capital requirements, our overall financial condition and any other factors deemed relevant by our Board of Directors.

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Annual Bonus Election

We have a bonus program under which eligible employees may elect to use a portion of their annual bonus compensation to purchase BKW common shares. During 2013, we issued approximately 0.2 million shares to participants in this program, for aggregate consideration of $3.5 million. During 2012, we issued approximately 1.5 million shares to participants in this program, for aggregate consideration of $5.4 million.

Share Repurchase Program

On April 10, 2013, our Board of Directors authorized the repurchase of up to $200 million of our common stock. The repurchase authorization will remain in effect until May 31, 2016 or when the limit is reached. The amount and timing of the repurchases will be determined by management. The share repurchases may be suspended or discontinued at any time. During 2013, we repurchased 342,843 shares of common stock under this program at an aggregate cost of $7.3 million, which we will retain in treasury for future use.

Accumulated Other Comprehensive Income (Loss)

The following table displays the change in the components of accumulated other comprehensive income (loss) (in millions):

	Derivatives	Pensions	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
Balances at December 31, 2010	$ 21.9	$ 8.8	$ (48.5)	$ (17.8)
Foreign currency translation adjustment	—	—	(44.3)	(44.3)
Net change in fair value of derivatives, net of tax	(40.9)	—	—	(40.9)
Amounts reclassified to earnings of cash flow hedges, net of tax	(0.6)	—	—	(0.6)
Pension and post-retirement benefit plans, net of tax	—	(9.7)	—	(9.7)
Balances at December 31, 2011	$ (19.6)	$ (0.9)	$ (92.8)	$ (113.3)
Foreign currency translation adjustment	—	—	15.5	15.5
Net change in fair value of derivatives, net of tax	(16.6)	—	—	(16.6)
Amounts reclassified to earnings of cash flow hedges, net of tax	7.0	—	—	7.0
Pension and post-retirement benefit plans, net of tax	—	(1.3)	—	(1.3)
Amortization of prior service costs, net of tax	—	(1.6)	—	(1.6)
Balances at December 31, 2012	$ (29.2)	$ (3.8)	$ (77.3)	$ (110.3)
Foreign currency translation adjustment	—	—	50.1	50.1
Reclassification of foreign currency translation adjustment into net income	—	—	(3.0)	(3.0)
Net change in fair value of derivatives, net of tax	94.2	—	—	94.2
Amounts reclassified to earnings of cash flow hedges, net of tax	3.8	—	—	3.8
Pension and post-retirement benefit plans, net of tax	—	20.8	—	20.8
Amortization of prior service costs, net of tax	—	(1.8)	—	(1.8)
Amortization of actuarial losses, net of tax	—	0.8	—	0.8
Balances at December 31, 2013	$ 68.8	$ 16.0	$ (30.2)	$ 54.6

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The following table displays the reclassifications out of accumulated other comprehensive income (loss):

Details about AOCI Components	Affected Line Item in the Statements of Operations	Amounts Reclassified from AOCI		
		2013	2012	2011
Gains(Losses) on cash flow hedges:				
Interest rate derivative contracts	Interest expense, net	$ (6.1)	$ (3.2)	$ 1.0
	Other operating expenses (income), net	—	(8.4)	—
	Total before tax	(6.1)	(11.6)	1.0
	Income tax (expense) benefit	2.3	4.6	(0.4)
	Net of tax	$ (3.8)	$ (7.0)	$ 0.6
Defined benefit pension:				
Amortization of prior service costs	SG&A (1)	$ 3.0	$ 2.6	$ —
Amortization of actuarial gains(losses)	SG&A (1)	(1.2)	—	—
	Total before tax	1.8	2.6	—
	Income tax (expense) benefit	(0.8)	(1.0)	—
	Net of tax	$ 1.0	$ 1.6	$ —
Foreign currency translation adjustment into net income:				
Sale of foreign entity	Other operating expenses (income), net	(3.0)	—	—
Total reclassifications	Net of tax	$ (5.8)	$ (5.4)	$ 0.6

(1) Refers to selling, general and administrative expenses in the audited condensed consolidated statements of operations.

Note 16. Share-based Compensation

On February 2, 2011, the Board of Directors of Burger King Worldwide Holdings, Inc. (“Worldwide”) approved and adopted the Burger King Worldwide Holdings, Inc. 2011 Omnibus Incentive Plan (the “2011 Omnibus Plan”). The 2011 Omnibus Plan generally provides for the grant of awards to employees, directors, consultants and other persons who provide services to Worldwide and its subsidiaries. All stock options and restricted stock units (RSUs) under the 2011 Omnibus Plan outstanding on June 20, 2012 were assumed by the Company and converted into stock options to acquire common stock of the Company (the “Common Stock”) and RSUs of the Company, and the Company assumed all of the obligations of Worldwide under the 2011 Omnibus Plan.

On June 20, 2012, our Board of Directors adopted the Burger King Worldwide, Inc. 2012 Omnibus Incentive Plan (the “2012 Omnibus Plan”). The 2012 Omnibus Plan generally provides for the grant of awards to employees, directors and other persons who provide services to the Company and its subsidiaries. The Board also froze the 2011 Omnibus Plan. We are currently issuing stock awards under the Burger King Worldwide, Inc. Amended and Restated 2012 Omnibus Incentive Plan (the “Plan”), which increased the shares available for issuance under the Plan from 8,500,000 to 14,500,000. The Plan was approved by our stockholders at our annual meeting on May 15, 2013.

Our plans permit the grant of several types of awards with respect to the Common Stock, including stock options, restricted stock units, restricted stock and performance shares. Awards are granted with an exercise price or market value equal to the closing price of the Company’s common stock on the preceding trading day to the date of grant. The Company satisfies stock option exercises through the issuance of authorized but previously unissued shares of the Company’s stock or treasury shares. Stock options generally cliff vest five years from the original grant date, provided the employee is continuously employed by BKC or one of its subsidiaries, and the options expire ten years following the grant date. Additionally, if the Company terminates the employment of an option holder without cause prior to the vesting date, or if the employee dies, retires or becomes disabled, the employee will become vested in the number of options as if the options vested 20% of each anniversary of the grant date. If there is an event such as a return of capital or dividend that is determined to be dilutive, the exercise price of the awards may be adjusted accordingly.

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We recorded $14.8 million of share-based compensation expense in selling, general and administrative expenses during 2013, $12.2 million during 2012 and $1.2 million during 2011.

During 2013, the Company agreed to allow for the continued vesting after termination of employment of certain stock options previously awarded to one of the Company's former executive officers and a former employee. These were considered stock option modifications, resulting in additional stock compensation expense of approximately $4.0 million recorded during 2013.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The estimated fair value of stock options, less estimated forfeitures, is amortized over the vesting period on a straight-line basis. The assumptions used in the Black-Scholes option-pricing model are as follows:

	2013	2012	2011
Risk-free interest rate	1.26%	1.03%	1.93%
Expected term (in years)	6.83	5.50	5.00
Expected volatility	30.00%	35.00%	35.00%
Expected dividend yield	1.10%	0.00%	0.00%

Expected volatility was based on a review of the equity volatilities of publicly-traded guideline companies. The risk-free interest rate was based on the U.S. Treasury yield with a remaining term equal to the expected option life assumed at the date of grant. The expected term was calculated based on the analysis of a five-year vesting period coupled with the Company's expectations of exercise activity. The expected dividend yield is based on the annual dividend yield at the time of grant.

The following is a summary of stock option activity under our plans for the year ended December 31, 2013:

	Total Number of Options (in 000's)	Weighted Average Exercise Price	Aggregate Intrinsic Value (1) (in 000's)	Weighted Average Remaining Contractual Term (Yrs)
Outstanding at January 1, 2013	16,358	$ 3.69		
Granted	3,025	$ 18.30		
Exercised	(1,570)	$ 3.63		
Forfeited	(1,833)	$ 4.66		
Outstanding at December 31, 2013	15,980	$ 6.35	$ 263,763	7.9
Vested or expected to vest at December 31, 2013	13,583	$ 6.35	$ 224,199	7.9

(1) The intrinsic value represents the amount by which the fair value of our stock exceeds the option exercise price at December 31, 2013.

The number of options exercisable at December 31, 2013 was insignificant. The weighted-average estimated fair value of stock options granted was $5.23, $3.80 and $0.58 during 2013, 2012 and 2011, respectively. The total intrinsic value of stock options exercised was $25.3 million during 2013, $5.7 million during 2012 and no options were exercised during 2011. As of December 31, 2013, there was approximately $26.2 million of total unrecognized share-based compensation cost, which is expected to be recognized over a weighted-average period of approximately 1.8 years.

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The Company has granted RSUs to non-employee members of our Board of Directors in lieu of a cash retainer and committee fees. The RSU grants were fully vested on the grant date and the fair value of the RSU awards were based on the closing price of our stock on the date of grant. All RSUs will settle and shares of Common Stock will be issued upon termination of service by the board member. The following is a summary of RSU activity for the year ended December 31, 2013:

	Total Number of Nonvested Shares (in 000's)	Weighted Average Grant Date Fair Value
Nonvested shares at January 1, 2013	205	$ 6.55
Granted	38	$ 22.74
Vested & Settled	(39)	$ 6.03
Forfeited	—	—
Nonvested shares at December 31, 2013	204	$ 9.68

The weighted average grant date fair value of RSUs granted was $22.74 during 2013 and $6.55 during 2012. No RSUs were granted during 2011. The total intrinsic value of RSUs which have vested and settled was $0.8 million during 2013. No RSUs vested and settled during 2012 and 2011.

Note 17. Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the period adjusted for the dilutive effect of stock options. We exclude stock options from the calculation of diluted earnings per share if the effect of including such stock options is anti-dilutive.

Basic and diluted earnings per share are as follows (in millions except for per share information):

	2013	2012	2011
Numerator:			
Net income	$ 233.7	$ 117.7	$ 88.1
Denominator:			
Weighted average shares—basic	351.0	349.7	348.2
Effect of dilutive securities	6.8	4.4	—
Weighted average shares—diluted	357.8	354.1	348.2
Basic earnings per share	$ 0.67	$ 0.34	$ 0.25
Diluted earnings per share	$ 0.65	$ 0.33	$ 0.25
Anti-dilutive stock options outstanding	2.9	2.7	12.5

Note 18. Franchise and Property Revenues

Franchise and property revenues consist of the following (in millions):

	2013	2012	2011
Franchise royalties	$657.0	$603.5	$565.5
Property revenues	213.7	151.3	111.2
Franchise fees and other revenue	52.9	47.1	24.5
Franchise and property revenues	$923.6	$801.9	$ 701.2

Refer to Note 10 for the components of property revenues.

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The following table presents information relating to the analysis of our restaurant count for the geographic areas and periods indicated.

	U.S. & Canada	EMEA	LAC	APAC	Total
Number of Company restaurants:					
Restaurant count at December 31, 2012	183	132	100	3	418
Openings	—	—	—	—	—
Closures	(4)	—	(2)	—	(6)
Refranchisings	(127)	(132)	(98)	(3)	(360)
Restaurant count at December 31, 2013	52	—	—	—	52
Number of franchise restaurants:					
Restaurant count at December 31, 2012	7,293	2,989	1,290	1,007	12,579
Openings	81	387	167	247	882
Closures	(117)	(58)	(5)	(26)	(206)
Refranchisings	127	132	98	3	360
Restaurant count at December 31, 2013	7,384	3,450	1,550	1,231	13,615
Number of system-wide restaurants:					
Restaurant count at December 31, 2012	7,476	3,121	1,390	1,010	12,997
Openings	80	388	167	247	882
Closures	(120)	(59)	(7)	(26)	(212)
Refranchisings	—	—	—	—	—
Restaurant count at December 31, 2013	7,436	3,450	1,550	1,231	13,667

Note 19. Other Operating (Income) Expenses, net

Other operating (income) expenses, net, consist of the following (in millions):

	2013	2012	2011
Net (gains) losses on disposal of assets, restaurant closures and refranchisings	$ 0.7	$ 30.8	$ 6.2
Litigation settlements and reserves, net	7.6	1.7	1.3
Foreign exchange net losses (gains)	7.4	(4.2)	(4.6)
Loss on termination of interest rate cap	—	8.7	—
Equity in net loss from unconsolidated affiliates	12.7	4.1	1.2
Other, net	5.6	12.2	7.2
Other operating (income) expenses, net	$ 34.0	$ 53.3	$ 11.3

Closures and Dispositions

Gains and losses on closures and dispositions represent sales of Company properties and other costs related to restaurant closures and refranchisings, and are recorded in other operating expenses (income), net in the accompanying consolidated statements of operations. Gains and losses recognized in the current period may reflect closures and refranchisings that occurred in previous periods.

During 2013, net (gains) losses on disposal of assets, restaurant closures and refranchisings consisted of net gains associated with refranchisings of $5.3 million, net losses from sale of subsidiaries of $1.0 million and net losses associated with asset disposals and restaurant closures of $5.0 million.

During 2012, net (gains) losses on disposal of assets, restaurant closures and refranchisings consisted of net losses associated with refranchisings of $4.9 million, impairment losses associated with long-lived assets held for sale for Company restaurants of $13.2 million and net losses associated with asset disposals and restaurant closures of $12.7 million.

During 2013, we recorded by geographic segment equity in net loss from unconsolidated affiliates of $5.5 million in U.S. and Canada, $0.3 million in EMEA, $0 in LAC and $6.9 million in APAC.

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Note 20. Commitments and Contingencies

Guarantees

We guarantee certain lease payments of franchisees arising from leases assigned in connection with sales of Company restaurants to franchisees, by remaining secondarily liable for base and contingent rents under the assigned leases of varying terms. The maximum contingent rent amount is not determinable as the amount is based on future revenues. In the event of default by the franchisees, we have typically retained the right to acquire possession of the related restaurants, subject to landlord consent. The potential amount of undiscounted payments we could be required to make in the event of non-payment by the franchisee arising from these assigned lease guarantees, excluding contingent rents, was $42.5 million as of December 31, 2013, expiring over an average period of six years.

From time to time, we enter into agreements under which we guarantee loans made by third parties to qualified franchisees. As of December 31, 2013, there were $123.6 million of loans outstanding to franchisees that we had guaranteed under five such programs, with additional franchisee borrowing capacity of approximately $204.2 million remaining. Our maximum guarantee liability under these five programs is limited to an aggregate of $28.9 million, assuming full utilization of all borrowing capacity. We record a liability in the period the loans are funded and the maximum term of the guarantee is approximately seven years. As of December 31, 2013, the liability reflecting the fair value of these guarantee obligations was $5.2 million. No significant payments have been made by us in connection with these guarantees through December 31, 2013.

Other commitments arising out of normal business operations were $1.6 million as of December 31, 2013, of which over 99% was guaranteed under bank guarantee arrangements.

Letters of Credit

As of December 31, 2013, we had $25.3 million in irrevocable standby letters of credit outstanding, which were issued primarily to certain insurance carriers to guarantee payments of deductibles for various insurance programs, such as health and commercial liability insurance. As of December 31, 2013, all letters of credit outstanding are secured by cash collateral and no amounts had been drawn on any of these irrevocable standby letters of credit.

As of December 31, 2013, we had posted bonds totaling $0.5 million, which related to certain utility deposits and capital projects.

Vendor Relationships

During the fiscal year ended June 30, 2000, we entered into long-term, exclusive contracts with soft drink vendors to supply Company and franchise restaurants with their products and obligating Burger King ® restaurants in the United States to purchase a specified number of gallons of soft drink syrup. These volume commitments are not subject to any time limit and as of December 31, 2013, we estimate it will take approximately 16 years for these purchase commitments to be completed. In the event of early termination of this arrangement, we may be required to make termination payments that could be material to our financial position, results of operations and cash flows.

As of December 31, 2013, we had $0.2 million in aggregate contractual obligations for the year ended December 31, 2013 with vendors providing information technology and telecommunication services under multiple arrangements. These contracts extend up to two years with termination fees of $1.0 million during those years. We also have separate arrangements for telecommunication services with an aggregate contractual obligation of $22.6 million over the next five years with no early termination fee.

We also enter into commitments to purchase advertising. As of December 31, 2013, commitments to purchase advertising totaled $114.0 million and run through September 2014.

Litigation

On March 1, 2013, a putative class action lawsuit was filed against BKC in the U.S. District Court of Maryland. The complaint alleges that BKC and/or its agents sent unsolicited advertisements by fax to thousands of consumers in Maryland and elsewhere in the United States to promote its home delivery program in violation of the Telephone Consumers Protection Act. The plaintiff is seeking monetary damages and injunctive relief. BKC has filed a motion to dismiss. If BKC’s motion to dismiss is denied, it is anticipated that the parties will proceed with discovery. BKC will vigorously contest liability and class certification.

From time to time, we are involved in other legal proceedings arising in the ordinary course of business relating to matters including, but not limited to, disputes with franchisees, suppliers, employees and customers, as well as disputes over our intellectual property. The Company has an estimated liability of approximately $10.0 million as of December 31, 2013, representing the Company’s best estimate within the range of losses which could be incurred in connection with pending litigation matters.

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Insurance Programs

We carry insurance programs to cover claims such as workers' compensation, general liability, automotive liability, executive risk and property, and are self-insured for healthcare claims for eligible participating employees. Through the use of insurance program deductibles (ranging from $0.1 million to $2.5 million) and self insurance, we retain a significant portion of the expected losses under these programs.

Insurance reserves have been recorded based on our estimate of the anticipated ultimate costs to settle all claims, both reported and incurred-but-not-reported (IBNR), and such reserves include judgments and independent actuarial assumptions about economic conditions, the frequency or severity of claims and claim development patterns, and claim reserve, management and settlement practices. During 2012, we recorded a $4.1 million reduction in our self insurance reserve as we completed refranchising transactions and operated fewer Company restaurants. There were no comparable adjustments recorded during 2013 or 2011. We had $19.2 million in accrued liabilities as of December 31, 2013 and $26.7 million as of December 31, 2012 for these claims.

Note 21. Segment Reporting

We operate in the fast food hamburger restaurant category of the quick service segment of the restaurant industry. Revenues include retail sales at Company restaurants and franchise revenues, consisting primarily of royalties based on a percentage of sales reported by franchise restaurants and franchise fees paid by franchisees as well as property income we derive from properties we lease to our franchisees. Our business is managed in four distinct geographic segments: (1) United States ("U.S.") and Canada; (2) Europe, the Middle East and Africa ("EMEA"); (3) Latin America and the Caribbean ("LAC"); and (4) Asia Pacific ("APAC").

The unallocated amounts reflected in certain tables below include corporate support costs in areas such as facilities, finance, human resources, information technology, legal, marketing and supply chain management, which benefit all of our geographic segments and system-wide restaurants and are not allocated specifically to any of the geographic segments.

The following tables present revenues, segment income, depreciation and amortization, assets, goodwill, long-lived assets and capital expenditures by geographic segment (in millions):

	2013	2012	2011
Revenues:			
United States and Canada	$ 665.2	$1,265.7	$ 1,573.3
EMEA	335.8	472.9	525.6
LAC	86.8	134.4	128.1
APAC	58.5	97.9	112.9
Total revenues	$1,146.3	$ 1,970.9	$2,339.9

The United States represented 10% or more of our total revenues in each period presented. Revenues in the United States totaled $604.4 million in 2013, $1.1 billion in 2012, and $1.4 billion in 2011. Germany also represented 10% or more of our revenues in 2012. Revenues in Germany totaled $219.2 million in 2012.

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Our measure of segment income is adjusted EBITDA. Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization, adjusted to exclude specifically identified items that management believes do not directly reflect our core operations and assists management in comparing segment performance by removing the impact of certain items that management believes do not reflect our core operations. A reconciliation of segment income to net income consists of the following:

	2013	2012	2011
Segment Income:			
U.S. and Canada	$ 436.7	$ 447.0	$ 436.6
EMEA	189.4	166.1	146.0
LAC	67.7	73.2	63.9
APAC	49.3	41.1	26.7
Total	743.1	727.4	673.2
Unallocated Management G&A	(77.5)	(75.3)	(88.2)
Adjusted EBITDA	665.6	652.1	585.0
Share-based compensation and non-cash incentive compensation expense	17.6	10.2	6.4
Global portfolio realignment project costs	26.2	30.2	7.6
Business combination agreement expenses	—	27.0	—
Field optimization project costs	—	—	10.6
Global restructuring and related professional fees	—	—	46.5
2010 Transaction costs	—	—	3.7
Other operating (income) expenses, net	34.0	53.3	11.3
EBITDA	587.8	531.4	498.9
Depreciation and amortization	65.6	113.7	136.4
Income from operations	522.2	417.7	362.5
Interest expense, net	200.0	223.8	226.7
Loss on early extinguishment of debt	—	34.2	21.1
Income tax expense	88.5	42.0	26.6
Net income	$ 233.7	$ 117.7	$ 88.1

	2013	2012	2011
Depreciation and Amortization:			
United States and Canada	$ 41.5	$ 68.8	$ 86.2
EMEA	11.1	17.9	22.6
LAC	0.7	6.0	6.7
APAC	2.4	5.7	7.6
Unallocated	9.9	15.3	13.3
Total depreciation and amortization	$65.6	$113.7	$136.4

	Assets		Goodwill		Long-Lived Assets	
	As of December 31,		As of December 31,		As of December 31,	
	2013	2012	2013	2012	2013	2012
United States and Canada	$ 3,718.4	$ 3,472.5	$ 230.9	$ 231.0	$ 875.4	$ 938.6
EMEA	1,449.9	1,383.9	207.9	201.6	28.2	55.3
LAC	152.3	189.9	128.7	124.1	4.6	20.0
APAC	439.7	459.3	62.5	62.5	0.3	0.4
Unallocated	68.2	58.4	—	—	56.1	51.3
Total	$5,828.5	$5,564.0	$ 630.0	$619.2	$964.6	$1,065.6

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Long-lived assets include property and equipment, net, and net investment in property leased to franchisees. Only the United States represented 10% or more of our total long-lived assets as of December 31, 2013 and 2012. Long-lived assets in the United States, including the unallocated portion, totaled $885.4 million as of December 31, 2013 and $921.6 million as of December 31, 2012.

	2013	2012	2011
Capital Expenditures:			
United States and Canada	$ 10.3	$ 41.9	$ 56.5
EMEA	2.4	6.9	11.1
LAC	—	1.4	1.8
APAC	—	0.8	3.8
Unallocated	12.8	19.2	8.9
Total capital expenditures	$ 25.5	$ 70.2	$ 82.1

Note 22. Quarterly Financial Data (Unaudited)

Summarized unaudited quarterly financial data (in millions, except per share data):

	Quarters Ended			
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
Revenue	$ 327.7	$ 278.3	$ 275.1	$ 265.2
Operating income	$ 102.4	$ 133.2	$ 145.5	$ 141.1
Net income	$ 35.8	$ 62.9	$ 68.2	$ 66.8
Basic earnings per share	$ 0.10	$ 0.18	$ 0.19	$ 0.19
Diluted earnings per share	$ 0.10	$ 0.18	$ 0.19	$ 0.19

	Quarters Ended			
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012
Revenue	$ 569.9	$ 540.8	$ 455.7	$ 404.5
Operating income	$ 84.1	$ 127.9	$ 93.8	$ 111.9
Net income	$ 14.3	$ 48.2	$ 6.6	$ 48.6
Basic earnings per share	$ 0.04	$ 0.14	$ 0.02	$ 0.14
Diluted earnings per share	$ 0.04	$ 0.14	$ 0.02	$ 0.14

Note 23. Supplemental Financial Information

On October 19, 2010, BKC issued the Senior Notes. The Senior Notes are irrevocably and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by Holdings and the U.S. subsidiaries of BKC (the “Guarantors”). On April 19, 2011, the Issuers issued the Discount Notes. In August 2012, the Company entered into a Supplemental Indenture with respect to the Senior Notes and a Supplemental Indenture with respect to the Discount Notes (the “Supplemental Indentures”) to guarantee BKC’s obligations under the Senior Notes and the Issuers’ obligations under the Discount Notes. The Supplemental Indentures allow the financial reporting obligation under the Indentures to be satisfied through the reporting of the Company’s consolidated financial information. The 2012 Credit Agreement allows the financial reporting obligation of BKC to be satisfied through the reporting of the Company’s consolidated financial information, provided that the financial information of BKC and its subsidiaries is presented on a standalone basis. The non-U.S. subsidiaries are identified below as Non-Guarantors.

The following represents the condensed consolidating financial information for BKC (Issuer), the Guarantors and the non-U.S. subsidiaries of BKC (the “Non-Guarantors”), together with eliminations, as of and for the periods indicated. The condensed consolidating financial information of BKW is combined with the financial information of BKCF and presented in a single column under the heading “BKW.” Selling, general and administrative expenses in the condensed consolidating statements of operations only pertain to professional fees and other transaction costs incurred by BKW associated with the Business Combination Agreement. The consolidating financial information may not necessarily be indicative of the financial position, results of operations or cash flows had BKC, Guarantors and Non-Guarantors operated as independent entities.

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Condensed Consolidating Balance Sheets
As of December 31, 2013

	BKW	BKCH	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS							
Current assets:							
Cash and cash equivalents	$ 5.7	$ —	$ 553.2	$ —	$ 228.0	$ —	$ 786.9
Trade and notes receivable, net	—	—	127.6	—	52.1	—	179.7
Prepaids and other current assets, net	—	0.7	62.1	—	7.0	—	69.8
Deferred income taxes, net	2.4	—	33.7	—	1.9	—	38.0
Total current assets	8.1	0.7	776.6	—	289.0	—	1,074.4
Property and equipment, net	—	—	733.6	—	67.9	—	801.5
Intangible assets, net	—	—	1,530.7	—	1,265.3	—	2,796.0
Goodwill	—	—	359.6	—	270.4	—	630.0
Net investment in property leased to franchisees	—	—	151.8	—	11.3	—	163.1
Intercompany receivable	11.5	—	61.3	—	—	(72.8)	—
Investment in subsidiaries	1,492.7	1,928.0	1,675.7	1,928.0	—	(7,024.4)	—
Other assets, net	—	5.8	289.4	—	68.3	—	363.5
Total assets	$ 1,512.3	$ 1,934.5	$ 5,578.7	$ 1,928.0	$ 1,972.2	$ (7,097.2)	$ 5,828.5
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current liabilities:							
Accounts and drafts payable	$ —	$ —	$ 21.1	$ —	$ 10.0	$ —	$ 31.1
Accrued advertising	—	—	33.8	—	22.7	—	56.5
Other accrued liabilities	(0.4)	(11.8)	144.4	—	44.8	—	177.0
Current portion of long term debt and capital leases	—	—	78.2	—	3.2	—	81.4
Total current liabilities	(0.4)	(11.8)	277.5	—	80.7	—	346.0
Term debt, net of current portion	—	453.1	2,427.1	—	—	—	2,880.2
Capital leases, net of current portion	—	—	57.7	—	17.7	—	75.4
Other liabilities, net	0.5	—	283.9	—	33.5	—	317.9
Payables to affiliates	—	0.5	—	—	72.3	(72.8)	—
Deferred income taxes, net	(4.0)	—	604.5	—	92.3	—	692.8
Total liabilities	(3.9)	441.8	3,650.7	—	296.5	(72.8)	4,312.3
Stockholders' equity:							
Common stock	3.5	—	—	—	—	—	3.5
Additional paid-in capital	1,239.9	1,173.8	1,525.2	1,526.2	1,328.9	(5,554.1)	1,239.9
Retained earnings	225.5	264.3	348.2	347.2	373.1	(1,332.8)	225.5
Accumulated other comprehensive income (loss)	54.6	54.6	54.6	54.6	(26.3)	(137.5)	54.6
Treasury stock, at cost	(7.3)	—	—	—	—	—	(7.3)
Total stockholders' equity	1,516.2	1,492.7	1,928.0	1,928.0	1,675.7	(7,024.4)	1,516.2
Total liabilities and stockholders' equity	$ 1,512.3	$ 1,934.5	$ 5,578.7	$ 1,928.0	$ 1,972.2	$ (7,097.2)	$ 5,828.5

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Condensed Consolidating Balance Sheets
As of December 31, 2012

	BKW	BKCH	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS							
Current assets:							
Cash and cash equivalents	$ 0.1	$ —	$ 355.3	$ —	$ 191.3	$ —	$ 546.7
Trade and notes receivable, net	—	—	128.8	—	50.2	—	179.0
Prepaids and other current assets, net	—	0.6	70.9	—	19.8	—	91.3
Deferred income taxes, net	0.7	20.3	36.3	—	16.2	—	73.5
Total current assets	0.8	20.9	591.3	—	277.5	—	890.5
Property and equipment, net	—	—	754.7	—	130.5	—	885.2
Intangible assets, net	—	—	1,554.7	—	1,256.5	—	2,811.2
Goodwill	—	—	355.0	—	264.2	—	619.2
Net investment in property leased to franchisees	—	—	167.0	—	13.4	—	180.4
Intercompany receivable	3.8	—	190.9	—	—	(194.7)	—
Investment in subsidiaries	1,169.5	1,537.6	1,517.2	1,537.6	—	(5,761.9)	—
Other assets, net	—	6.5	106.6	—	64.4	—	177.5
Total assets	$ 1,174.1	$ 1,565.0	$ 5,237.4	$ 1,537.6	$ 2,006.5	$(5,956.6)	$ 5,564.0
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current liabilities:							
Accounts and drafts payable	$ —	$ —	$ 45.0	$ —	$ 23.7	$ —	$ 68.7
Accrued advertising	—	—	30.7	—	35.8	—	66.5
Other accrued liabilities	(0.3)	(11.8)	157.1	—	61.8	—	206.8
Current portion of long term debt and capital leases	—	—	52.6	—	3.2	—	55.8
Total current liabilities	(0.3)	(11.8)	285.4	—	124.5	—	397.8
Term debt, net of current portion	—	407.1	2,498.0	—	—	—	2,905.1
Capital leases, net of current portion	—	—	66.2	—	22.2	—	88.4
Other liabilities, net	0.2	—	322.6	—	59.6	—	382.4
Payables to affiliates	3.6	0.5	—	—	190.6	(194.7)	—
Deferred income taxes, net	(4.4)	(0.3)	527.6	—	92.4	—	615.3
Total liabilities	(0.9)	395.5	3,699.8	—	489.3	(194.7)	4,389.0
Stockholders' equity:							
Common stock	3.5	—	—	—	—	—	3.5
Additional paid-in capital	1,205.7	1,164.9	1,478.3	1,479.3	1,386.9	(5,509.4)	1,205.7
Retained earnings	76.1	114.9	169.6	168.6	206.7	(659.8)	76.1
Accumulated other comprehensive loss	(110.3)	(110.3)	(110.3)	(110.3)	(76.4)	407.3	(110.3)
Total stockholders' equity	1,175.0	1,169.5	1,537.6	1,537.6	1,517.2	(5,761.9)	1,175.0
Total liabilities and stockholders' equity	$ 1,174.1	$ 1,565.0	$ 5,237.4	$ 1,537.6	$ 2,006.5	$(5,956.6)	$ 5,564.0

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
2013

	BKW	BKCH	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:							
Company restaurant revenues	$ —	$ —	$ 76.0	$ —	$ 146.7	$ —	$ 222.7
Franchise and property revenues	—	—	609.9	—	313.7	—	923.6
Intercompany revenues	—	—	1.6	—	(1.6)	—	—
Total revenues	—	—	687.5	—	458.8	—	1,146.3
Company restaurant expenses:							
Food, paper and product costs	—	—	23.9	—	46.7	—	70.6
Payroll and employee benefits	—	—	21.6	—	46.5	—	68.1
Occupancy and other operating costs	—	—	19.2	—	37.4	—	56.6
Total Company restaurant expenses	—	—	64.7	—	130.6	—	195.3
Franchise and property expenses	—	—	107.7	—	44.7	—	152.4
Selling, general and administrative expenses	—	—	170.3	—	72.1	—	242.4
Intercompany expenses	—	—	(4.1)	—	4.1	—	—
Other operating (income) expenses, net	—	—	25.1	—	8.9	—	34.0
Total operating costs and expenses	—	—	363.7	—	260.4	—	624.1
Income (loss) from operations	—	—	323.8	—	198.4	—	522.2
Interest expense, net	—	46.7	149.6	—	3.7	—	200.0
Loss on early extinguishment of debt	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(46.7)	174.2	—	194.7	—	322.2
Income tax expense (benefit)	—	(17.5)	77.7	—	28.3	—	88.5
Income (loss) from continuing operations	—	(29.2)	96.5	—	166.4	—	233.7
Equity in earnings of consolidated subsidiaries	233.7	262.9	166.4	262.9	—	(925.9)	—
Net income (loss)	$ 233.7	$ 233.7	$262.9	$ 262.9	$ 166.4	$ (925.9)	$ 233.7
Total comprehensive income (loss)	$398.6	$398.6	$ 427.8	$ 427.8	$ 216.5	$(1,470.7)	$ 398.6

BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
2012

	BKW	BKCH	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:							
Company restaurant revenues	$ —	$ —	$ 662.5	$ —	$ 506.5	$ —	$ 1,169.0
Franchise and property revenues	—	—	528.9	—	273.0	—	801.9
Intercompany revenues	—	—	6.8	—	(6.8)	—	—
Total revenues	—	—	1,198.2	—	772.7	—	1,970.9
Company restaurant expenses:							
Food, paper and product costs	—	—	218.1	—	164.1	—	382.2
Payroll and employee benefits	—	—	198.3	—	146.8	—	345.1
Occupancy and other operating costs	—	—	168.2	—	141.7	—	309.9
Total Company restaurant expenses	—	—	584.6	—	452.6	—	1,037.2
Franchise and property expenses	—	—	76.3	—	38.8	—	115.1
Selling, general and administrative expenses	14.0	—	219.6	—	114.0	—	347.6
Intercompany expenses	—	—	5.5	—	(5.5)	—	—
Other operating (income) expenses, net	—	—	54.0	—	(0.7)	—	53.3
Total operating costs and expenses	14.0	—	940.0	—	599.2	—	1,553.2
Income (loss) from operations	(14.0)	—	258.2	—	173.5	—	417.7
Interest expense, net	—	44.0	170.9	—	8.9	—	223.8
Loss on early extinguishment of debt	—	9.7	24.5	—	—	—	34.2
Income (loss) before income taxes	(14.0)	(53.7)	62.8	—	164.6	—	159.7
Income tax expense (benefit)	(2.2)	(20.0)	42.9	—	21.3	—	42.0
Income (loss) from continuing operations	(11.8)	(33.7)	19.9	—	143.3	—	117.7
Equity in earnings of consolidated subsidiaries	129.5	163.2	143.3	163.2	—	(599.2)	—
Net income (loss)	$ 117.7	$129.5	$ 163.2	$ 163.2	$ 143.3	$ (599.2)	$ 117.7
Total comprehensive income (loss)	$ 120.7	$ 132.5	$ 166.2	$ 166.2	$ 158.8	$ (623.7)	$ 120.7

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
2011

	BKW	BKCH	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:							
Company restaurant revenues	$ —	$ —	$1,026.4	$ —	$ 612.3	$ —	$ 1,638.7
Franchise and property revenues	—	—	448.5	—	252.7	—	701.2
Intercompany revenues	—	—	7.1	—	—	(7.1)	—
Total revenues	—	—	1,482.0	—	865.0	(7.1)	2,339.9
Company restaurant expenses:							
Food, paper and product costs	—	—	331.4	—	193.3	—	524.7
Payroll and employee benefits	—	—	309.1	—	172.1	—	481.2
Occupancy and other operating costs	—	—	260.5	—	181.0	—	441.5
Total Company restaurant expenses	—	—	901.0	—	546.4	—	1,447.4
Franchise and property expenses	—	—	66.3	—	33.9	—	100.2
Selling, general and administrative expenses	0.5	—	268.6	—	149.4	—	418.5
Intercompany expenses	—	—	—	—	7.1	(7.1)	—
Other operating (income) expenses, net	—	—	3.5	—	7.8	—	11.3
Total operating costs and expenses	0.5	—	1,239.4	—	744.6	(7.1)	1,977.4
Income (loss) from operations	(0.5)	—	242.6	—	120.4	—	362.5
Interest expense, net	—	31.9	183.5	—	11.3	—	226.7
Loss on early extinguishment of debt	—	(0.3)	21.4	—	—	—	21.1
Income (loss) before income taxes	(0.5)	(31.6)	37.7	—	109.1	—	114.7
Income tax expense (benefit)	(0.7)	(12.5)	19.2	—	20.6	—	26.6
Income (loss) from continuing operations	0.2	(19.1)	18.5	—	88.5	—	88.1
Equity in earnings of consolidated subsidiaries	87.9	107.0	88.5	107.0	—	(390.4)	—
Net income (loss)	$ 88.1	$ 87.9	$ 107.0	$ 107.0	$ 88.5	$ (390.4)	$ 88.1
Total comprehensive income (loss)	$ (7.4)	$ (7.6)	$ 11.5	$ 11.5	$ 44.2	$ (59.6)	$ (7.4)

Source: Burger King Worldwide, Inc., 10-K, February 21, 2014 Powered by Morningstar® Document Research℠
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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
2013

	BKW	BKCH	Issuer	Guarantor	Non- Guarantor	Eliminations	Consolidated
Cash flows from operating activities:							
Net income	$ 233.7	$ 233.7	$ 262.9	$ 262.9	$ 166.4	$ (925.9)	$ 233.7
Adjustments to reconcile net income to net cash provided by (used for) operating activities:							
Equity in earnings of consolidated subsidiaries	(233.7)	(262.9)	(166.4)	(262.9)	—	925.9	—
Depreciation and amortization	—	—	45.7	—	20.1	—	65.8
Amortization of deferred financing costs and debt issuance discount	—	46.7	9.6	—	—	—	56.3
Equity in net (income) loss from unconsolidated affiliates	—	—	5.5	—	7.2	—	12.7
Loss (gain) on remeasurement of foreign denominated transactions	—	—	(1.5)	—	1.8	—	0.3
Amortization of defined benefit pension and postretirement items	—	—	(1.5)	—	(0.6)	—	(2.1)
Realized loss on terminated caps/swaps	—	—	6.1	—	—	—	6.1
Net loss (gain) on refranchisings and dispositions of assets	—	—	6.1	—	(10.0)	—	(3.9)
Bad debt expense (recoveries), net	—	—	1.6	—	0.4	—	2.0
Share-based compensation	—	—	10.8	—	4.0	—	14.8
Deferred income taxes	(1.1)	20.6	7.1	—	5.5	—	32.1
Changes in current assets and liabilities, excluding acquisitions and dispositions:							
Trade and notes receivables	—	—	(0.9)	—	(6.7)	—	(7.6)
Prepaids and other current assets	—	—	(8.9)	—	1.1	—	(7.8)
Accounts and drafts payable	—	—	(24.6)	—	(6.0)	—	(30.6)
Accrued advertising	—	—	(1.5)	—	(9.1)	—	(10.6)
Other accrued liabilities	—	—	2.4	—	(7.8)	—	(5.4)
Other long-term assets and liabilities	—	—	(31.2)	—	0.6	—	(30.6)
Net cash provided by (used for) operating activities	(1.1)	38.1	121.3	—	166.9	—	325.2
Cash flows from investing activities:							
Payments for property and equipment	—	—	(22.7)	—	(2.8)	—	(25.5)
Proceeds from refranchisings, disposition of assets and restaurant closures	—	—	45.8	—	19.0	—	64.8
Payments for acquired franchisee operations, net of cash acquired	—	—	(11.9)	—	—	—	(11.9)
Return of investment on direct financing leases	—	—	14.3	—	1.1	—	15.4
Other investing activities	—	—	0.2	—	—	—	0.2
Net cash provided by investing activities	—	—	25.7	—	17.3	—	43.0
Cash flows from financing activities:							
Repayments of term debt and capital leases	—	—	(53.8)	—	(3.4)	—	(57.2)
Proceeds from stock option exercises	6.0	—	—	—	—	—	6.0
Excess tax benefits from share-based compensation	—	—	10.1	—	—	—	10.1
Dividends paid on common stock	(84.3)	—	—	—	—	—	(84.3)
Repurchases of common stock	(7.3)	—	—	—	—	—	(7.3)
Intercompany financing	92.3	(38.1)	94.6	—	(148.8)	—	(0.0)
Net cash provided by (used for) financing activities	6.7	(38.1)	50.9	—	(152.2)	—	(132.7)
Effect of exchange rates on cash and cash equivalents	—	—	—	—	4.7	—	4.7
Increase (decrease) in cash and cash equivalents	5.6	—	197.9	—	36.7	—	240.2
Cash and cash equivalents at beginning of period	0.1	—	355.3	—	191.3	—	546.7
Cash and cash equivalents at end of period	$ 5.7	$ —	$ 553.2	$ —	$ 228.0	$ —	$ 786.9

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BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
2012

	BKW	BKCH	Issuer	Guarantor	Non- Guarantor	Eliminations	Consolidated
Cash flows from operating activities:							
Net income	$ 117.7	$ 129.5	$ 163.2	$ 163.2	$ 143.3	$ (599.2)	117.7
Adjustments to reconcile net income to net cash provided by (used for)operating activities:							
Equity in earnings of consolidated subsidiaries	(129.5)	(163.2)	(143.3)	(163.2)	—	599.2	—
Depreciation and amortization	—	—	75.6	—	38.6	—	114.2
Loss on early extinguishment of debt	—	9.7	24.5	—	—	—	34.2
Amortization of deferred financing costs and debt issuance discount	—	44.1	12.9	—	—	—	57.0
Equity in net (income) loss from unconsolidated affiliates	—	—	2.5	—	1.6	—	4.1
Loss (gain) on remeasurement of foreign denominated transactions	—	—	(6.6)	—	(1.6)	—	(8.2)
Amortization of defined benefit pension and postretirement items	—	—	(2.5)	—	—	—	(2.5)
Realized loss on terminated caps/swaps	—	—	11.8	—	—	—	11.8
Net loss (gain) on refranchisings and dispositions of assets	—	—	35.3	—	(8.3)	—	27.0
Bad debt expense (recoveries), net	—	—	(1.5)	—	0.7	—	(0.8)
Share-based compensation	—	—	10.9	—	1.3	—	12.2
Deferred income taxes	(1.1)	(9.1)	11.0	—	8.1	—	8.9
Changes in current assets and liabilities, excluding acquisitions and dispositions:							
Trade and notes receivables	—	—	(22.6)	—	0.4	—	(22.2)
Prepaids and other current assets	—	—	(4.2)	—	(2.8)	—	(7.0)
Accounts and drafts payable	—	—	(12.1)	—	(11.8)	—	(23.9)
Accrued advertising	—	—	(40.8)	—	8.5	—	(32.3)
Other accrued liabilities	4.8	(18.4)	(7.4)	—	(19.3)	—	(40.3)
Other long-term assets and liabilities	—	—	(27.6)	—	2.1	—	(25.5)
Net cash provided by (used for) operating activities	(8.1)	(7.4)	79.1	—	160.8	—	224.4
Cash flows from investing activities:							
Payments for property and equipment	—	—	(56.9)	—	(13.3)	—	(70.2)
Proceeds from refranchisings, disposition of assets and restaurant closures	—	—	88.8	—	16.1	—	104.9
Payments for acquired franchisee operations, net of cash acquired	—	—	—	—	(15.3)	—	(15.3)
Return of investment on direct financing leases	—	—	12.9	—	1.3	—	14.2
Net cash provided by (used for) investing activities	—	—	44.8	—	(11.2)	—	33.6
Cash flows from financing activities:							
Proceeds from term debt	—	—	1,733.5	—	—	—	1,733.5
Repayments of term debt and capital leases	—	—	(1,764.1)	—	(2.7)	—	(1,766.8)
Extinguishment of debt	—	(62.6)	(50.2)	—	—	—	(112.8)
Payment of financing costs	—	—	(16.0)	—	—	—	(16.0)
Dividends paid on common stock	(14.0)	—	—	—	—	—	(14.0)
Proceeds from stock option exercises	1.5	—	—	—	—	—	1.5
Intercompany financing	20.5	70.0	41.1	—	(131.6)	—	—
Net cash provided by (used for) financing activities	8.0	7.4	(55.7)	—	(134.3)	—	(174.6)
Effect of exchange rates on cash and cash equivalents	—	—	—	—	4.3	—	4.3
Increase (decrease) in cash and cash equivalents	(0.1)	—	68.2	—	19.6	—	87.7
Cash and cash equivalents at beginning of period	0.2	—	287.1	—	171.7	—	459.0
Cash and cash equivalents at end of period	$ 0.1	$ —	$ 355.3	$ —	$ 191.3	$ —	$ 546.7

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Table of Contents

BURGER KING WORLDWIDE, INC. AND SUBSIDIARIES

Condensed Consolidating Statements of Cash Flows

2011

	BKW	BKCH	Issuer	Guarantor	Non-Guarantor	Eliminations	Consolidated
Cash flows from operating activities:							
Net income	$ 88.1	$ 87.9	$ 107.0	$ 107.0	$ 88.5	$ (390.4)	$ 88.1
Adjustments to reconcile net income to net cash provided by (used for) operating activities:							
Equity in earnings of consolidated subsidiaries	(87.9)	(107.0)	(88.5)	(107.0)	—	390.4	—
Depreciation and amortization	—	—	91.2	—	45.2	—	136.4
(Gain) loss on early extinguishment of debt	—	(0.3)	21.4	—	—	—	21.1
Amortization of deferred financing costs and debt issuance discount	—	31.8	14.5	—	—	—	46.3
Equity in net (income) loss from unconsolidated affiliates	—	—	1.2	—	—	—	1.2
(Gain) loss on remeasurement of foreign denominated transactions	—	—	0.6	—	(0.2)	—	0.4
Realized loss on terminated caps/swaps	—	—	0.5	—	—	—	0.5
Net loss (gain) on refranchisings and dispositions of assets	—	—	(4.1)	—	3.1	—	(1.0)
Impairment on non-restaurant properties	—	—	2.0	—	0.3	—	2.3
Bad debt expense (recoveries), net	—	—	6.0	—	0.1	—	6.1
Share-based compensation	—	—	1.0	—	0.2	—	1.2
Deferred income taxes	—	3.1	(36.8)	—	6.4	—	(27.3)
Changes in current assets and liabilities, excluding acquisitions and dispositions:							
Trade and notes receivables	—	—	(9.6)	—	3.6	—	(6.0)
Prepaids and other current assets	—	—	96.4	—	9.1	—	105.5
Accounts and drafts payable	—	—	2.8	—	5.9	—	8.7
Accrued advertising	—	—	11.3	—	7.0	—	18.3
Other accrued liabilities	—	(2.4)	14.2	—	9.4	—	21.2
Other long-term assets and liabilities	—	(13.3)	11.1	—	(9.7)	(4.9)	(16.8)
Net cash provided by (used for) operating activities	0.2	(0.2)	242.2	—	168.9	(4.9)	406.2
Cash flows from investing activities:							
Payments for property and equipment	—	—	(62.5)	—	(19.6)	—	(82.1)
Proceeds from refranchisings, disposition of assets and restaurant closures	—	—	15.6	—	14.3	—	29.9
Investments in / advances to unconsolidated entities	—	—	—	—	(4.5)	—	(4.5)
Return of investment on direct financing leases	—	—	13.5	—	1.1	—	14.6
Other investing activities	—	—	0.7	—	—	—	0.7
Net cash used for investing activities	—	—	(32.7)	—	(8.7)	—	(41.4)
Cash flows from financing activities:							
Proceeds from term debt	—	—	1,860.0	—	—	—	1,860.0
Proceeds from discount notes	—	401.5	—	—	—	—	401.5
Repayments of term debt and capital leases	—	—	(1,870.8)	—	(3.7)	—	(1,874.5)
Extinguishment of debt	—	(7.6)	(63.0)	—	—	—	(70.6)
Payment of financing costs	—	(9.5)	(23.1)	—	—	—	(32.6)
Proceeds from issuance of shares	1.6	—	—	—	—	—	1.6
Dividends paid on common stock	(385.8)	—	(7.6)	—	—	—	(393.4)
Intercompany financing	384.2	(384.2)	44.3	(0.7)	(48.5)	4.9	—
Net cash provided by (used for) financing activities	—	0.2	(60.2)	(0.7)	(52.2)	4.9	(108.0)
Effect of exchange rates on cash and cash equivalents	—	—	5.0	—	(9.8)	—	(4.8)
Increase (decrease) in cash and cash equivalents	0.2	—	154.3	(0.7)	98.2	—	252.0
Cash and cash equivalents at beginning of period	—	—	132.8	0.7	73.5	—	207.0
Cash and cash equivalents at end of period	$ 0.2	$ —	$ 287.1	$ —	$ 171.7	$ —	$ 459.0

Note 24. Subsequent Events

On February 12, 2014, our board declared a cash dividend of $0.07 per share, which will be paid on March 12, 2014 to shareholders of record on February 26, 2014.

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Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

An evaluation was conducted under the supervision and with the participation of the Company’s management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company’s disclosure controls and procedures as of December 31, 2013. Based on that evaluation, the CEO and CFO concluded that the Company’s disclosure controls and procedures were effective as of such date to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Internal Control Over Financial Reporting

The Company’s management, including the CEO and CFO, confirm that there were no changes in the Company’s internal control over financial reporting during 2013 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Management’s Report on Internal Control Over Financial Reporting

Management’s Report on Internal Control Over Financial Reporting and the report of Independent Registered Public Accounting Firm are set forth in Part II, Item 8 of this Form 10-K.

Item 9B. *Other Information*

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On December 26, 2013, the Compensation Committee of the Board (the “Compensation Committee”) approved a modification to two option awards (the “2012 Option Award” and the “2013 Option Award”) granted to Flavia Faugeres, our former Executive Vice President and Chief Global Marketing Officer, and authorized the Company to enter into an amended and restated option award agreement with respect to each such option award (the “Amended and Restated Award Agreements”). Pursuant to the Amended and Restated Award Agreements, upon termination of Ms. Faugeres’ employment without Cause (as defined in the Amended and Restated Award Agreements) or due to her voluntary resignation on or after January 1, 2014, but prior to the vesting date of December 31, 2016 (with respect to the 2012 Option Award) and December 31, 2017 (with respect to the 2013 Option Award), the option grants will continue to vest as if no such termination of service occurred. Ms. Faugeres’s employment with the Company terminated on January 1, 2014. Copies of the Amended and Restated Award Agreements are filed herewith.

On January 27, 2014, the Compensation Committee approved an increase in the base salary of Joshua Kobza, our Chief Financial Officer, effective February 7, 2014, from $350,000 to $385,000 and an increase in his target bonus percentage from 120% to 140% of his base salary, in recognition of his expanded responsibilities in the area of development.

The Company provides employees at the level of director and above, including our named executive officers, or NEOs, the ability to invest a portion of their net cash bonus into equity of the Company and leverage that investment through the issuance of matching stock options. This program is called the Bonus Swap Program. On January 28, 2013, the Compensation Committee approved a change to the 2013 Bonus Swap Program to give those employees who elect to use 50% of their net bonus to purchase shares the right to receive twice the number of matching options that they would have received under the 2012 Bonus Swap Program. These incremental matching options are referred to as the “Additional Options”. On January 27, 2014, the Compensation Committee approved a change to the 2013 Bonus Swap Program pursuant to which a participant who sells any of his or her shares purchased in the 2013 Bonus Swap Program before the vesting date of the matching options will forfeit 100% of the Additional Options. On January 27, 2014, the Compensation Committee also approved the 2014 Bonus Swap Program on substantially the same terms as the 2013 Bonus Swap Program.

On January 27, 2014, the Compensation Committee approved an umbrella plan which established a maximum amount the named executive officers and other persons covered by Section 16(b) of the Securities Exchange Act of 1934, as amended, are eligible to receive as a cash incentive payment under the Company’s cash bonus program for 2014 (the “2014 Bonus Program”) for purposes of complying with Section 162(m) of the Internal Revenue Code of 1986, as amended. The maximum bonus opportunity for 2014 is the lesser of $10 million or 5% of the Company’s EBITDA for the CEO and 4% of EBITDA for the CEO’s direct reports and certain other senior executives. The 2014 bonus targets approved by the Board on December 5, 2013 will serve as a guideline to the Compensation Committee in exercising its negative discretion for determining the actual amount of each executive’s payment under the 2014 Bonus Program, if any.

Part III

Item 10. *Directors, Executive Officers and Corporate Governance*

The information required by this Item, other than the information regarding our executive officers set forth below required by Item 401 of Regulation S-K, is incorporated herein by reference from the Company’s definitive proxy statement to be filed no later than 120 days after December 31, 2013. We refer to this proxy statement as the Definitive Proxy Statement.

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Executive Officers of the Registrant

Set forth below is certain information about our executive officers. Ages are as of February 21, 2014.

Name	Age	Position
Daniel S. Schwartz	33	Chief Executive Officer
Joshua Kobza	27	EVP, Chief Financial Officer
Axel Schwan	40	EVP, Global Chief Marketing Officer
Alexandre Macedo	36	EVP and President of North America
José E. Cil	44	EVP and President of Europe, the Middle East and Africa
Heitor Goncalves	48	EVP, Chief information and Performance Officer and Chief People Officer
Jacqueline Friesner	41	VP, Controller and Chief Accounting Officer
Jill Granat	48	SVP, General Counsel and Secretary

Daniel S. Schwartz. Mr. Schwartz has served as our Chief Executive Officer since June 2013. From April 2013 until June 2013, he served as our Chief Operating Officer and from January 1, 2011 until April 2013, he served as the Chief Financial Officer of Holdings and, upon the merger with Justice, the Company. Mr. Schwartz joined Holdings in October 2010 as Executive Vice President, Deputy Chief Finance Officer and was appointed as Executive Vice President and Chief Financial Officer in December 2010, effective January 1, 2011. Since January 2008, Mr. Schwartz has been a partner with 3G Capital, where he was responsible for managing 3G Capital's private equity business. He joined 3G Capital in January 2005 as an analyst and worked with the firm's public and private equity investments until October 2010. From March 2003 until January 2005, Mr. Schwartz worked for Altair Capital

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Management, a hedge fund located in Stamford, Connecticut and served as an analyst in the mergers and acquisitions group at Credit Suisse First Boston from June 2001 to March 2003. Mr. Schwartz is a director of 3G Capital and Carrols Restaurant Group, Inc., the Company's largest franchisee.

Joshua Kobza. Mr. Kobza has been our Executive Vice President and Chief Financial Officer since April 11, 2013. Mr. Kobza joined the Company in June 2012 as Director, Investor Relations, and was promoted to Senior Vice President, Global Finance in December 2012. From January 2011 until June 2012, Mr. Kobza worked at SIP Capital, a Sao Paulo based private investment firm, where he evaluated investments across a number of industries and geographies. From July 2008 until December 2010, Mr. Kobza served as an analyst in the corporate private equity area of the Blackstone Group in New York City.

Axel Schwan. Mr. Schwan was appointed Executive Vice President, Global Chief Marketing Officer of the Company on January 2, 2014. He served as Vice President, Marketing and Communications for the Company's EMEA region from September 2012 until January 1, 2014 and as Marketing Director for Germany, Austria and Switzerland from May 2011 until September 2012. From July 2008 until May 2011, Mr. Schwan was managing partner of Schwan Restaurant GmbH, a family-owned restaurant concept. From June 2007 until June 2008, he served as marketing manager for Danone Waters Deutschland GmbH, a distributor of still mineral water in Frankfurt, Germany, and from February 2007 until May 2007, as marketing director for Nordsee Fischspezialitaten GmbH, a German fast food chain specializing in seafood. From April 2003 until January 2007, Mr. Schwan served as marketing manager and senior brand manager at Danone Deutschland GmbH, a global food company.

Alexandre Macedo. Mr. Macedo has served as our President, North America since April 2013. He joined Holdings in 2011, first serving as SVP Marketing North America from July 2011 until August 2012 and as General Manager of North America Franchise Business from August 2012 until April 2013. From 2008 until 2011, Mr. Macedo worked for True Marketing, a Brazilian based marketing consulting firm, where he was founder and partner. Mr. Macedo served as the head of the Brahma Beer business unit at AmBev, a Brazilian brewing company, from 2003 through 2007. Mr. Macedo is a director of Carrols Restaurant Group, Inc.

José E. Cil. Mr. Cil has served as our Executive Vice President and President of Europe, the Middle East and Africa since June 2012 and has served in the same positions with Holdings since November 2010. Prior to this role, Mr. Cil was Vice President and Regional General Manager for Wal-Mart Stores, Inc. in Florida from February 2010 to November 2010. From September 2008 to January 2010, Mr. Cil served as Vice President of Company Operations of Holdings and from September 2005 to September 2008, he served as Division Vice President, Mediterranean and NW Europe Divisions, EMEA of Holdings.

Heitor Goncalves. Mr.Goncalves has served as Executive Vice President, Chief Information and Performance Officer since he joined Holdings in October 2010 and assumed the additional role of Chief People Officer in April 2013. Prior to joining Holdings, Mr.Goncalves served in multiple strategic roles for Anheuser-Busch InBev from October 2008 to March 2010, including global M&A director and head of Western Europe logistics. From November 2004 to September 2008, Mr.Goncalves served as VP, Global Rewards at InBev. He served in positions of increasing responsibility at Brahma, a brewing company, and at its successor, AmBev, from September 1995 until October 2004.

Jacqueline Friesner. Ms. Friesner has served as our Vice President, Controller and Chief Accounting Officer since June 2012. Ms. Friesner was appointed Vice President, Controller and Chief Accounting Officer of Holdings in March 2011. Prior to her appointment, Ms. Friesner served as Senior Director, Global Accounting and Reporting of Holdings from December 2010 until March 2011 and as Director, Global and Technical Accounting of Holdings from November 2009 until December 2010. From October 2002 until December 2010, Ms. Friesner served in positions of increasing responsibility with the company. Before joining Holdings in October 2002, Ms. Friesner was an audit manager at Pricewaterhouse Coopers in Miami, Florida.

Jill Granat. Ms. Granat has served as Senior Vice President, General Counsel and Secretary of the Company since June 2012. Ms. Granat was appointed Senior Vice President, General Counsel and Secretary of Holdings in February 2011, effective in March 2011. Prior to her appointment, Ms. Granat was Vice President and Assistant General Counsel of Holdings from July 2009 until March 2011. Ms. Granat joined BKC in 1998 as a member of the legal department and served in positions of increasing responsibility with the company.

Item 11. *Executive Compensation*

The information required by this item will be contained in the Definitive Proxy Statement and is incorporated herein by reference.

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Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this item will be contained in the Definitive Proxy Statement and is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required by this item will be contained in the Definitive Proxy Statement and is incorporated herein by reference.

Item 14. ***Principal Accountant Fees and Services***

The information required by this item will be contained in the Definitive Proxy Statement and is incorporated herein by reference.

Part IV

Item 15. ***Exhibits and Financial Statement Schedules***

(1) All Financial Statements

Consolidated financial statements filed as part of this report are listed under Part II, Item 8 of this Form 10-K.

(2) Financial Statement Schedules

No schedules are required because either the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or the notes thereto.

(3) Exhibits

The exhibits listed in the accompanying index are filed as part of this report.

Exhibit Number	Description	Where Found
2.1	Business Combination Agreement and Plan of Merger, dated April 3, 2012, by and among Justice Holdings Limited, Justice Delaware Holdco Inc., Justice Holdco LLC and Burger King Worldwide Holdings, Inc.	Incorporated herein by reference to Exhibit 2.1 to Burger King Holdings, Inc.'s Current Report on Form 8-K filed on April 10, 2012
2.2	Contingent Contribution Agreement, dated April 3, 2012, by and among Justice Holdings Limited, Justice Delaware Holdco Inc., and each of the other parties set forth on the signature pages thereto.	Incorporated herein by reference to the registrant's Registration Statement on Form S-1 filed on June 18, 2012.
3.1	Amended and Restated Certificate of Incorporation of the Registrant	Incorporated herein by reference to the registrant's Current Report on Form 8-K filed on June 25, 2012.
3.2	Amended and Restated Bylaws of the Registrant	Incorporated herein by reference to the registrant's Current Report on Form 8-K filed on June 25, 2012.

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4.1	Registration Rights Agreement between the Registrant and 3G Special Situations Fund II, L.P.	Incorporated herein by reference to the registrant's Current Report on Form 8-K filed on June 25, 2012.
4.2	Registration Rights Agreement between the Registrant and Pershing Square, L.P., Pershing Square II, L.P., Pershing Square International, Ltd. and William Ackman	Incorporated herein by reference to the registrant's Current Report on Form 8-K filed on June 25, 2012.
4.3	Indenture, dated October 19, 2010, between Blue Acquisition Sub, Inc. and Wilmington Trust FSB, as trustee	Incorporated herein by reference to Burger King Holdings, Inc.'s Current Report on Form 8-K filed on October 21, 2010
4.4	Supplemental Indenture, dated October 19, 2010, among Blue Acquisition Sub, Inc., Burger King Corporation, Burger King Holdings, Inc., Wilmington Trust FSB, as trustee, and the subsidiary guarantors party thereto	Incorporated herein by reference to Burger King Holdings, Inc.'s Current Report on Form 8-K filed on October 21, 2010
4.5	Form of 9 7/8% Senior Notes due 2018 (included in Exhibit 4.4)	Incorporated herein by reference to Burger King Holdings, Inc.'s Current Report on Form 8-K filed on October 21, 2010
4.6	First Supplemental Indenture to Add Parent Guarantor dated as of August 1, 2012 between the registrant and Wilmington Trust, National Association.	Incorporated herein by reference to the registrant's Annual Report on Form 10-K filed on February 22, 2013.
4.7	Third Supplemental Indenture to Add Parent Guarantor dated as of August 1, 2012 between the registrant and Wilmington Trust, National Association.	Incorporated herein by reference to the registrant's Annual Report on Form 10-K filed on February 22, 2013.
10.1†	Burger King Savings Plan, including all amendments thereto	Incorporated herein by reference to Burger King Holdings, Inc.'s Registration Statement on Form S-8 (File No. 333-144592)
10.2	Purchase Agreement, dated October 1, 2010, among Blue Acquisition Sub, Inc. and J.P. Morgan Securities LLC and Barclays Capital Inc., as representatives of the several initial purchasers named therein	Incorporated herein by reference to Burger King Holdings, Inc.'s Current Report on Form 8-K filed on October 21, 2010
10.3	Joinder To Purchase Agreement, dated October 19, 2010, among Burger King Corporation, Burger King Holdings, Inc., and the subsidiary guarantors party thereto and J.P. Morgan Securities LLC and Barclays Capital Inc., as representatives of the several initial purchasers named therein	Incorporated herein by reference to Burger King Holdings, Inc.'s Current Report on Form 8-K filed on October 21, 2010
10.4	Registration Rights Agreement, dated October 19, 2010, among Blue Acquisition Sub, Inc. J.P. Morgan Securities LLC and Barclays Capital Inc., as representatives of the several initial purchasers named therein	Incorporated herein by reference to Burger King Holdings, Inc.'s Current Report on Form 8-K filed on October 21, 2010
10.5	Joinder to Registration Rights Agreement, dated October 19, 2010, among Burger King Corporation, Burger King Holdings, Inc., and the subsidiary guarantors party thereto and J.P. Morgan Securities LLC and Barclays Capital Inc., as representatives of the several initial purchasers named therein	Incorporated herein by reference to Burger King Holdings, Inc.'s Current Report on Form 8-K filed on October 21, 2010
10.6(a)	Credit Agreement, dated as of October 19, 2010, among Burger King Holdings, Inc., Blue Acquisition Sub, Inc., Burger King Corporation, with JPMorgan Chase Bank, N.A., as administrative agent, Barclays Capital, as syndication agent, and the lenders party thereto from time to time	Incorporated herein by reference to Burger King Holdings, Inc.'s Current Report on Form 8-K filed on October 21, 2010

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10.6(b)	Amended and Restated Credit Agreement, dated as of February 15, 2011, among Burger King Holdings, Inc. and Burger King Corporation, with JPMorgan Chase Bank, N.A., as administrative agent, Barclays Capital, as syndication agent, and the lenders party thereto from time to time	Incorporated herein by reference to Burger King Holdings, Inc.'s Transition Report on Form 10-K filed on March 23, 2011
10.7	Guarantee and Collateral Agreement, dated as of October 19, 2010, among Burger King Holdings, Inc., Blue Acquisition Sub, Inc., Burger King Corporation and the guarantors identified therein, in favor of JPMorgan Chase Bank, N.A., as administrative agent	Incorporated herein by reference to Burger King Holdings, Inc.'s Current Report on Form 8-K filed on October 21, 2010
10.8	Credit Agreement dated as of September 28, 2012 among Burger King Holdings, Inc., Burger King Corporation, JPMorgan Chase Bank, N.A., as Administrative Agent, Barclays Bank PLC and Bank of America, N.A., as Syndication Agents and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch, HSBC Bank USA, N.A., Goldman Sachs Bank USA, Credit Suisse AG, Cayman Islands Branch and Regions Bank, as Documentation Agents and the lenders party thereto.	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on October 29, 2012
10.9	Guarantee and Collateral Agreement dated as of September 28, 2012 made by Burger King Holdings, Inc., Burger King Corporation and the Guarantors identified therein in favor of JPMorgan Chase Bank, N.A., as Administrative Agent.	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on October 29, 2012
10.10	Guarantee Agreement dated as of September 28, 2012 made by the Registrant in favor of JPMorgan Chase Bank, N.A., as Administrative Agent.	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on October 29, 2012
10.11†	Employment Agreement dated as of October 25, 2010 by and between Burger King Corporation and Jonathan Fitzpatrick	Incorporated herein by reference to Burger King Holdings, Inc.'s Transition Report on Form 10-K filed on March 23, 2011
10.12†	Employment Agreement dated as of May 4, 2010 by and between Burger King Corporation and Natalia Franco, as amended on September 30, 2010 and October 25, 2010	Incorporated herein by reference to Burger King Holdings, Inc.'s Transition Report on Form 10-K filed on March 23, 2011
10.13†	Burger King Worldwide Holdings, Inc. 2011 Omnibus Incentive Plan	Incorporated herein by reference to Burger King Holdings, Inc.'s Quarterly Report on Form 10-Q filed on May 12, 2011
10.14†	Form of Option Award Agreement issued under Burger King Worldwide Holdings, Inc. 2011 Omnibus Incentive Plan	Incorporated herein by reference to Burger King Holdings, Inc.'s Quarterly Report on Form 10-Q filed on May 12, 2011
10.15†	Employment Agreement by and between Burger King Corporation and Jose Cil, dated November 2, 2010	Incorporated herein by reference to Burger King Holdings, Inc.'s Annual Report on Form 10-K filed on March 14, 2012
10.16†	Assignment Letter from Jose Tomas, Chief Human Resources Officer, Burger King Corporation to Jose Cil dated November 2, 2010	Incorporated herein by reference to Burger King Holdings, Inc.'s Annual Report on Form 10-K filed on March 14, 2012
10.17†	Employment Agreement by and between Burger King Corporation and Steven M. Wiborg dated October 21, 2010	Incorporated herein by reference to Burger King Holdings, Inc.'s Annual Report on Form 10-K filed on March 14, 2012
10.18†	Amendment No. 1, dated November 5, 2010, to the Employment Agreement between Burger King Corporation and Steven M. Wiborg, dated as of October 21, 2010	Incorporated herein by reference to Burger King Holdings, Inc.'s Annual Report on Form 10-K filed on March 14, 2012

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10.19†	Amendment No. 1 dated as of April 18, 2011 to the Employment Agreement between Burger King Corporation and Jonathan Fitzpatrick dated as of October 25, 2010	Incorporated herein by reference to Burger King Holdings, Inc.'s Amendment to its Annual Report on Form 10-K/A filed on March 29, 2012
10.20†	Burger King Corporation 2011 Annual Bonus Program document	Incorporated herein by reference to Burger King Holdings, Inc.'s Amendment to its Annual Report on Form 10-K/A filed on March 29, 2012
10.21†	Burger King Corporation Officer Severance Plan	Incorporated herein by reference to Burger King Holdings, Inc.'s Amendment to its Annual Report on Form 10-K/A filed on March 29, 2012
10.22†	Burger King Worldwide, Inc. 2012 Omnibus Incentive Plan	Incorporated herein by reference to the registrant's Registration Statement on Form S-8 filed on June 20, 2012
10.23	Form of Director Indemnification Agreement	Incorporated herein by reference to the registrant's Current Report on Form 8-K filed on June 25, 2012
10.24†	Separation Agreement and General Release dated June 1, 2012 between Burger King Corporation and Jonathan Fitzpatrick	Incorporated herein by reference to the registrant's Current Report on Form 8-K filed on June 28, 2012
10.25†	Form of Option Award Agreement issued under the Burger King Worldwide, Inc. 2012 Omnibus Incentive Plan	Incorporated herein by reference to the registrant's Annual Report on Form 10-K filed on February 22, 2013
10.26†	Form of Matching Option Award Agreement issued under the Burger King Worldwide, Inc. 2012 Omnibus Incentive Plan	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on April 26, 2013
10.27†	Option Award Agreement between Flavia Faugeres and Burger King Worldwide Holdings, Inc.	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on April 26, 2013
10.28†	Form of Amendment to Option Award Agreement.	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on April 26, 2013
10.29†	Form of Option Award Agreement issued under the Burger King Worldwide, Inc Amended and Restated 2012 Omnibus Incentive Plan	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on July 31, 2013
10.30†	Form of Board Member Option Award Agreement issued under the Burger King Worldwide, Inc. Amended and Restated 2012 Omnibus Incentive Plan	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on July 31, 2013
10.31	Second Amendment dated April 11, 2013 to Employment Agreement dated October 20, 2010 by and between Burger King Corporation and Steven M. Wiborg	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on July 31, 2013

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10.32†	Burger King Corporation U.S. Severance Pay Plan	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on October 28, 2013
10.33†	Form of Option Award Agreement issued under the Amended and Restated 2012 Omnibus Inceptive Plan	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on October 28, 2013
10.34†	Form of Board Member Option Award Agreement issued under the Amended and Restated 2012 Omnibus Incentive Plan	Incorporated herein by reference to the registrant's Quarterly Report on Form 10-Q filed on October 28, 2013
10.35†	Form of Board of Directors Restricted Stock Unit Award Agreement issued under the Amended and Restated 2012 Omnibus Incentive Plan	Filed herewith
10.36†	Form of Matching Option Award Agreement issued under the Amended and Restated 2012 Omnibus Incentive Plan	Filed herewith
10.37†	Amended and Restated Option Award Agreement between Flavia Faugeres and Burger King Worldwide, Inc.	Filed herewith
10.38†	Amended and Restated Option Award Agreement between Flavia Faugeres and Burger King Worldwide, Inc.	Filed herewith
21.1	List of Subsidiaries of the Registrant	Filed herewith
23.1	Consent of KPMG LLP	Filed herewith
31.1	Certification of Chief Executive Officer of Burger King Worldwide, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer of Burger King Worldwide, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of Chief Executive Officer of Burger King Worldwide, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.2	Certification of Chief Financial Officer of Burger King Worldwide, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith

† Management contract or compensatory plan or arrangement

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BURGER KING WORLDWIDE, INC.

By: /s/ Daniel Schwartz
Name: Daniel Schwartz
Title: Chief Executive Officer

Date: February 21, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Daniel Schwartz Daniel Schwartz	Chief Executive Officer (principal executive officer)	February 21, 2014
/s/ Joshua Kobza Joshua Kobza	EVP, Chief Financial Officer (principal financial officer)	February 21, 2014
/s/ Jacqueline Friesner Jacqueline Friesner	VP, Controller and Chief Accounting Officer (principal accounting officer)	February 21, 2014
/s/ Alexandre Behring Alexandre Behring	Chairman	February 21, 2014
/s/ Bernardo Hees Bernardo Hees	Vice Chairman	February 21, 2014
/s/ Martin Franklin Martin Franklin	Director	February 21, 2014
/s/ Paul J. Fribourg Paul J. Fribourg	Director	February 21, 2014
/s/ Alan Parker Alan Parker	Director	February 21, 2014
/s/ Carlos Alberto Sicupira Carlos Alberto Sicupira	Director	February 21, 2014
/s/ Roberto Thompson Roberto Thompson	Director	February 21, 2014
Alexandre Van Damme	Director	

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EXHIBIT INDEX

Exhibit Number	Description
10.35	Form of Board of Directors Restricted Stock Unit Award Agreement issued under the Amended and Restated 2012 Omnibus Incentive Plan
10.36	Form of Matching Option Award Agreement issued under the Amended and Restated 2012 Omnibus Incentive Plan
10.37	Amended and Restated Option Award Agreement between Flavia Faugeres and Burger King Worldwide, Inc.
10.38	Amended and Restated Option Award Agreement between Flavia Faugeres and Burger King Worldwide, Inc.
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32.1	Certification of Chief Financial Officer of Burger King Worldwide, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document

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BURGER KING WORLDWIDE, INC.
AMENDED AND RESTATED 2012 OMNIBUS INCENTIVE PLAN

BOARD MEMBER RESTRICTED STOCK UNIT AWARD AGREEMENT

On or before December 31, 2012 you made an election to forgo some or all of your annual retainer paid to you as a Director and fees paid to you as a Director for attending meetings of the Board or any committee of the Board and for serving as chairman of, or being on, a committee of the Board (collectively referred to as "**Fees**"), and instead to be granted Restricted Stock Units (" **RSUs**"). Pursuant to your election, you have elected to forgo $ in Fees otherwise payable in 2013. The number of RSUs awarded to you pursuant to this Board Member Restricted Stock Unit Award Agreement (this " **Award Agreement**") is equal to the number of Shares having a value equal to the $ you have elected to forgo, divided by the Fair Market Value of a Share (as determined under the Plan referred to below), multiplied by two.

Unless defined in this Award Agreement, capitalized terms will have the same meanings ascribed to them in the Burger King Worldwide, Inc. Amended and Restated 2012 Omnibus Incentive Plan (as may be amended from time to time, the " **Plan**").

Pursuant to Section 8 of the Plan, you have been granted RSUs on the following terms and subject to the provisions of the Plan, which are incorporated herein by reference. In the event of a conflict between the provisions of the Plan and this Award Agreement, the provisions of the Plan will govern.

Total Number of RSUs:	___________________
Grant Date:	
Vesting Date:	**Full and immediate vesting**

By execution of this Award Agreement, you and the Company agree that this Award of RSUs is granted under and governed by the terms and conditions of the Plan and the terms and conditions set forth in the attached as Exhibit A as well as the terms and conditions set forth in the attached Exhibit B which apply only if you reside outside of the United States.

BURGER KING WORLDWIDE, INC.

_______________________________ By: _______________________________

Name:

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EXHIBIT A

TERMS AND CONDITIONS OF THE
BOARD MEMBER RESTRICTED STOCK UNIT AWARD AGREEMENT

No Payment for Shares.

No payment is required for Shares that you receive under this Award.

Restricted Stock Units.

Each RSU represents a right to receive one Share.

Settlement.

RSUs shall be settled as described in this section. The Company shall deliver to you a number of Shares equal to the number of RSUs awarded to you pursuant to this Award Agreement, such delivery to be made on a date determined by the Committee that is within 30 days after your Separation from Service, as defined herein (the "Settlement Date").

For purposes of this Award Agreement, "Separation from Service" means the cessation of your Service as a Director, determined in a manner consistent with the requirements of Section 409A(a)(2)(A)(i) of the Code and the Treasury Regulations and other guidance issued thereunder.

Dividend Equivalents.

During the term of this Award Agreement, you shall have the right to receive distributions (the "Dividend Equivalents") from the Company equal to any dividends or other distributions that would have been distributed to you if each of the Shares to be delivered to you upon settlement of the RSUs instead was an issued and outstanding Share owned by you. The Dividend Equivalents, reduced by any applicable withholding taxes, shall be subject to the same terms and conditions under this Award Agreement as the Shares to which they relate, and shall be distributed on the same Settlement Date as the Shares to which they relate. Each Dividend Equivalent shall be treated as a separate payment for purposes of Section 409A of the Code.

Taxes.

You acknowledge that you are required to pay any withholding or other applicable taxes that may be due as a result of the grant or settlement of this Award and the receipt of Shares and cash hereunder.

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No Guarantee of Continued Service.

You acknowledge and agree that this Award Agreement, the transactions contemplated hereunder and the settlement terms shall not be construed as giving you the right to continue to provide Service to the Company or any Affiliate. Further, the Company or the applicable Affiliate may at any time dismiss you, free from any liability, or any claim under the Plan, unless otherwise expressly provided in any other agreement binding you, the Company or the applicable Affiliate. The receipt of this Award is not intended to confer any rights on you except as set forth in this Award Agreement.

Termination for Cause; Restrictive Covenants.

In consideration for the grant of this Award and for other good and valuable consideration, the sufficiency of which is acknowledged by you, you agree as follows:

Upon (i) a termination of your Service for Cause, or (ii) a violation of any post-termination restrictive covenant (including, without limitation, non-disclosure, non-competition and/or non-solicitation) contained in any separation or termination or similar agreement you may enter into with the Company in connection with termination of your Service, any RSUs you then hold that have not been settled shall be immediately forfeited and the Company may require that you repay (with interest or appreciation (if any), as applicable, determined up to the date payment is made), and you shall promptly repay (in cash or in Shares), to the Company, the Fair Market Value of any Shares (including Shares withheld for taxes) received upon the settlement of RSUs during the period beginning on the date that is one year before the date your Service terminates and ending on the first anniversary of the date your Service terminates. The Fair Market Value of any such Shares shall be determined as of the Settlement Date.

For purposes of this Award Agreement, the following terms shall have the following meanings:

“Cause” means your (i) gross negligence or willful misconduct in connection with your duties as a member of the Board or refusal, after demand, to substantially perform such duties, (ii) material violation of the Company’s policies, procedures, rules and regulations, including, without limitation, the Board of Director Code of Conduct and the Burger King Companies’ Code of Business Ethics and Conduct, in each case, as they may be amended from time to time in the Company’s sole discretion; (iii) dishonesty, fraud, embezzlement, misappropriation of funds or theft, or (iv) commission of a felony or other serious crime involving moral turpitude.

If your Service terminates for any reason other than for Cause (as defined above) and, within the twelve (12) month period subsequent to such termination of your Service, the Company determines that your Service could have been terminated for Cause, your Service will, at the election of the Company, be deemed to have been terminated for Cause, effective as of the date the events giving rise to Cause occurred.

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Company's Right of Offset.

If you become entitled to a distribution of benefits under this Award, and if at such time you have any outstanding debt, obligation, or other liability representing an amount owing to the Company or any of its Affiliates, then the Company or its Affiliates may, upon a determination by the Committee, offset such amount so owing against the amount of benefits otherwise distributable to you; provided that any such offset shall be made only in accordance with (and to the extent permitted by) applicable law, including without limitation Section 409A of the Code.

Acknowledgment of Nature of Award.

In accepting this grant of an Award, you acknowledge that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;

(b) this grant of this Award is voluntary, occasional and discretionary and does not create any contractual or other right to receive future awards of RSUs, or benefits in lieu of RSUs even if RSUs have been awarded repeatedly in the past;

(c) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan is voluntary;

(e) this Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company;

(f) this Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;

(g) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(h) if you receive Shares, the value of such Shares acquired upon settlement of RSUs may increase or decrease in value; and

(i) no claim or entitlement to compensation or damages arises from termination of this Award, and no claim or entitlement to compensation or damages shall arise from any diminution in value of the RSUs or Shares received upon settlement of the RSUs resulting from termination of your Service by the Company and you irrevocably release the Company from any such claim that may arise.

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Data Privacy Notice and Consent.

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement by and among, as applicable, the Company, its Subsidiaries and its Affiliates or such other third party administrator as designated by the Committee in its sole and absolute discretion for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and/or such other third party administrator as designated by the Committee in its sole and absolute discretion may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance or social security number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Data"). You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon settlement of the RSUs may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand that refusal or withdrawal of consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Securities Laws.

By accepting this Option, you acknowledge that federal securities laws and/or the Company's policies regarding trading in its securities may limit or restrict your right to buy or sell Shares, including, without limitation, sales of Shares acquired in connection with this Option. You agree to comply with such federal securities law requirements and Company policies, as such laws and policies are amended from time to time.

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Limits on Transferability; Beneficiaries.

This Award shall not be pledged, hypothecated or otherwise encumbered or subject to any lien, obligation or liability to any party, or Transferred, otherwise than by your will or the laws of descent and distribution or to a Beneficiary upon your death.

Notwithstanding, no Transfer to any executor or administrator of your estate or to any Beneficiary by will or the laws of descent and distribution of any rights in respect of this Award shall be effective to bind the Company unless the Committee shall have been furnished with (i) written notice thereof and with a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the Transfer and (ii) the written agreement of the Transferee to comply with all the terms and conditions applicable to this Award and any Shares received upon settlement of the RSUs that are or would have been applicable to you.

Notwithstanding any other provision hereof, you shall not be permitted to Transfer Shares during a Lock-Up Period.

No Compensation Deferrals.

Neither the Plan, nor this Award Agreement is intended to provide for a deferral of compensation that would subject the RSUs to taxation prior to the issuance of Shares as a result of Section 409A of the Code. Notwithstanding anything to the contrary in the Plan, or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without your consent, to comply with Section 409A of the Code or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code prior to the actual payment of Shares pursuant to this Award. If you are subject to U.S. taxes, all RSUs to which you are entitled will be issued to you on the applicable Settlement Date, as described above in the section entitled “Settlement”.

Entire Agreement; Dispute Resolution; Governing Law.

The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings, representations and agreements (whether oral or written) of the Company
and you with respect to the subject matter hereof. This Award Agreement may not be modified in a manner that adversely affects your rights heretofore granted under the Plan, except with your consent or to comply with applicable law or to the extent permitted under other provisions of the Plan, including, but not limited to Sections 5(d), 16(g) or 17 of the Plan. This Award Agreement is governed by the laws of the State of Delaware without regard to its principles of conflict of laws.

The Company and you agree that any dispute or controversy arising under or in connection with this Award Agreement shall be resolved by final and binding arbitration before the American Arbitration Association (“AAA”). The arbitration shall be

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conducted in accordance with AAA's National Rules for the Resolution of Employment Disputes then in effect at the time of the arbitration. The arbitration shall be held in Miami, Florida.

By signing this Award Agreement, you acknowledge receipt of a copy of the Plan and represent that you are familiar with the terms and conditions of the Plan, and hereby accept this Award subject to all provisions in this Award Agreement and in the Plan. You hereby agree to accept as final, conclusive and binding all decisions or interpretations of the Committee upon any questions arising under the Plan or this Award Agreement.

Electronic Delivery.

The Company may, in its sole discretion, decide to deliver any documents related to RSUs awarded under the Plan or future RSUs that may be awarded under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Agreement Severable.

In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

Language.

If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

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EXHIBIT B

**ADDITIONAL TERMS AND CONDITIONS OF THE
BURGER KING WORLDWIDE, INC.
AMENDED AND RESTATED 2012 OMNIBUS INCENTIVE PLAN**

RESTRICTED STOCK UNIT AWARD AGREEMENT FOR NON-U.S. PARTICIPANTS

TERMS AND CONDITIONS

This Exhibit B includes additional terms and conditions that govern the RSUs granted to you under the Plan if you are located outside the U.S. Certain capitalized terms used but not defined in this Exhibit B have the meanings set forth in the Amended and Restated 2012 Omnibus Incentive Plan and/or the Award Agreement.

NOTIFICATIONS

This Exhibit B also includes information regarding exchange controls and certain other issues of which you should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of November 2012. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Exhibit B as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time you acquire or sell Shares.

In addition, the information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently residing, transfer to another country after the RSUs is granted or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.

GENERAL NON-U.S. TERMS AND CONDITIONS

The following additional terms and conditions apply to you if you are located outside of the U.S. at the time of grant.

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Entire Agreement.

The following provisions supplement the entire Award Agreement, generally:

If you are located outside the U.S., in no event will any aspect of the RSUs be determined in accordance with any Service contract. The terms and conditions of the RSUs will be solely determined in accordance with the provisions of the Plan and the Award Agreement, including this Exhibit B, which supersede and replace any prior agreement, either written or verbal (including your Service agreement, if applicable) in relation to the RSUs.

Termination for Cause; Restrictive Covenants.

The *Termination for Cause; Restrictive Covenants* section of the Award Agreement shall only be enforced, to the extent deemed permissible under applicable local law, as determined in the sole discretion of the Committee.

Taxes.

The following provisions supplement the *Taxes* section of the Award Agreement:

Regardless of any action the Company or any Affiliate takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax related items related to your participation in the Plan and legally applicable to you, ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed any amount actually withheld by the Company or any Affiliate. You further acknowledge that the Company and/or any Affiliate (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or Dividend Equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or any Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and/or any Affiliate to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or any Affiliate, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from cash compensation paid to you by the Company; or

(b) withholding from proceeds of the sale of Shares acquired at settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization);

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or

(c) withholding in Shares to be issued at settlement of the RSUs.

The Committee shall establish the method of withholding from alternatives (a) – (c) above, or if the Committee does not exercise its discretion prior to the taxable event or tax withholding event, as applicable, then you shall be entitled to elect the method of withholding from the alternatives above.

To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

Finally, you shall pay to the Company or any Affiliate any amount of Tax-Related Items that the Company or any Affiliate may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

Limits on Transferability; Beneficiaries.

The following provision supplements the *Limits on Transferability; Beneficiaries* section of the Award Agreement:

If you are located outside the U.S., the RSUs may not be Transferred to a designated Beneficiary and may only be Transferred upon your death to your legal heirs in accordance with applicable laws of descent and distribution. In no case may the RSUs be Transferred to another individual during your lifetime.

Acknowledgement of Nature of Award.

The following provisions supplement the *Acknowledgment of Nature of Award* section of the Award Agreement:

You understand, acknowledge and agree to the following with respect to the RSUs:

(a) The RSUs and any Shares acquired under the Plan are not intended to replace any pension rights or compensation.

(b) Your participation in the Plan will not be interpreted to form an employment relationship with the Company or any Affiliate.

(c) The Company shall have the exclusive discretion to determine when you have ceased providing Service for purposes of this Award Agreement.

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No Advice Regarding Award.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Governing Law and Venue.

The following provisions supplement the *Entire Agreement; Dispute Resolution; Governing Law* section of the Award Agreement:

The RSU grant and the provisions of this Award Agreement are governed by, and subject to, the laws of the State Delaware, without regard to the conflict of law provisions.

For purposes of any action, lawsuit or other proceedings brought to enforce this Award Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of Miami, Florida or the federal courts for the United States for the District of Florida, and no other courts, where this grant is made and/or to be performed.

Exhibit B.

Notwithstanding any provision in this Award Agreement, the RSU grant shall be subject to any country-specific terms and conditions set below. Moreover, if you relocate to one of the countries included in this Exhibit B, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of the Award Agreement.

Imposition of Other Requirements.

The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any Shares issued upon settlement of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

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COUNTRY-SPECIFIC TERMS AND CONDITIONS

The following country-specific provisions apply to you if you are resident in one of the countries below.

BELGIUM

NOTIFICATIONS

Tax Acknowledgment.

You are required to report any bank accounts opened and maintained outside Belgium on your annual tax return.

BRAZIL

TERMS AND CONDITIONS

Compliance with Law.

By accepting the RSUs you acknowledge that you agree to comply with applicable Brazilian laws and pay any and all applicable taxes legally due by you associated with the RSUs, the receipt of any dividends or Dividend Equivalents, and the sale of Shares acquired under the Plan.

NOTIFICATIONS

Exchange Control Information.

If you are resident or domiciled in Brazil, you will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US$100,000. Assets and rights that must be reported include Shares.

SWITZERLAND

NOTIFICATIONS

Securities Law Information.

The offer of the RSUs is considered a private offering in Switzerland and is therefore not subject to registration in Switzerland.

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UNITED KINGDOM

TERMS & CONDITIONS

Tax Acknowledgment.

The following provisions supplement the *Taxes* section of the Award Agreement:

You shall pay to the Company or any Affiliate any amount of income tax that the Company or the Affiliate may be required to account to HM Revenue & Customs (“HMRC”) with respect to the event giving rise to the income tax (the “Taxable Event”) that cannot be satisfied by the means described in the Award Agreement. If payment or withholding of the income tax is not made within ninety (90) days of the Taxable Event or such other period as required under U.K. law (the “Due Date”), and if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you will not be eligible for any loan to cover the income tax due. In the event that you are a director or executive officer and the income tax due is not collected from or paid by you by the Due Date, the amount of any uncollected income tax will constitute a benefit to you on which additional income tax and National Insurance contributions will be payable. You will be responsible for reporting and paying any income tax and National Insurance contributions due on this additional benefit directly to HMRC under the self-assessment regime.

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BURGER KING WORLDWIDE, INC.
AMENDED AND RESTATED 2012 OMNIBUS INCENTIVE PLAN

MATCHING OPTION AWARD AGREEMENT

Unless defined in this Matching Option Award Agreement (this " **Award Agreement**"), capitalized terms will have the same meanings ascribed to them in the Burger King Worldwide, Inc. Amended and Restated 2012 Omnibus Incentive Plan (as may be amended from time to time, the " **Plan**").

Pursuant to Section 6 of the Plan, you have been granted a Non-Qualified Stock Option (the **"Option"**) on the following terms and subject to the provisions of the Plan, which is incorporated herein by reference. This Option is granted in connection with your purchase of Shares in the Company's 2013 Bonus Swap Program (the "**Related Shares**"). In the event of a conflict between the provisions of the Plan and this Award Agreement, the provisions of the Plan will govern.

Total Number of Base Option Shares:	**[ ]** Base Option Shares
Total Number of Additional Option Shares:	**[ ]** Additional Option Shares
Exercise Price per Share:	$[ ] per Share
Grant Date:	March 7, 2014
Expiration Date:	March 6, 2024
Vesting Date:	December 31, 2018, subject to your continued Service through the Vesting Date and further subject to the Section entitled "Termination" in Exhibit A.

By execution of this Award Agreement, you and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and the terms and conditions set forth in the attached as Exhibit A.

PARTICIPANT	BURGER KING WORLDWIDE, INC.
______________________________	By: ______________________________
Name:	Name:
	Title:

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EXHIBIT A

**TERMS AND CONDITIONS OF THE
OPTION AWARD AGREEMENT**

Vesting.

This Option will vest and become exercisable on the "Vesting Date" set forth in this Award Agreement. Any portion of this Option that becomes exercisable in accordance with the foregoing will remain exercisable until the Expiration Date, unless earlier terminated pursuant to the Plan or this Award Agreement (including, without limitation, the section below entitled "Termination"). Subject to the section below entitled "Termination," this Option may be exercised only while you are employed by the Company or any of its Affiliates. Prior to the exercise of this Option, you will not have any rights of a shareholder with respect to this Option or the Shares subject thereto.

Method of Exercise.

This Option will be exercisable pursuant to procedures approved by the Committee and communicated to you. No Shares will be delivered pursuant to the exercise of this Option unless (i) you have complied with your obligations under this Award Agreement, (ii) the exercise of this Option and the delivery of such Shares complies with applicable law, and (iii) full payment (or satisfactory provision therefor) of the aggregate exercise price of the Option and any withholding or other taxes have been received by the Company. **Until such time as the Shares are delivered to you (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), you will have no right to vote or receive dividends or any other rights as a shareholder with respect to such Shares, notwithstanding the exercise of this Option.**

Adjustment for Certain Events.

If and to the extent that it would not cause a violation of Section 409A of the Code or other applicable law, if any of the events described in Section 5(d) of the Plan shall occur, the Committee shall make an adjustment as described in such Section 5(d) to prevent dilution or enlargement of the benefits provided under this Option.

Termination.

Upon termination of your Service (other than as set forth below) prior to the Vesting Date, you will forfeit this Option without any consideration due to you.

If your Service terminates prior to the Vesting Date Without Cause (as defined below) or by reason of your death, Retirement or Disability (as defined below), you (or, if applicable, such other person who is entitled to exercise this Option) shall be vested in the number of Option Shares as if the Option Shares subject to the Option vested 20% on each of December 31, 2014, December 31, 2015, December 31, 2016, December 31, 2017 and December 31, 2018, respectively, and you (or, if applicable, such other person who is entitled to exercise this Option) may exercise the Option to the extent vested on the date of termination of your Service as provided for below.

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Subject to any terms and conditions that the Committee may impose in accordance with Section 13 of the Plan, in the event that a Change in Control occurs and, within twelve (12) months following the date of such Change in Control, your Service is terminated by the Company Without Cause (as defined herein), this Option shall vest in full upon such termination. In the event that there is a conflict between the terms of this Award Agreement regarding the effect of a Change in Control on this Option and the terms of any Employment Agreement, the terms of this Option Award Agreement will govern.

To the extent this Option is or becomes exercisable on the date of termination of your Service, then, if you (or, if applicable, such other person who is entitled to exercise this Option) do not exercise this Option on or prior to the expiration of the Option Exercise Period (as set forth below), this Option will terminate. In no event may you exercise this Option after the Expiration Date.

Type of Termination	Option Exercise Period
Without Cause	90 day period beginning on the date of termination
Resignation	90 day period beginning on the date of termination
Retirement	One year period beginning on the date of termination
Disability	One year period beginning on the date of termination
Death	One year period beginning on the date of termination
For Cause	None, the Option expires immediately

The date of termination of your Service will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law) regardless of the reason for such termination and whether or not later found to be invalid or in breach of laws in the jurisdiction where you are rendering Service or the terms of your Employment Agreement, if any). The Committee shall have the exclusive discretion to determine the date of termination of your Service for purposes of this Option.

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In the event that there is a conflict between the terms of this Award Agreement regarding the effect of a termination of your Service on this Option and the terms of any Employment Agreement, the terms of your Employment Agreement will govern.

For purposes of this Award Agreement, the following terms shall have the following meanings:

"**Additional Option Shares**" means the number of Option Shares indicated as "Additional Option Shares" on the cover page to this Award Agreement (if any).

"**Base Option Shares**" means the number of Option Shares indicated as "Base Option Shares" on the cover page to this Award Agreement.

"**Cause**" means (i) a material breach by you of any of your obligations under any written employment agreement with the Company or any of its Affiliates, (ii) a material violation by you of any of the policies, procedures, rules and regulations of the Company or any of its Affiliates applicable to employees or other service providers generally or to employees or other service providers at your grade level; (iii) the failure by you to reasonably and substantially perform your duties to the Company or its Affiliates (other than as a result of physical or mental illness or injury); (iv) your willful misconduct or gross negligence that has caused or is reasonably expected to result in material injury to the business, reputation or prospects of the Company or any of its Affiliates; (v) your fraud or misappropriation of funds; or (vi) the commission by you of a felony or other serious crime involving moral turpitude; *provided* that if you are a party to an Employment Agreement at the time of termination of your Service and such Employment Agreement contains a different definition of "cause" (or any derivation thereof), the definition in such Employment Agreement will control for purposes of this Award Agreement.

If you are terminated Without Cause and, within the twelve (12) month period subsequent to such termination of your Service, the Company determines that your Service could have been terminated for Cause, subject to anything to the contrary that may be contained in your Employment Agreement at the time of termination of your Service, your Service will, at the election of the Company, be deemed to have been terminated for Cause, effective as of the date the events giving rise to Cause occurred.

"**Disability**" means (i) a physical or mental condition entitling you to benefits under the long-term disability policy of the Company covering you or (ii) in the absence of any such policy, a physical or mental condition rendering you unable to perform your duties for the Company or any of its Affiliates for a period of six (6) consecutive months or longer; *provided* that if you are a party to an Employment Agreement at the time of termination of your Service and such Employment Agreement contains a different definition of "disability" (or any derivation thereof), the definition in such Employment Agreement will control for purposes of this Award Agreement.

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“**Retirement**” means a termination of Service by you on or after the later of (i) your 55th birthday and (ii) your completion of five years of Service with the Company or its Affiliates.

“**Option Shares**” means, collectively, the Base Option Shares and, if applicable, the Additional Option Shares underlying this Option.

“**Option Vesting Date**” means December 31, 2018 or such earlier vesting as may be provided in this Award Agreement.

“**Without Cause**” means a termination of your Service by you for “Good Reason”, if you have an Employment Agreement that defines the term “Good Reason”, or by your employer (the “Employer”) other than any such termination by your Employer for Cause or due to your death or Disability; *provided* that if you are a party to an Employment Agreement at the time of termination of your Service and such Employment Agreement contains a different definition of “without cause” (or any derivation thereof), the definition in such Employment Agreement will control for purposes of this Award Agreement. Notwithstanding the foregoing, if you are a party to an Employment Agreement at the time of termination of your Service and such Employment Agreement provides that a termination of your Service by you for “Good Reason” constitutes termination of your Service “Without Cause”, such termination for Good Reason shall not constitute termination Without Cause for purposes of the acceleration of your Options following a Change in Control.

Forfeiture of Unvested Option Shares upon the Transfer of Related Shares.

If you Transfer (other than pursuant to the laws of descent) any of the Related Shares before the Option Vesting Date, you will immediately forfeit (a) the number of unvested Base Option Shares equal to the product of (i) the total number of unvested Base Option Shares and (ii) a fraction, (A) the numerator of which is the aggregate number of Related Shares Transferred and (B) the denominator of which is the aggregate number of Related Shares originally purchased, and (b) all of the unvested Additional Option Shares, if any.

Taxes.

Regardless of any action the Company or your Employer takes with respect to any or all income tax, social security or insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of this Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of this Option to reduce or eliminate your liability for Tax-Related Items.

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Prior to exercise of this Option, you will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by you from your wages or other cash compensation paid to you by the Company and/or the Employer or from proceeds of the sale of Shares. Alternatively, or in addition, if permissible under local law, the Company may in its sole and absolute discretion (1) sell or arrange for the sale of Shares that you acquire to meet the withholding obligation for Tax-Related Items, and/or (2) withhold the amount of Shares necessary to satisfy the minimum withholding amount. Finally, you will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your purchase of Shares that cannot be satisfied by the means previously described. The Company may refuse to honor the exercise and refuse to deliver the Shares if you fail to comply with your obligations in connection with the Tax-Related Items as described in this section.

No Guarantee of Continued Service.

You acknowledge and agree that the vesting of this Option on the Vesting Date is earned only by performing continuing Service (not through the act of being hired or being granted this Award). You further acknowledge and agree that this Award Agreement, the transactions contemplated hereunder and the Vesting Date shall not be construed as giving you the right to be retained in the employ of, or to continue to provide Service to, the Company or any Affiliate. Further, the Company or the applicable Affiliate may at any time dismiss you, free from any liability, or any claim under the Plan, unless otherwise expressly provided in any other agreement binding you, the Company or the applicable Affiliate. The receipt of this Award is not intended to confer any rights on you except as set forth in this Award Agreement.

Termination for Cause; Restrictive Covenants.

In consideration for the grant of this Option and for other good and valuable consideration, the sufficiency of which is acknowledged by you, you agree as follows:

Upon (i) a termination of your Service for Cause, (ii) a retroactive termination of your Service for Cause as permitted herein or under your Employment Agreement, or (iii) a violation of any post-termination restrictive covenant (including, without limitation, non-disclosure, non-competition and/or non-solicitation) contained in your Employment Agreement, any separation or termination or similar agreement you may enter into with the Company or one of its Affiliates in connection with termination of your Service, any Options you hold that are then outstanding shall be immediately forfeited and the Company may require that you repay (with interest or appreciation (if any), as applicable, determined up to the date payment is made), and you shall promptly repay, to the Company, the Fair Market Value (in cash or in Shares) of any Shares received upon the exercise of Options during the period beginning on the date that is one year before the date of your termination and ending on the first anniversary of the date of your termination, minus the applicable exercise price. The Fair Market Value of any such Shares shall be determined as of the date of exercise of such Option.

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<u>Company's Right of Offset</u>.

If you become entitled to a distribution of benefits under this Award, and if at such time you have any outstanding debt, obligation, or other liability representing an amount owing to the Company or any of its Affiliates, then the Company or its Affiliates, upon a determination by the Committee, and to the extent permitted by applicable law and it would not cause a violation of Section 409A of the Code, may offset such amount so owing against the amount of benefits otherwise distributable. Such determination shall be made by the Committee.

<u>Acknowledgment of Nature of Award</u>.

In accepting this Option, you acknowledge that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;

(b) the Option award is voluntary, occasional and discretionary and does not create any contractual or other right to receive future Option awards, or benefits in lieu of Options even if Options have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan is voluntary;

(e) this Option is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or to the Employer;

(f) this Option is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;

(g) the future value of the underlying Option Shares is unknown and cannot be predicted with certainty;

(h) if the underlying Option Shares do not increase in value, this Option will have no value;

(i) if you receive Shares, the value of such Shares acquired upon exercise may increase or decrease in value; and

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(j) no claim or entitlement to compensation or damages arises from termination of this Option, and no claim or entitlement to compensation or damages shall arise from any diminution in value of this Option or Shares received upon exercise of this Option resulting from termination of your Service by the Employer and you irrevocably release the Company and the Employer from any such claim that may arise.

Securities Laws.

By accepting this Option, you acknowledge that federal securities laws and/or the Company's policies regarding trading in its securities may limit or restrict your right to buy or sell Shares, including, without limitation, sales of Shares acquired in connection with this Option. You agree to comply with such federal securities law requirements and Company policies, as such laws and policies are amended from time to time.

Data Privacy Notice and Consent.

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement by and among, as applicable, the Employer, the Company, its Subsidiaries and its Affiliates or such other third party administrator as designated by the Committee in its sole and absolute discretion for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, the Employer and/or such other third party administrator as designated by the Committee in its sole and absolute discretion may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance or social security number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of this Option or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan. You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon exercise of this Option may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand that refusal or withdrawal of consent may affect your

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ability to participate in the Plan. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or Service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Options or other Awards or administer or maintain such Awards. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Limits on Transferability; Beneficiaries.

This Option shall not be pledged, hypothecated or otherwise encumbered or subject to any lien, obligation or liability to any party, or Transferred, otherwise than by your will or the laws of descent and distribution or to a Beneficiary upon your death, and this Option shall be exercised during your lifetime only by you or your guardian or legal representative, except that this Option may be Transferred to one or more Beneficiaries or other Transferees during your lifetime with the consent of the Committee, and may be exercised by such Transferees in accordance with the terms of this Award Agreement. A Beneficiary, Transferee, or other person claiming any rights under this Award Agreement shall be subject to all terms and conditions of the Plan and this Award Agreement, except as otherwise determined by the Committee, and to any additional terms and conditions deemed necessary or appropriate by the Committee.

No Transfer to any executor or administrator of your estate or to any Beneficiary by will or the laws of descent and distribution of any rights in respect of this Option shall be effective to bind the Company unless the Committee shall have been furnished with (i) written notice thereof and with a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the Transfer and (ii) the written agreement of the Transferee to comply with all the terms and conditions applicable to this Option and any Shares purchased upon exercise of this Option that are or would have been applicable to you.

No Compensation Deferrals.

It is intended that the Option awarded pursuant to this Award Agreement be exempt from Section 409A of the Code ("Section 409A") because it is believed that (i) the Exercise Price per Share may never be less than the Fair Market Value of a Share on the Grant Date and the number of Shares subject to the Option is fixed on the original Grant Date, (ii) the Transfer or exercise of the Option is subject to taxation under Section 83 of the Code and Treasury Regulation 1.83-7, and (iii) the Option does not include any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Option. The provisions of this Award Agreement shall be interpreted in a manner consistent with this intention. In the event that the Company believes, at any time, that any benefit or right under this Award Agreement is subject to Section 409A, then the Committee may (acting alone and without any required consent by you) amend this Award Agreement in such manner as the Committee deems necessary or appropriate to be exempt from or otherwise comply with the requirements of Section 409A (including without limitation, amending the Award Agreement to increase the Exercise Price per Share to such amount as may be required in order for the Option to be exempt from Section 409A).

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Notwithstanding the foregoing, the Company does not make any representation to you that the Option awarded pursuant to this Agreement is exempt from, or satisfies, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless you or any Beneficiary for any tax, additional tax, interest or penalties that you or any Beneficiary may incur in the event that any provision of this Agreement, or any amendment or modification thereof or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A.

Entire Agreement; Governing Law; Jurisdiction; Waiver of Jury Trial.

The Plan, this Award Agreement and, to the extent applicable, your Employment Agreement or any separation agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings, representations and agreements (whether oral or written) of the Company and you with respect to the subject matter hereof. This Award Agreement may not be modified in a manner that adversely affects your rights heretofore granted under the Plan, except with your consent or to comply with applicable law or to the extent permitted under other provisions of the Plan. This Award Agreement is governed by the laws of the State of Delaware, without regard to its principles of conflict of laws.

ANY ACTION OR PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT MAY BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE STATE OF FLORIDA OR (TO THE EXTENT SUBJECT MATTER JURISDICTION EXISTS THEREFORE) THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF FLORIDA, AND YOU IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING. ANY ACTIONS OR PROCEEDINGS TO ENFORCE A JUDGMENT ISSUED BY ONE OF THE FOREGOING COURTS MAY BE ENFORCED IN ANY JURISDICTION.

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, YOU HEREBY WAIVE, AND COVENANT THAT YOU WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE.

By signing this Award Agreement, you acknowledge receipt of a copy of the Plan and represent that you are familiar with the terms and conditions of the Plan, and hereby accept this Award subject to all provisions in this Award Agreement and in the Plan. You hereby agree to accept as final, conclusive and binding all decisions or interpretations of the Committee upon any questions arising under the Plan or this Award Agreement.

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Electronic Delivery and Acceptance.

The Company may, in its sole discretion, decide to deliver any documents related to this Option or future options that may be awarded under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Agreement Severable.

In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

Language.

If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Appendix A.

Notwithstanding any provision in this Award Agreement, if you work and/or reside outside the U.S., this Option grant shall be subject to the general non-U.S. terms and conditions and the special terms and conditions for your country set forth in Appendix A. Moreover, if you relocate from the U.S. to one of the countries included in Appendix A or you move between countries included in Appendix A, the general non-U.S. terms and conditions and the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix A constitutes part of this Award Agreement.

Waiver.

You acknowledge that a waiver by the Company of breach of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by you or any other participant.

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APPENDIX A

ADDITIONAL TERMS AND CONDITIONS OF THE
BURGER KING WORLDWIDE, INC.
AMENDED AND RESTATED 2012 OMNIBUS INCENTIVE PLAN

MATCHING OPTION AWARD AGREEMENT FOR NON-U.S. PARTICIPANTS

Certain capitalized terms used but not defined in this Appendix A have the meanings set forth in the Burger King Worldwide, Inc. Amended and Restated 2012 Omnibus Incentive Plan (the "Plan") and/or the Matching Option Award Agreement (the "Award Agreement").

TERMS AND CONDITIONS

This Appendix A includes additional terms and conditions that govern this Option granted to you under the Plan if you reside and/or work outside the U.S. and/or in one of the countries listed below. If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer employment after this Option is granted or are considered a resident of another country for local law purposes, the Committee shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.

NOTIFICATIONS

This Appendix A also includes information regarding securities, exchange controls, tax and certain other issues of which you should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of February 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix A as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time you vest in or exercise this Option or sell Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer employment after this Option is granted or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you.

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GENERAL NON-U.S. TERMS AND CONDITIONS

TERMS AND CONDITIONS

The following terms and conditions apply to you if you reside and/or work outside of the U.S.

Entire Agreement.

The following provisions supplement the entire Award Agreement, generally:

If you reside and/or work outside the U.S., in no event will any aspect of this Option be determined in accordance with your Employment Agreement (or other Service contract). The terms and conditions of this Option will be solely determined in accordance with the provisions of the Plan and the Award Agreement, including this Appendix A, which supersede and replace any prior agreement, either written or verbal (including your Employment Agreement, if applicable) in relation to this Option.

Termination.

The following provision supplements the *Termination* section of the Award Agreement:

Notwithstanding the provisions governing the treatment of this Option upon termination due to Retirement set forth in the Termination section of the Award Agreement, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in a particular jurisdiction that would likely result in the treatment in case of a termination due to Retirement as set forth in the Award Agreement being deemed unlawful and/or discriminatory, then the Company will not apply the provisions for termination due to Retirement at the time you cease to provide Services and this Option will be treated as it would under the rules that apply if your Service ends for resignation.

Termination for Cause.

The *Termination for Cause* section of the Award Agreement shall only be enforced, to the extent deemed permissible under applicable local law, as determined in the sole discretion of the Committee.

Taxes.

The following provisions supplement the *Taxes* section of the Award Agreement:

You acknowledge that your liability for Tax-Related Items may exceed the amount withheld by the Company and/or the Employer.

If you have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

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To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

Limits on Transferability; Beneficiaries.

The following provision supplements the *Limits on Transferability; Beneficiaries* section of the Award Agreement:

If you are located outside the U.S., this Option may not be Transferred to a designated Beneficiary and may only be Transferred upon your death to your legal heirs in accordance with applicable laws of descent and distribution. In no case may this Option be Transferred to another individual during your lifetime.

Acknowledgement of Nature of Award.

The following provisions supplement the *Acknowledgment of Nature of Award* section of the Award Agreement:

You acknowledge the following with respect to this Option:

(a) The Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation.

(b) In no event should this Option or any Shares acquired under the Plan be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Affiliate.

(c) Neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of this Option or of any amounts due to your pursuant to exercise of this Option or the subsequent sale of any Shares acquired upon exercise.

No Advice Regarding Award.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Governing Law.

The following provisions supplement the *Governing Law* section of the Award Agreement:

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For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or the Award Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Florida and agree that such litigation shall be conducted only in the court of Miami-Dade County, Florida, or the federal courts for the United States for the Southern District of Florida, and no other courts, where this grant is made and/or to be performed.

Insider Trading Restrictions/Market Abuse Laws.

You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you are advised to speak to your personal advisor on this matter.

Imposition of Other Requirements.

The Company reserves the right to impose other requirements on your participation in the Plan, on this Option and on any Shares purchased upon exercise of this Option, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

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COUNTRY-SPECIFIC TERMS AND CONDITIONS/NOTIFICATIONS

BRAZIL

TERMS AND CONDITIONS

Compliance with Law.

By accepting this Option you acknowledge that you agree to comply with applicable Brazilian laws and pay any Tax-Related Items associated with participation in the Plan, including the exercise of this Option, the receipt of any dividends, and the sale of Shares acquired under the Plan.

NOTIFICATIONS

Exchange Control Information.

If you are resident or domiciled in Brazil, you will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US$100,000. Assets and rights that must be reported include Shares. Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

GERMANY

NOTIFICATIONS

Exchange Control Information.

Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. In the event that you remit or receive a payment in excess of this amount, you must report the payment to the German Federal Bank electronically using the "General Statistics Reporting Portal" (" *Allgemeines Meldeportal Statistik*") available via the bank's website at www.bundesbank.de.

SINGAPORE

NOTIFICATIONS

Securities Law Information.

The grant of this Option is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("***SFA***"). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that this Option is subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of Shares in Singapore or (ii) any offer of such subsequent sale of Shares subject to the awards in Singapore, unless such sale or offer in is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

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<u>Director Notification Requirement</u>.

If you are a director, associate director or shadow director of the Company's Singapore Affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Affiliate in writing when you receive an interest (*e.g.*, Options, Shares) in the Company or Affiliate. In addition, you must notify the Singapore Affiliate when you sell Shares (including when you sell Shares issued upon vesting and exercise of this Option). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any Affiliate. In addition, a notification of your interests in the Company or Affiliate must be made within two business days of becoming a director.

SPAIN

TERMS AND CONDITIONS

<u>Nature of Grant</u>.

This provision supplements the *Acknowledgement of Nature of Award* section of the Award Agreement including this Appendix A:

In accepting this Option, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan.

You understand and agree that, as a condition of the grant of this Option, except as provided for in the Award Agreement, the termination of your Service for any reason (including for the reasons listed below) will automatically result in the loss of this Option that has not vested on the date of termination.

In particular, you understand and agree that, unless otherwise provided for in the Award Agreement, any unvested Option as of your termination date and any vested Option not exercised within the period set forth in the Award Agreement following your termination date will be forfeited without entitlement to the underlying Shares or to any amount as indemnification in the event of a termination by reason of, including, but not limited to: disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, you understand that the Company has unilaterally, gratuitously and discretionally decided to grant this Option under the Plan to individuals who may be employees of the Company or any Affiliate. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not

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economically or otherwise bind the Company or its Affiliates on an ongoing basis other than to the extent set forth in the Award Agreement. Consequently, you understand that this Option is granted on the assumption and condition that this Option and the Shares issued upon exercise shall not become a part of any employment or Service contract (either with the Company, the Employer or any other Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that the grant of this Option would not be made to you but for the assumptions and conditions referred to above; thus, you acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant to you of this Option shall be null and void.

NOTIFICATIONS

Securities Law Information.

The Option and the Shares described in the Award Agreement and this Appendix A do not qualify under Spanish regulations as securities. No "offer of securities to the public", as defined under Spanish law, has taken place or will take place in the Spanish territory. The Award Agreement (including this Appendix A) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information.

The acquisition of Shares and the sale of Shares must be declared for statistical purposes to the *Dirección General de Comercio e Inversiones* (the "DGCI") of the Ministry of Industry, Tourism and Commerce. Because you will not purchase or sell the Shares through the use of a Spanish financial institution, you must make the declaration by filing a D-6 form with the DGCI. Generally, the D-6 form must be filed each January while the Shares are owned or to report the sale of Shares.

When receiving foreign currency payments derived from the ownership of Shares (*i.e.,* dividends or sale proceeds) exceeding €50,000, you must inform the financial institution receiving the payment of the basis upon which such payment is made. You will need to provide the institution with the following information: (i) your name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any further information that may be required.

Foreign Asset/Account Reporting Information.

To the extent that you hold rights or assets (*e.g.*, Shares, cash, etc.) in a bank or brokerage account outside of Spain with a value in excess of €50,000 per type of right or asset as of December 31 each year, you are required to report information on such rights and assets on your tax return for such year. Shares acquired under the Plan constitute securities for purposes of this requirement, but this Option (whether vested or unvested) is not considered an asset or right for purposes of this requirement.

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If applicable, you must report the rights or assets on Form 720 by no later than March 31 following the end of the relevant year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. Failure to comply with this reporting requirement may result in penalties to you. Accordingly, you are advised to consult your personal tax and legal advisors to ensure that you are properly complying with your reporting obligations.

In addition, you are required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceeds €1,000,000.

SWITZERLAND

NOTIFICATIONS

Securities Law Information.

The offer of this Option is considered a private offering in Switzerland and is therefore not subject to registration in Switzerland.

UNITED KINGDOM

TERMS & CONDITIONS

Tax Acknowledgment.

The following provisions supplement the *Taxes* section of the Award Agreement:

You shall pay to the Company or the Employer the amount of income tax that the Company or the Employer may be required to account to HM Revenue & Customs ("HMRC") with respect to the event giving rise to the income tax (the "Taxable Event") that cannot be satisfied by the means described in the Award Agreement. If payment or withholding of the income tax is not made within ninety (90) days of the Taxable Event or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), then the amount that should have been withheld shall constitute a loan owed by you to the Employer, effective on the Due Date. You agree that the loan will bear interest at the HMRC official rate and will be immediately due and repayable by you, and the Company and/or the Employer may recover it at any time thereafter by any of the means set forth in Award Agreement.

Notwithstanding the foregoing, if you are an executive officer or director (as within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that you are an executive officer or director, as defined above, and income tax due is not collected from or paid by you by the Due Date, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and National Insurance contributions may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any employee National Insurance contributions due on this additional benefit.

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Exhibit 10.37

BURGER KING WORLDWIDE HOLDINGS, INC.
2011 OMNIBUS INCENTIVE PLAN

AMENDED AND RESTATED OPTION AWARD AGREEMENT

This Amended and Restated Option Award Agreement (the " **Award Agreement**") amends, restates, supersedes and replaces the Option Award Agreement between the Participant and Burger King Worldwide Holdings, Inc., the predecessor-in-interest of Burger King Worldwide, Inc. (the " **Company**"), with respect to a Non-Qualified Stock Option (the " **Option**") granted to the Participant on February 21, 2012. Unless defined in this Award Agreement, capitalized terms will have the same meanings ascribed to them in the Burger King Worldwide Holdings, Inc. 2011 Omnibus Incentive Plan (the " **Plan**").

Pursuant to Section 6 of the Plan, you have been granted the Option on the following terms and subject to the provisions of the Plan, which is incorporated herein by reference. This Option is granted in connection with your purchase of Shares in the Company's 2011 Bonus Swap Program (the "**Related Shares**"). In the event of a conflict between the provisions of the Plan and this Award Agreement, the provisions of the Plan will govern.

Total Number of Shares Underlying Options:	**105,121** Shares
Exercise Price per Share:	$3.54 per Share
Grant Date:	February 21, 2012
Expiration Date:	February 20, 2022
Vesting Date:	December 31, 2016, subject to your continued Service through the Vesting Date and further subject to the Section entitled "Termination" in Exhibit A.

By execution of this Award Agreement, you and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and the terms and conditions set forth in the attached as Exhibit A.

PARTICIPANT	BURGER KING WORLDWIDE, INC.
/s/ Flavia Faugeres	By: /s/ Jill Granat
Name: Flavia Faugeres	Name: Jill Granat
	Title: SVP, General Counsel

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EXHIBIT A

TERMS AND CONDITIONS OF THE
OPTION AWARD AGREEMENT

Vesting.

This Option will vest and become exercisable on the "Vesting Date" set forth in this Award Agreement. Any portion of this Option that becomes exercisable in accordance with the foregoing will remain exercisable until the Expiration Date, unless earlier terminated pursuant to the Plan or this Award Agreement (including, without limitation, the section below entitled "Termination"). Subject to the section below entitled "Termination," this Option may be exercised only while you are employed by the Company or any of its Affiliates. Prior to the exercise of this Option, you will not have any rights of a shareholder with respect to this Option or the Shares subject thereto.

Method of Exercise.

This Option will be exercisable pursuant to procedures approved by the Committee and communicated to you. No Shares will be delivered pursuant to the exercise of this Option unless (i) you have complied with your obligations under this Award Agreement, (ii) the exercise of this Option and the delivery of such Shares complies with applicable law, and (iii) full payment (or satisfactory provision therefor) of the aggregate exercise price of the Option and any Tax-Related Items (as defined below) have been received by the Company. Until such time as the Shares are delivered to you (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), you will have no right to vote or receive dividends or any other rights as a shareholder with respect to such Shares, notwithstanding the exercise of this Option.

Adjustment for Certain Events.

If and to the extent that it would not cause a violation of Section 409A of the Code or other applicable law, if any Corporate Event described in Section 5(d)(ii) of the Plan shall occur, the Committee shall make an adjustment as described in such Section 5(d)(ii) in such manner as the Committee may, in its sole discretion, deem appropriate and equitable to prevent substantial dilution or enlargement of the rights provided under this Option.

Termination.

Upon termination of your Service (other than as set forth below) prior to the Vesting Date, you will forfeit this Option without any consideration due to you.

If your Service terminates Without Cause or due to your voluntary resignation on or after January 1, 2014 but prior to the Vesting Date, this Option will continue in full force and effect as if no such termination of your Service had occurred, pursuant to the provisions of this Termination Section of the Award Agreement.

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If your Service terminates prior to the Vesting Date by reason of your death, Retirement or Disability (as defined below), you (or, if applicable, such other person who is entitled to exercise this Option) shall be vested in the number of Shares as if the Shares subject to the Option vested 20% on each of December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015 and December 31, 2016, respectively, and you (or, if applicable, such other person who is entitled to exercise this Option) may exercise the Option to the extent vested on the date of termination of your Service as provided for below.

Notwithstanding anything in this Agreement to the contrary, if the Company or any of its Affiliates, in its sole discretion, enters into a Consulting Agreement with you following a termination of your Service Without Cause or due to your voluntary resignation on or after January 1, 2014 but prior to the Vesting Date, and your services under the Consulting Agreement are terminated for Cause prior to the Vesting Date, then upon any such termination, you will forfeit this Option without any consideration due to you. For the avoidance of doubt, if not otherwise forfeited in connection with the termination of your Service, this Option will continue in full force and effect upon the expiration or earlier termination of the Consulting Agreement prior to the Vesting Date Without Cause or due to your death or Disability.

Subject to any terms and conditions that the Committee may impose in accordance with Section 13 of the Plan, in the event that a Change in Control occurs and, within twelve (12) months following the date of such Change in Control, your Service is terminated by the Company Without Cause (as defined herein), this Option shall vest in full upon such termination. In the event that there is a conflict between the terms of this Award Agreement regarding the effect of a Change in Control on this Option and the terms of any Employment Agreement, the terms of this Option Award Agreement will govern.

To the extent this Option is or becomes exercisable on the date of termination of your Service, then, if you (or, if applicable, such other person who is entitled to exercise this Option) do not exercise this Option on or prior to the expiration of the Option Exercise Period (as set forth below), this Option will terminate. In no event may you exercise this Option after the Expiration Date.

Type of Termination	Option Exercise Period
Retirement	One year period beginning on the date of termination
Disability	One year period beginning on the date of termination
Death	One year period beginning on the date of termination
For Cause	None, the Option expires immediately

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The date of termination of your Service will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law). The Committee shall have the exclusive discretion to determine the date of termination of your Service for purposes of this Option.

In the event that there is a conflict between the terms of this Award Agreement regarding the effect of a termination of your Service on this Option and the terms of any Employment Agreement, the terms of your Employment Agreement will govern.

For purposes of this Award Agreement, the following terms shall have the following meanings:

"**Cause**" means (i) a material breach by you of any of your obligations under any written Consulting Agreement or employment agreement with the Company or any of its Affiliates, (ii) a material violation by you of any of the policies, procedures, rules and regulations of the Company or any of its Affiliates applicable to employees or other service providers generally or to employees or other service providers at your grade level; (iii) the failure by you to reasonably and substantially perform your duties to the Company or its Affiliates (other than as a result of physical or mental illness or injury); (iv) your willful misconduct or gross negligence that has caused or is reasonably expected to result in material injury to the business, reputation or prospects of the Company or any of its Affiliates; (v) your fraud or misappropriation of funds; or (vi) the commission by you of a felony or other serious crime involving moral turpitude; *provided* that if you are a party to a Consulting Agreement or an Employment Agreement at the time of termination of your Service or termination of your services under the Consulting Agreement, as applicable, and such Consulting Agreement or Employment Agreement, as applicable, contains a different definition of "cause" (or any derivation thereof), the definition in such Employment Agreement will control for purposes of this Award Agreement.

If you are terminated Without Cause or if your employment is terminated as a result of your voluntary resignation and, within the twelve (12) month period subsequent to such termination of your Service, the Company determines that your Service could have been terminated for Cause, subject to anything to the contrary that may be contained in your Employment Agreement at the time of termination of your Service, your Service will, at the election of the Company, be deemed to have been terminated for Cause, effective as of the date the events giving rise to Cause occurred. Similarly, if your services under the Consulting Agreement are terminated Without Cause and, within the twelve (12) month period subsequent to such termination, the Company or its Affiliate which is a party to the Consulting Agreement determines that your services under the Consulting Agreement could have been terminated for Cause, subject to anything to the contrary that may be contained in the Consulting Agreement, at the time of termination of your services under the Consulting Agreement, the Consulting Agreement will, at the election of the Company or its Affiliate which is a party to the Consulting Agreement, be deemed to have been terminated for Cause, effective as of the date of the events giving rise to Cause occurred.

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"Consulting Agreement" means a written consulting, service or similar agreement entered into by and between the Company or any of its Affiliates and you or any Person owned or controlled by you, for your continued provision of services to the Company or any of its Affiliates, as applicable, following any termination of your Service between January 1, 2014 and the Vesting Date, such consulting or similar agreement to be entered into on or before the date of termination of your Service.

"**Disability**" means (i) a physical or mental condition entitling you to benefits under the long-term disability policy of the Company covering you or (ii) in the absence of any such policy, a physical or mental condition rendering you unable to perform your duties for the Company or any of its Affiliates for a period of six (6) consecutive months or longer; *provided* that if you are a party to an Employment Agreement at the time of termination of your Service and such Employment Agreement contains a different definition of "disability" (or any derivation thereof), the definition in such Employment Agreement will control for purposes of this Award Agreement.

"**Option Shares**" means the Shares underlying this Option.

"**Option Vesting Date**" means December 31, 2016 or such earlier vesting as may be provided in this Award Agreement.

"**Retirement**" means a termination of Service by you on or after the later of (i) your 55 th birthday and (ii) your completion of five years of Service with the Company or its Affiliates.

"**Without Cause**" means (i) a termination of your Service by you for "Good Reason", if you have an Employment Agreement that defines the term "Good Reason", or by your employer (the "Employer") other than any such termination by your Employer for Cause or due to your death or Disability; *provided* that if you are a party to an Employment Agreement at the time of termination of your Service and such Employment Agreement contains a different definition of "without cause" (or any derivation thereof), the definition in such Employment Agreement will control for purposes of this Award Agreement; and (ii) a termination of your services under the Consulting Agreement by the Company or its Affiliate other than any such termination for Cause or due to your death or Disability. Notwithstanding the foregoing, if you are a party to an Employment Agreement at the time of termination of your Service and such Employment Agreement provides that a termination of your Service by you for "Good Reason" constitutes termination of your Service "Without Cause", such termination for Good Reason shall not constitute termination Without Cause for purposes of the acceleration of your Options following a Change in Control.

Forfeiture of Unvested Option Shares upon the Transfer of Related Shares.

If you Transfer (other than pursuant to the laws of descent) any of the Related Shares before the Option Vesting Date, you will immediately forfeit the number of Option Shares equal to the product of (i) the total number of Option Shares and (ii) a fraction, (A) the numerator of which is the aggregate number of Related Shares Transferred and (B) the denominator of which is the aggregate number of Related Shares originally purchased.

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Taxes.

Regardless of any action the Company or your Employer takes with respect to any or all income tax, social security or insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of this Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of this Option to reduce or eliminate your liability for Tax-Related Items.

Prior to exercise of this Option, you will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by you from your wages or other cash compensation paid to you by the Company and/or the Employer or from proceeds of the sale of Shares. Alternatively, or in addition, if permissible under local law, the Company may in its sole and absolute discretion (1) sell or arrange for the sale of Shares that you acquire to meet the obligation for Tax-Related Items, and/or (2) withhold the amount of Shares necessary to satisfy the minimum withholding amount. Finally, you will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your purchase of Shares that cannot be satisfied by the means previously described. The Company may refuse to honor the exercise and refuse to deliver the Shares if you fail to comply with your obligations in connection with the Tax-Related Items as described in this section.

No Guarantee of Continued Service.

You acknowledge and agree that the vesting of this Option on the Vesting Date is earned only by performing continuing Service (not through the act of being hired or being granted this Award). You further acknowledge and agree that this Award Agreement, the transactions contemplated hereunder and the Vesting Date shall not be construed as giving you the right to be retained in the employ of, or to continue to provide Service to, the Company or any Affiliate. Further, the Company or the applicable Affiliate may at any time dismiss you, free from any liability, or any claim under the Plan, unless otherwise expressly provided in any other agreement binding you, the Company or the applicable Affiliate. The receipt of this Award is not intended to confer any rights on you except as set forth in this Award Agreement.

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Termination for Cause; Restrictive Covenants.

In consideration for the grant of this Option and for other good and valuable consideration, the sufficiency of which is acknowledged by you, you agree as follows:

Upon (i) a termination of your Service or a termination of your services under the Consulting Agreement, as applicable, for Cause, (ii) a retroactive termination of your Service or your services under the Consulting Agreement if applicable, for Cause as permitted herein or under your Employment Agreement or the Consulting Agreement, as applicable, or (iii) a violation of any post-termination restrictive covenant (including, without limitation, non-disclosure, non-competition and/or non-solicitation) contained in your Consulting Agreement or Employment Agreement, any separation or termination or similar agreement you may enter into with the Company or one of its Affiliates in connection with termination of your Service or your services under the Consulting Agreement, as applicable, any Options you hold that are then outstanding shall be immediately forfeited and the Company may require that you repay (with interest or appreciation (if any), as applicable, determined up to the date payment is made), and you shall promptly repay, to the Company, the Fair Market Value (in cash or in Shares) of any Shares received upon the exercise of Options during the period beginning on the date that is one year before the date of your termination and ending on the first anniversary of the date of your termination, minus the applicable exercise price. The Fair Market Value of any such Shares shall be determined as of the date of exercise of such Option.

Company's Right of Offset.

If you become entitled to a distribution of benefits under this Award, and if at such time you have any outstanding debt, obligation, or other liability representing an amount owing to the Company or any of its Affiliates, then the Company or its Affiliates, upon a determination by the Committee, and to the extent permitted by applicable law and it would not cause a violation of Section 409A of the Code, may offset such amount so owing against the amount of benefits otherwise distributable. Such determination shall be made by the Committee.

Acknowledgment of Nature of Award.

In accepting this Option, you understand, acknowledge and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;

(b) the Option award is voluntary, occasional and discretionary and does not create any contractual or other right to receive future Option awards, or benefits in lieu of Options even if Options have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

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(d) your participation in the Plan is voluntary;

(e) this Option is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or to the Employer;

(f) this Option is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;

(g) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(h) if the underlying Shares do not increase in value, this Option will have no value;

(i) if you receive Shares, the value of such Shares acquired upon exercise may increase or decrease in value; and

(j) no claim or entitlement to compensation or damages arises from termination of this Option, and no claim or entitlement to compensation or damages shall arise from any diminution in value of this Option or Shares received upon exercise of this Option resulting from termination of your Service by the Employer and you irrevocably release the Company, the Employer and all other Affiliates from any such claim that may arise.

Securities Laws.

By accepting this Option, you acknowledge that federal securities laws and/or the Company's policies regarding trading in its securities may limit or restrict your right to buy or sell Shares, including, without limitation, sales of Shares acquired in connection with this Option. You agree to comply with such federal securities law requirements and Company policies, as such laws and policies are amended from time to time.

Data Privacy Notice and Consent.

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement by and among, as applicable, the Employer, the Company, its Subsidiaries and its Affiliates or any third party administrator as designated by the Committee in its sole and absolute discretion for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, the Employer and/or any other third party administrator as designated by the Committee in its sole and absolute discretion may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance or social security number or other identification number, salary, nationality, job title, any shares of stock or

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directorships held in the Company, details of this Option or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan. You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon exercise of this Option may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand that refusal or withdrawal of consent may affect your ability to participate in the Plan. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or Service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Options or other Awards or administer or maintain such Awards. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Limits on Transferability; Beneficiaries.

This Option shall not be pledged, hypothecated or otherwise encumbered or subject to any lien, obligation or liability to any party, or Transferred, otherwise than by your will or the laws of descent and distribution or to a Beneficiary upon your death, and this Option shall be exercised during your lifetime only by you or your guardian or legal representative, except that this Option may be Transferred to one or more Beneficiaries or other Transferees during your lifetime with the consent of the Committee, and may be exercised by such Transferees in accordance with the terms of this Award Agreement. A Beneficiary, Transferee, or other person claiming any rights under this Award Agreement shall be subject to all terms and conditions of the Plan and this Award Agreement, except as otherwise determined by the Committee, and to any additional terms and conditions deemed necessary or appropriate by the Committee.

No Transfer to any executor or administrator of your estate or to any Beneficiary by will or the laws of descent and distribution of any rights in respect of this Option shall be effective to bind the Company unless the Committee shall have been furnished with (i) written notice thereof and with a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the Transfer

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and (ii) the written agreement of the Transferee to comply with all the terms and conditions applicable to this Option and any Shares purchased upon exercise of this Option that are or would have been applicable to you.

No Compensation Deferrals.

It is intended that the Option awarded pursuant to this Award Agreement be exempt from Section 409A of the Code ("Section 409A") because it is believed that (i) the Exercise Price per Share may never be less than the Fair Market Value of a Share on the Grant Date and the number of Shares subject to the Option is fixed on the original Grant Date, (ii) the Transfer or exercise of the Option is subject to taxation under Section 83 of the Code and Treasury Regulation 1.83-7, and (iii) the Option does not include any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Option. The provisions of this Award Agreement shall be interpreted in a manner consistent with this intention. In the event that the Company believes, at any time, that any benefit or right under this Award Agreement is subject to Section 409A, then the Committee may (acting alone and without any required consent by you) amend this Award Agreement in such manner as the Committee deems necessary or appropriate to be exempt from or otherwise comply with the requirements of Section 409A (including without limitation, amending the Award Agreement to increase the Exercise Price per Share to such amount as may be required in order for the Option to be exempt from Section 409A).

Notwithstanding the foregoing, the Company does not make any representation to you that the Option awarded pursuant to this Agreement is exempt from, or satisfies, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless you or any Beneficiary for any tax, additional tax, interest or penalties that you or any Beneficiary may incur in the event that any provision of this Agreement, or any amendment or modification thereof or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A.

Entire Agreement; Governing Law; Jurisdiction; Waiver of Jury Trial.

The Plan, this Award Agreement and, to the extent applicable, your Employment Agreement or any separation agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings, representations and agreements (whether oral or written) of the Company and you with respect to the subject matter hereof. This Award Agreement may not be modified in a manner that adversely affects your rights heretofore granted under the Plan, except with your consent or to comply with applicable law or to the extent permitted under other provisions of the Plan. This Award Agreement is governed by the laws of the State of Delaware, without regard to its principles of conflict of laws.

ANY ACTION OR PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT MAY BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE STATE OF FLORIDA OR (TO THE EXTENT SUBJECT MATTER

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JURISDICTION EXISTS THEREFORE) THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF FLORIDA, AND YOU IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING. ANY ACTIONS OR PROCEEDINGS TO ENFORCE A JUDGMENT ISSUED BY ONE OF THE FOREGOING COURTS MAY BE ENFORCED IN ANY JURISDICTION.

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, YOU HEREBY WAIVE, AND COVENANT THAT YOU WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE.

By signing this Award Agreement, you acknowledge receipt of a copy of the Plan and represent that you are familiar with the terms and conditions of the Plan, and hereby accept this Award subject to all provisions in this Award Agreement and in the Plan. You hereby agree to accept as final, conclusive and binding all decisions or interpretations of the Committee upon any questions arising under the Plan or this Award Agreement.

Electronic Delivery.

The Company may, in its sole discretion, decide to deliver any documents related to this Option or future options that may be awarded under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Agreement Severable.

In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

Language.

If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Appendix A.

Notwithstanding any provision in this Award Agreement, if you work or reside outside the U.S., this Option grant shall be subject to the general non-U.S. terms and

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conditions and the special terms and conditions for your country set forth in Appendix A. Moreover, if you relocate from the U.S. to one of the countries included in Appendix A or you move between countries included in Appendix A, the general non-U.S. terms and conditions and the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix A constitutes part of this Award Agreement.

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APPENDIX A

ADDITIONAL TERMS AND CONDITIONS OF THE
BURGER KING WORLDWIDE HOLDINGS, INC.
2011 OMNIBUS INCENTIVE PLAN

OPTION AWARD AGREEMENT FOR NON-U.S. PARTICIPANTS

TERMS AND CONDITIONS

This Appendix A includes additional terms and conditions that govern this Option granted to you under the Plan if you work or reside outside the U.S. and/or in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix A have the meanings set forth in the 2011 Omnibus Incentive Plan and/or the Award Agreement.

If you are a citizen or resident of a country other than the one in which you are currently working, transfer employment to another country after this Option is granted to you, or are considered a resident of another country for local law purposes, the terms and conditions contained herein may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.

NOTIFICATIONS

This Appendix A also includes information regarding exchange controls and certain other issues of which you should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of February 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix A as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time you vest in or exercise this Option or sell Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, transfer employment after this Option is granted or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you in the same manner.

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GENERAL NON-U.S. TERMS AND CONDITIONS

TERMS AND CONDITIONS

The following terms and conditions apply to you if you are located outside of the U.S.

Entire Agreement.

The following provisions supplement the entire Award Agreement, generally:

If you are located outside the U.S., in no event will any aspect of this Option be determined in accordance with your Employment Agreement (or other Service contract). The terms and conditions of this Option will be solely determined in accordance with the provisions of the Plan and the Award Agreement, including this Appendix A, which supersede and replace any prior agreement, either written or verbal (including your Employment Agreement, if applicable) in relation to this Option.

Termination.

The following provision supplements the *Termination* section of the Award Agreement:

Notwithstanding the provisions governing the treatment of this Option upon termination due to Retirement set forth in the Termination section of the Award Agreement, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in a particular jurisdiction that would likely result in the treatment in case of a termination due to Retirement as set forth in the Award Agreement being deemed unlawful and/or discriminatory, then the Company will not apply the provisions for termination due to Retirement at the time of you cease to provide Services and this Option will be treated as it would under the rules that apply if your Service ends for resignation.

Termination for Cause.

The *Termination for Cause* section of the Award Agreement shall only be enforced, to the extent deemed permissible under applicable local law, as determined in the sole discretion of the Committee.

Taxes.

The following provisions supplement the *Taxes* section of the Award Agreement:

You acknowledge that your liability for Tax-Related Items may exceed the amount withheld by the Company and/or the Employer.

If you have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or

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other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

Limits on Transferability; Beneficiaries.

The following provision supplements the *Limits on Transferability; Beneficiaries* section of the Award Agreement:

If you are located outside the U.S., this Option may not be Transferred to a designated Beneficiary and may only be Transferred upon your death to your legal heirs in accordance with applicable laws of descent and distribution. In no case may this Option be Transferred to another individual during your lifetime.

Acknowledgement of Nature of Award.

The following provisions supplement the *Acknowledgment of Nature of Award* section of the Award Agreement:

You acknowledge the following with respect to this Option:

(a) This Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation.

(b) In no event should this Option or any Shares acquired under the Plan be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Affiliate.

(c) Neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of this Option or of any amounts due to you pursuant to exercise of this Option or the subsequent sale of any Shares acquired upon exercise.

No Advice Regarding Award.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Governing Law.

The following provisions supplement the *Governing Law* section of the Award Agreement:

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or the Award Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Florida and agree that such litigation shall be conducted only in the court of Miami-Dade County, Florida, or the federal courts for the United States for the Southern District of Florida, and no other courts, where this grant is made and/or to be performed.

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Imposition of Other Requirements.

The Company reserves the right to impose other requirements on your participation in the Plan, on this Option and on any Shares purchased upon exercise of this Option, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Waiver.

You acknowledge that a waiver by the Company or breach of any provision of the Award Agreement shall not operate or be construed as a waiver of any other provision of the Award Agreement, or of any subsequent breach by you or any other Participant.

COUNTRY-SPECIFIC TERMS AND CONDITIONS/NOTIFICATIONS

BRAZIL

TERMS AND CONDITIONS

Compliance with Law.

By accepting this Option you acknowledge that you agree to comply with applicable Brazilian laws and pay any and all applicable taxes legally due by you associated with the exercise of this Option, the receipt of any dividends, and the sale of Shares acquired under the Plan.

NOTIFICATIONS

Exchange Control Information.

If you are resident or domiciled in Brazil, you will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US$100,000. Assets and rights that must be reported include Shares.

CANADA

TERMS AND CONDITIONS

Form of Payment.

Notwithstanding anything in the Plan or the Award Agreement to the contrary, you are prohibited from surrendering Shares that you already own or attesting to the ownership of Shares to pay the Exercise Price or any Tax-Related Items in connection with this Option.

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Termination of Service.

The following provision supplements the *Termination* section of the Award Agreement:

In the event of your termination of Service (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you provide Service or the terms of your Employment Agreement, if any), unless provided otherwise by the Company: (i) your right to vest in this Option (if any) will terminate effective, and (ii) the period (if any) during which you may exercise the vested Option will commence, as of the earlier of (1) the date the you receive notice of termination from the Employer, or (2) the date you are no longer actively providing Service, regardless of any notice period or period of pay in lieu of such notice required under applicable laws (including, but not limited to statutory law, regulatory law and/or common law).

The Committee shall have the exclusive discretion to determine when you are no longer actively providing Service for purposes of this Option.

The following terms and conditions apply if you are in Quebec:

Data Privacy Notice and Consent.

This provision supplements the *Data Privacy* section of the Award Agreement:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Subsidiary or Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company and any Subsidiary or Affiliate to record such information and to keep such information in your employee file.

French Language Provision.

The following provisions will apply if you are a resident of Quebec:

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la Convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

GERMANY

NOTIFICATIONS

Exchange Control Information.

Cross-border payments in excess of €12,500, including any cross-border payments in connection with the Plan, must be reported monthly to the German Central Bank. You are responsible for complying with the reporting obligations.

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MEXICO

TERMS AND CONDITIONS

No Entitlement or Claims for Compensation.

These provisions supplement the *Acknowledgment of Nature of Award* section of the Award Agreement including this Appendix A:

Modification. By accepting this Option, you understand and agree that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

Policy Statement. The Award of Options the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 5500 Blue Lagoon Drive, Miami, Florida 33126 U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of Shares does not, in any way, establish an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and the sole Employer is Administración de Comidas Rapidas SA de CV, located at Monte Elbruz No. 132, Piso 10, Colonia Chapultepec Morales, C.F., Mexico 11570 nor does it establish any rights between you and the Employer.

Plan Document Acknowledgment. By accepting this Option, you acknowledge that you have received copies of the Plan, have reviewed the Plan and the Award Agreement in their entirety and fully understand and accept all provisions of the Plan and the Award Agreement.

In addition, by accepting the Award Agreement, you further acknowledge that you have read and specifically and expressly approve the terms and conditions in the Award Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Subsidiary or Affiliates are not responsible for any decrease in the value of the Shares underlying this Option.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of your participation in the Plan and therefore grant a full and broad release to the Employer, the Company and any Subsidiary or Affiliate with respect to any claim that may arise under the Plan.

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TÉRMINOS Y CONDICIONES

No existirá derecho o reclamos de indemnización .

Estas disposiciones son complementarias del Contrato:

Modificación. *Al aceptar las opciones, usted entiende y acuerda que cualquier modificación al Plan o al Contrato, o su terminación no constituirá un cambio o impedimento a los términos y condiciones de su empleo.*

Declaración de Política. *La Entrega de Opciones que la compañía hace mediante el Plan, es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho de modificarlo o suspenderlo en cualquier momento, sin asumir ninguna responsabilidad.*

La Compañía, con oficinas registradas en el domicilio 5500 Blue Lagoon Drive, Miami, Florida 33126 Estados Unidos de América, es únicamente responsable de la administración del Plan. La participación en el Plan y la adquisición de Acciones no establece, en ninguna forma, una relación laboral entre usted y la Compañía, puesto que usted está participando en el Plan en un plano meramente comercial y su único patrón es Administración de Comidas Rapidas SA de CV, located at Monte Elbruz No. 132, Piso 10, Colonia Chapultepec Morales, C.F., Mexico 11570 con quién tampoco se establece ningún derecho.

Reconocimiento del Documento del Plan. *Al aceptar las Opciones, usted reconoce que ha recibido las copias de dicho Plan, ha revisado el Plan y el Contrato en su integridad y comprende y acepta plenamente todas las disposiciones del Plan y del Contrato.*

Asimismo, al aceptar el Contrato, usted reconoce que ha leído y específica y expresamente aprueba los términos y condiciones en el Contrato, en el cual se establece y describe lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan, y su participación en él es ofrecido por la Compañía sobre una base plenamente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía y cualquier Subsidiaria o Afiliada no son responsables por cualquier disminución en el valor de las Acciones implícitas en las Opciones.

Finalmente, por medio del presente usted declara que renuncia a cualquier acción o derecho a presentar cualquier reclamo en contra de la Compañía por cualquier compensación o daño como resultado de su participación en el Plan y por lo tanto otorga la liberación más amplia que en derecho proceda al Patrón, la Compañía y cualquier Subsidiaria o Afiliada con respecto a cualquier reclamo que pueda surgir en torno al Plan.

NETHERLANDS

NOTIFICATIONS

Insider Trading Notification.

You should be aware of the Dutch insider trading rules, which may impact the sale of Shares issued to you at exercise of this Option. In particular, you may be prohibited from effectuating certain transactions involving Shares if you have inside information about the Company.

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “insider information” related to an issuing company is prohibited from effectuating a transaction

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in securities in or from the Netherlands. “Inside information” is defined as knowledge of specific information concerning the issuing company to which the securities relate or the trade in securities issued by such company, which has not been made public and which, if published, would reasonably be expected to affect the share price, regardless of the development of the price. The insider could be any employee of an Affiliate in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, you may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when you have such inside information.

By accepting this Option and the underlying Shares, you acknowledge having read and understood the notification above and acknowledge that it is your responsibility to comply with the Dutch insider trading rules, as discussed herein.

If you are uncertain whether the insider trading rules apply to you, you should consult your personal legal advisor.

SINGAPORE

NOTIFICATIONS

Securities Law Information.

The grant of this Option is being made pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (***“SFA”***) and is exempt from the prospectus and registration requirements under the SFA. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that this Option is subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of Shares in Singapore or (ii) any offer of such subsequent sale of Shares subject to the awards in Singapore, unless such sale or offer in is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Requirement.

If you are a director, associate director or shadow director of the Company’s Singapore Affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Affiliate in writing when you receive an interest (*e.g.*, Options, Shares) in the Company or Affiliate. In addition, you must notify the Singapore Affiliate when you sell Shares (including when you sell Shares issued upon vesting and exercise of this Option). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any Affiliate. In addition, a notification of your interests in the Company or Affiliate must be made within two business days of becoming a director.

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Insider Trading Notification.

You should be aware of the Singapore insider trading rules, which may impact the acquisition or disposal of shares or rights to Shares under the Plan. Under the Singapore insider trading rules, you are prohibited from acquiring or selling Shares when you are in possession of information which is not generally available and which you know or should know will have a material effect on the price of Shares once such information is generally available.

SPAIN

TERMS AND CONDITIONS

Nature of Grant.

This provision supplements the *Acknowledgment of Nature of Award* section of the Award Agreement including this Appendix A:

In accepting this Option, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan.

You understand and agree that, as a condition of the grant of this Option, except as provided for in the Award Agreement, the termination of your Service for any reason (including for the reasons listed below) will automatically result in the loss of this Option that has not vested on the date of termination.

In particular, you understand and agree that any unvested Option as of your termination date and any vested Option not exercised within the period set forth in the Award Agreement following your termination date will be forfeited without entitlement to the underlying Shares or to any amount as indemnification in the event of a termination by reason of, including, but not limited to: resignation, Retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, you understand that the Company has unilaterally, gratuitously and discretionally decided to grant options under the Plan to individuals who may be employees of the Company or any Affiliate. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or its Affiliates on an ongoing basis other than to the extent set forth in the Award Agreement. Consequently, you understand that this Option is granted on the assumption and condition that this Option and the Shares issued upon exercise shall not become a part of any employment or Service contract (either with the Company, the Employer or any other Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that the grant

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of this Option would not be made to you but for the assumptions and conditions referred to above; thus, you acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant to you of this Option shall be null and void.

NOTIFICATIONS

Securities Law Information.

This Option and the Shares described in the Award Agreement and this Appendix do not qualify under Spanish regulations as securities. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory. The Award Agreement (including this Appendix) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information.

To participate in the Plan, you must comply with exchange control regulations in Spain. The acquisition of Shares and the sale of Shares must be declared for statistical purposes to the *Dirección General de Comercio e Inversiones* (the "DGCI"). Because you will not purchase or sell the Shares through the use of a Spanish financial institution, you must make the declaration by filing a D-6 form with the DGCI. Generally, the D-6 form must be filed each January while the Shares are owned or to report the sale of Shares.

Effective January 1, 2013, you also will be required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the shares held in such accounts, depending on the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year. This report may first be due beginning in 2013 with respect to transactions during 2012 and balances as of December 31, 2012. You should consult with your personal legal advisor regarding the applicable thresholds and corresponding reporting requirements.

When receiving foreign currency payments derived from the ownership of Shares (*i.e.,* dividends or sale proceeds) exceeding €50,000, you must inform the financial institution receiving the payment of the basis upon which such payment is made. You will need to provide the institution with the following information: (i) your name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any further information that may be required.

Foreign Asset Reporting Requirement.

Effective January 1, 2013, you are required to report assets or rights deposited or held outside of Spain (including Shares acquired under the Plan or cash proceeds from the sale of Shares acquired under the Plan) if the value of such right or asset exceeds €20,000 on an individual basis. This new obligation applies to rights and assets held as of December 31 and requires that information on such rights and assets be included in your tax return filed with the Spanish tax authorities the following year. This report may first be due in 2013 with respect to assets and rights held as of December 31, 2012.

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SWITZERLAND

NOTIFICATIONS

Securities Law Information.

The offer of this Option is considered a private offering in Switzerland and is therefore not subject to registration in Switzerland.

UNITED KINGDOM

TERMS & CONDITIONS

Tax Acknowledgment.

The following provisions supplement the *Taxes* section of the Award Agreement:

You shall pay to the Company or the Employer the amount of income tax that the Company or the Employer may be required to account to HM Revenue & Customs ("HMRC") with respect to the event giving rise to the income tax (the "Taxable Event") that cannot be satisfied by the means described in the Award Agreement. If payment or withholding of the income tax is not made within ninety (90) days of the Taxable Event or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), then the amount that should have been withheld shall constitute a loan owed by you to the Employer, effective on the Due Date. You agree that the loan will bear interest at the HMRC official rate and will be immediately due and repayable by you, and the Company and/or the Employer may recover it at any time thereafter by any of the means set forth in Award Agreement.

Notwithstanding the foregoing, if you are an executive officer or director (as within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that you are an executive officer or director, as defined above, and income tax due is not collected from or paid by you by the Due Date, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and National Insurance contributions may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any employee National Insurance contributions due on this additional benefit.

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Exhibit 10.38

BURGER KING WORLDWIDE, INC.
2012 OMNIBUS INCENTIVE PLAN

AMENDED AND RESTATED MATCHING OPTION AWARD AGREEMENT

This Amended and Restated Matching Option Award Agreement (the " **Award Agreement**") amends, restates, supersedes and replaces the Option Award Agreement between the Participant and Burger King Worldwide, Inc. (the "**Company**"), with respect to a Non-Qualified Stock Option (the " **Option**") granted to the Participant on March 1, 2013. Unless defined in this Award Agreement, capitalized terms will have the same meanings ascribed to them in the Burger King Worldwide, Inc. 2012 Omnibus Incentive Plan (as may be amended from time to time, the " **Plan**").

Pursuant to Section 6 of the Plan, you have been granted the Option on the following terms and subject to the provisions of the Plan, which is incorporated herein by reference. This Option is granted in connection with your purchase of Shares in the Company's 2012 Bonus Swap Program (the "**Related Shares**"). In the event of a conflict between the provisions of the Plan and this Award Agreement, the provisions of the Plan will govern.

Total Number of Shares Underlying Options:	**41,095** Shares
Exercise Price per Share:	$18.25 per Share
Grant Date:	March 1, 2013
Expiration Date:	February 28, 2023
Vesting Date:	December 31, 2017, subject to your continued Service through the Vesting Date and further subject to the Section entitled "Termination" in Exhibit A.

By execution of this Award Agreement, you and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and the terms and conditions set forth in the attached as Exhibit A.

PARTICIPANT	BURGER KING WORLDWIDE, INC.
/s/ Flavia Faugeres	By: /s/ Jill Granat
Name: Flavia Faugeres	Name: Jill Granat
	Title: SVP, General Counsel

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EXHIBIT A

TERMS AND CONDITIONS OF THE OPTION AWARD AGREEMENT

Vesting.

This Option will vest and become exercisable on the "Vesting Date" set forth in this Award Agreement. Any portion of this Option that becomes exercisable in accordance with the foregoing will remain exercisable until the Expiration Date, unless earlier terminated pursuant to the Plan or this Award Agreement (including, without limitation, the section below entitled "Termination"). Subject to the section below entitled "Termination," this Option may be exercised only while you are employed by the Company or any of its Affiliates. Prior to the exercise of this Option, you will not have any rights of a shareholder with respect to this Option or the Shares subject thereto.

Method of Exercise.

This Option will be exercisable pursuant to procedures approved by the Committee and communicated to you. No Shares will be delivered pursuant to the exercise of this Option unless (i) you have complied with your obligations under this Award Agreement, (ii) the exercise of this Option and the delivery of such Shares complies with applicable law, and (iii) full payment (or satisfactory provision therefor) of the aggregate exercise price of the Option and any Tax-Related Items (as defined below) have been received by the Company. Until such time as the Shares are delivered to you (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), you will have no right to vote or receive dividends or any other rights as a shareholder with respect to such Shares, notwithstanding the exercise of this Option.

Adjustment for Certain Events.

If and to the extent that it would not cause a violation of Section 409A of the Code or other applicable law, if any Corporate Event described in Section 5(d)(ii) of the Plan shall occur, the Committee shall make an adjustment as described in such Section 5(d)(ii) in such manner as the Committee may, in its sole discretion, deem appropriate and equitable to prevent substantial dilution or enlargement of the rights provided under this Option.

Termination.

Upon termination of your Service (other than as set forth below) prior to the Vesting Date, you will forfeit this Option without any consideration due to you.

If your Service terminates Without Cause or due to your voluntary resignation on or after January 1, 2014 but prior to the Vesting Date, this Option will continue in full force and effect as if no such termination of your Service had occurred, pursuant to the provisions of this Termination Section of the Award Agreement.

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If your Service terminates prior to the Vesting Date by reason of your death, Retirement or Disability (as defined below), you (or, if applicable, such other person who is entitled to exercise this Option) shall be vested in the number of Shares as if the Shares subject to the Option vested 20% on each of December 31, 2013, December 31, 2014, December 31, 2015, December 31, 2016 and December 31, 2017, respectively, and you (or, if applicable, such other person who is entitled to exercise this Option) may exercise the Option to the extent vested on the date of termination of your Service as provided for below.

Notwithstanding anything in this Agreement to the contrary, if the Company or any of its Affiliates, in its sole discretion, enters into a Consulting Agreement with you following a termination of your Service Without Cause or due to your voluntary resignation on or after January 1, 2014 but prior to the Vesting Date, and your services under the Consulting Agreement are terminated for Cause prior to the Vesting Date, then upon any such termination, you will forfeit this Option without any consideration due to you. For the avoidance of doubt, if not otherwise forfeited in connection with the termination of your Service, this Option will continue in full force and effect upon the expiration or earlier termination of the Consulting Agreement prior to the Vesting Date Without Cause or due to your death or Disability.

Subject to any terms and conditions that the Committee may impose in accordance with Section 13 of the Plan, in the event that a Change in Control occurs and, within twelve (12) months following the date of such Change in Control, your Service is terminated by the Company Without Cause (as defined herein), this Option shall vest in full upon such termination. In the event that there is a conflict between the terms of this Award Agreement regarding the effect of a Change in Control on this Option and the terms of any Employment Agreement, the terms of this Option Award Agreement will govern.

To the extent this Option is or becomes exercisable on the date of termination of your Service, then, if you (or, if applicable, such other person who is entitled to exercise this Option) do not exercise this Option on or prior to the expiration of the Option Exercise Period (as set forth below), this Option will terminate. In no event may you exercise this Option after the Expiration Date.

Type of Termination	**Option Exercise Period**
Retirement	One year period beginning on the date of termination
Disability	One year period beginning on the date of termination
Death	One year period beginning on the date of termination
For Cause	None, the Option expires immediately

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The date of termination of your Service will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of “garden leave” or similar period pursuant to local law). The Committee shall have the exclusive discretion to determine the date of termination of your Service for purposes of this Option.

In the event that there is a conflict between the terms of this Award Agreement regarding the effect of a termination of your Service on this Option and the terms of any Employment Agreement, the terms of your Employment Agreement will govern.

For purposes of this Award Agreement, the following terms shall have the following meanings:

“**Cause**” means (i) a material breach by you of any of your obligations under any written Consulting Agreement or employment agreement with the Company or any of its Affiliates, (ii) a material violation by you of any of the policies, procedures, rules and regulations of the Company or any of its Affiliates applicable to employees or other service providers generally or to employees or other service providers at your grade level; (iii) the failure by you to reasonably and substantially perform your duties to the Company or its Affiliates (other than as a result of physical or mental illness or injury); (iv) your willful misconduct or gross negligence that has caused or is reasonably expected to result in material injury to the business, reputation or prospects of the Company or any of its Affiliates; (v) your fraud or misappropriation of funds; or (vi) the commission by you of a felony or other serious crime involving moral turpitude; *provided* that if you are a party to a Consulting Agreement or an Employment Agreement at the time of termination of your Service or termination of your services under the Consulting Agreement, as applicable, and such Consulting Agreement or Employment Agreement, as applicable, contains a different definition of “cause” (or any derivation thereof), the definition in such Employment Agreement will control for purposes of this Award Agreement.

If you are terminated Without Cause or if your employment is terminated as a result of your voluntary resignation and, within the twelve (12) month period subsequent to such termination of your Service, the Company determines that your Service could have been terminated for Cause, subject to anything to the contrary that may be contained in your Employment Agreement at the time of termination of your Service, your Service will, at the election of the Company, be deemed to have been terminated for Cause, effective as of the date the events giving rise to Cause occurred. Similarly, if your services under the Consulting Agreement are terminated Without Cause and, within the twelve (12) month period subsequent to such termination, the Company or its Affiliate which is a party to the Consulting Agreement determines that your services under the Consulting Agreement could have been terminated for Cause, subject to anything to the contrary that may be contained in the Consulting Agreement, at the time of termination of your services under the Consulting Agreement, the Consulting Agreement will, at the election of the Company or its Affiliate which is a party to the Consulting Agreement, be deemed to have been terminated for Cause, effective as of the date of the events giving rise to Cause occurred.

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“**Consulting Agreement**” means a written consulting, service or similar agreement entered into by and between the Company or any of its Affiliates and you or any Person owned or controlled by you, for your continued provision of services to the Company or any of its Affiliates, as applicable, following any termination of your Service between January 1, 2014 and the Vesting Date, such consulting or similar agreement to be entered into on or before the date of termination of your Service.

“**Disability**” means (i) a physical or mental condition entitling you to benefits under the long-term disability policy of the Company covering you or (ii) in the absence of any such policy, a physical or mental condition rendering you unable to perform your duties for the Company or any of its Affiliates for a period of six (6) consecutive months or longer; *provided* that if you are a party to an Employment Agreement at the time of termination of your Service and such Employment Agreement contains a different definition of “disability” (or any derivation thereof), the definition in such Employment Agreement will control for purposes of this Award Agreement.

“**Option Shares**” means the Shares underlying this Option.

“**Option Vesting Date**” means December 31, 2017 or such earlier vesting as may be provided in this Award Agreement.

“**Retirement**” means a termination of Service by you on or after the later of (i) your 55th birthday and (ii) your completion of five years of Service with the Company or its Affiliates.

“**Without Cause**” means (i) a termination of your Service by you for “Good Reason”, if you have an Employment Agreement that defines the term “Good Reason”, or by your employer (the “Employer”) other than any such termination by your Employer for Cause or due to your death or Disability; *provided* that if you are a party to an Employment Agreement at the time of termination of your Service and such Employment Agreement contains a different definition of “without cause” (or any derivation thereof), the definition in such Employment Agreement will control for purposes of this Award Agreement; and (ii) a termination of your services under the Consulting Agreement by the Company or its Affiliate other than any such termination for Cause or due to your death or Disability. Notwithstanding the foregoing, if you are a party to an Employment Agreement at the time of termination of your Service and such Employment Agreement provides that a termination of your Service by you for “Good Reason” constitutes termination of your Service “Without Cause”, such termination for Good Reason shall not constitute termination Without Cause for purposes of the acceleration of your Options following a Change in Control.

Forfeiture of Unvested Option Shares upon the Transfer of Related Shares.

If you Transfer (other than pursuant to the laws of descent) any of the Related Shares before the Option Vesting Date, you will immediately forfeit the number of Option Shares equal to the product of (i) the total number of Option Shares and (ii) a fraction, (A) the numerator of which is the aggregate number of Related Shares

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Transferred and (B) the denominator of which is the aggregate number of Related Shares originally purchased.

Taxes.

Regardless of any action the Company or your Employer takes with respect to any or all income tax, social security or insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of this Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of this Option to reduce or eliminate your liability for Tax-Related Items.

Prior to exercise of this Option, you will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by you from your wages or other cash compensation paid to you by the Company and/or the Employer or from proceeds of the sale of Shares. Alternatively, or in addition, if permissible under local law, the Company may in its sole and absolute discretion (1) sell or arrange for the sale of Shares that you acquire to meet the obligation for Tax-Related Items, and/or (2) withhold the amount of Shares necessary to satisfy the minimum withholding amount. Finally, you will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your purchase of Shares that cannot be satisfied by the means previously described. The Company may refuse to honor the exercise and refuse to deliver the Shares if you fail to comply with your obligations in connection with the Tax-Related Items as described in this section.

No Guarantee of Continued Service.

You acknowledge and agree that the vesting of this Option on the Vesting Date is earned only by performing continuing Service (not through the act of being hired or being granted this Award). You further acknowledge and agree that this Award Agreement, the transactions contemplated hereunder and the Vesting Date shall not be construed as giving you the right to be retained in the employ of, or to continue to provide Service to, the Company or any Affiliate. Further, the Company or the applicable Affiliate may at any time dismiss you, free from any liability, or any claim under the Plan, unless otherwise expressly provided in any other agreement binding you, the Company or the applicable Affiliate. The receipt of this Award is not intended to confer any rights on you except as set forth in this Award Agreement.

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Termination for Cause; Restrictive Covenants.

In consideration for the grant of this Option and for other good and valuable consideration, the sufficiency of which is acknowledged by you, you agree as follows:

Upon (i) a termination of your Service or a termination of your services under the Consulting Agreement, as applicable, for Cause, (ii) a retroactive termination of your Service or your services under the Consulting Agreement if applicable, for Cause as permitted herein or under your Employment Agreement or the Consulting Agreement, as applicable, or (iii) a violation of any post-termination restrictive covenant (including, without limitation, non-disclosure, non-competition and/or non-solicitation) contained in your Consulting Agreement or Employment Agreement, any separation or termination or similar agreement you may enter into with the Company or one of its Affiliates in connection with termination of your Service or your services under the Consulting Agreement, as applicable, any Options you hold that are then outstanding shall be immediately forfeited and the Company may require that you repay (with interest or appreciation (if any), as applicable, determined up to the date payment is made), and you shall promptly repay, to the Company, the Fair Market Value (in cash or in Shares) of any Shares received upon the exercise of Options during the period beginning on the date that is one year before the date of your termination and ending on the first anniversary of the date of your termination, minus the applicable exercise price. The Fair Market Value of any such Shares shall be determined as of the date of exercise of such Option.

Company's Right of Offset.

If you become entitled to a distribution of benefits under this Award, and if at such time you have any outstanding debt, obligation, or other liability representing an amount owing to the Company or any of its Affiliates, then the Company or its Affiliates, upon a determination by the Committee, and to the extent permitted by applicable law and it would not cause a violation of Section 409A of the Code, may offset such amount so owing against the amount of benefits otherwise distributable. Such determination shall be made by the Committee.

Acknowledgment of Nature of Award.

In accepting this Option, you understand, acknowledge and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;

(b) the Option award is voluntary, occasional and discretionary and does not create any contractual or other right to receive future Option awards, or benefits in lieu of Options even if Options have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

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(d) your participation in the Plan is voluntary;

(e) this Option is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or to the Employer;

(f) this Option is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;

(g) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(h) if the underlying Shares do not increase in value, this Option will have no value;

(i) if you receive Shares, the value of such Shares acquired upon exercise may increase or decrease in value; and

(j) no claim or entitlement to compensation or damages arises from termination of this Option, and no claim or entitlement to compensation or damages shall arise from any diminution in value of this Option or Shares received upon exercise of this Option resulting from termination of your Service by the Employer and you irrevocably release the Company, the Employer and all other Affiliates from any such claim that may arise.

Securities Laws.

By accepting this Option, you acknowledge that federal securities laws and/or the Company's policies regarding trading in its securities may limit or restrict your right to buy or sell Shares, including, without limitation, sales of Shares acquired in connection with this Option. You agree to comply with such federal securities law requirements and Company policies, as such laws and policies are amended from time to time.

Data Privacy Notice and Consent.

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement by and among, as applicable, the Employer, the Company, its Subsidiaries and its Affiliates or any third party administrator as designated by the Committee in its sole and absolute discretion for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, the Employer and/or any other third party administrator as designated by the Committee in its sole and absolute discretion may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance or social security number or other identification number, salary, nationality, job title, any shares of stock or

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directorships held in the Company, details of this Option or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan. You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon exercise of this Option may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand that refusal or withdrawal of consent may affect your ability to participate in the Plan. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or Service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Options or other Awards or administer or maintain such Awards. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Limits on Transferability; Beneficiaries.

This Option shall not be pledged, hypothecated or otherwise encumbered or subject to any lien, obligation or liability to any party, or Transferred, otherwise than by your will or the laws of descent and distribution or to a Beneficiary upon your death, and this Option shall be exercised during your lifetime only by you or your guardian or legal representative, except that this Option may be Transferred to one or more Beneficiaries or other Transferees during your lifetime with the consent of the Committee, and may be exercised by such Transferees in accordance with the terms of this Award Agreement. A Beneficiary, Transferee, or other person claiming any rights under this Award Agreement shall be subject to all terms and conditions of the Plan and this Award Agreement, except as otherwise determined by the Committee, and to any additional terms and conditions deemed necessary or appropriate by the Committee.

No Transfer to any executor or administrator of your estate or to any Beneficiary by will or the laws of descent and distribution of any rights in respect of this Option shall be effective to bind the Company unless the Committee shall have been furnished with (i) written notice thereof and with a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the Transfer

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and (ii) the written agreement of the Transferee to comply with all the terms and conditions applicable to this Option and any Shares purchased upon exercise of this Option that are or would have been applicable to you.

No Compensation Deferrals.

It is intended that the Option awarded pursuant to this Award Agreement be exempt from Section 409A of the Code ("Section 409A") because it is believed that (i) the Exercise Price per Share may never be less than the Fair Market Value of a Share on the Grant Date and the number of Shares subject to the Option is fixed on the original Grant Date, (ii) the Transfer or exercise of the Option is subject to taxation under Section 83 of the Code and Treasury Regulation 1.83-7, and (iii) the Option does not include any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Option. The provisions of this Award Agreement shall be interpreted in a manner consistent with this intention. In the event that the Company believes, at any time, that any benefit or right under this Award Agreement is subject to Section 409A, then the Committee may (acting alone and without any required consent by you) amend this Award Agreement in such manner as the Committee deems necessary or appropriate to be exempt from or otherwise comply with the requirements of Section 409A (including without limitation, amending the Award Agreement to increase the Exercise Price per Share to such amount as may be required in order for the Option to be exempt from Section 409A).

Notwithstanding the foregoing, the Company does not make any representation to you that the Option awarded pursuant to this Agreement is exempt from, or satisfies, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless you or any Beneficiary for any tax, additional tax, interest or penalties that you or any Beneficiary may incur in the event that any provision of this Agreement, or any amendment or modification thereof or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A.

Entire Agreement; Governing Law; Jurisdiction; Waiver of Jury Trial.

The Plan, this Award Agreement and, to the extent applicable, your Employment Agreement or any separation agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings, representations and agreements (whether oral or written) of the Company and you with respect to the subject matter hereof. This Award Agreement may not be modified in a manner that adversely affects your rights heretofore granted under the Plan, except with your consent or to comply with applicable law or to the extent permitted under other provisions of the Plan. This Award Agreement is governed by the laws of the State of Delaware, without regard to its principles of conflict of laws.

ANY ACTION OR PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT MAY BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE STATE OF FLORIDA OR (TO THE EXTENT SUBJECT MATTER

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JURISDICTION EXISTS THEREFORE) THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF FLORIDA, AND YOU IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING. ANY ACTIONS OR PROCEEDINGS TO ENFORCE A JUDGMENT ISSUED BY ONE OF THE FOREGOING COURTS MAY BE ENFORCED IN ANY JURISDICTION.

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, YOU HEREBY WAIVE, AND COVENANT THAT YOU WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE.

By signing this Award Agreement, you acknowledge receipt of a copy of the Plan and represent that you are familiar with the terms and conditions of the Plan, and hereby accept this Award subject to all provisions in this Award Agreement and in the Plan. You hereby agree to accept as final, conclusive and binding all decisions or interpretations of the Committee upon any questions arising under the Plan or this Award Agreement.

Electronic Delivery.

The Company may, in its sole discretion, decide to deliver any documents related to this Option or future options that may be awarded under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Agreement Severable.

In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

Language.

If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

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Appendix A.

Notwithstanding any provision in this Award Agreement, if you work or reside outside the U.S., this Option grant shall be subject to the general non-U.S. terms and conditions and the special terms and conditions for your country set forth in Appendix A. Moreover, if you relocate from the U.S. to one of the countries included in Appendix A or you move between countries included in Appendix A, the general non-U.S. terms and conditions and the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix A constitutes part of this Award Agreement.

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APPENDIX A

ADDITIONAL TERMS AND CONDITIONS OF THE
BURGER KING WORLDWIDE, INC.
2012 OMNIBUS INCENTIVE PLAN

OPTION AWARD AGREEMENT FOR NON-U.S. PARTICIPANTS

TERMS AND CONDITIONS

This Appendix A includes additional terms and conditions that govern this Option granted to you under the Plan if you work or reside outside the U.S. and/or in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix A have the meanings set forth in the 2012 Omnibus Incentive Plan and/or the Award Agreement.

If you are a citizen or resident of a country other than the one in which you are currently working, transfer employment to another country after this Option is granted to you, or are considered a resident of another country for local law purposes, the terms and conditions contained herein may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.

NOTIFICATIONS

This Appendix A also includes information regarding exchange controls and certain other issues of which you should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of February 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix A as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time you vest in or exercise this Option or sell Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, transfer employment after this Option is granted or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you in the same manner.

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GENERAL NON-U.S. TERMS AND CONDITIONS

TERMS AND CONDITIONS

The following terms and conditions apply to you if you are located outside of the U.S.

Entire Agreement.

The following provisions supplement the entire Award Agreement, generally:

If you are located outside the U.S., in no event will any aspect of this Option be determined in accordance with your Employment Agreement (or other Service contract). The terms and conditions of this Option will be solely determined in accordance with the provisions of the Plan and the Award Agreement, including this Appendix A, which supersede and replace any prior agreement, either written or verbal (including your Employment Agreement, if applicable) in relation to this Option.

Termination.

The following provision supplements the *Termination* section of the Award Agreement:

Notwithstanding the provisions governing the treatment of this Option upon termination due to Retirement set forth in the Termination section of the Award Agreement, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in a particular jurisdiction that would likely result in the treatment in case of a termination due to Retirement as set forth in the Award Agreement being deemed unlawful and/or discriminatory, then the Company will not apply the provisions for termination due to Retirement at the time of you cease to provide Services and this Option will be treated as it would under the rules that apply if your Service ends for resignation.

Termination for Cause.

The *Termination for Cause* section of the Award Agreement shall only be enforced, to the extent deemed permissible under applicable local law, as determined in the sole discretion of the Committee.

Taxes.

The following provisions supplement the *Taxes* section of the Award Agreement:

You acknowledge that your liability for Tax-Related Items may exceed the amount withheld by the Company and/or the Employer.

If you have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or

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other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

Limits on Transferability; Beneficiaries.

The following provision supplements the *Limits on Transferability; Beneficiaries* section of the Award Agreement:

If you are located outside the U.S., this Option may not be Transferred to a designated Beneficiary and may only be Transferred upon your death to your legal heirs in accordance with applicable laws of descent and distribution. In no case may this Option be Transferred to another individual during your lifetime.

Acknowledgement of Nature of Award.

The following provisions supplement the *Acknowledgment of Nature of Award* section of the Award Agreement:

You acknowledge the following with respect to this Option:

(a) This Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation.

(b) In no event should this Option or any Shares acquired under the Plan be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Affiliate.

(c) Neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of this Option or of any amounts due to your pursuant to exercise of this Option or the subsequent sale of any Shares acquired upon exercise.

No Advice Regarding Award.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Governing Law.

The following provisions supplement the *Governing Law* section of the Award Agreement:

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or the Award Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Florida and agree that such litigation shall be conducted only in the court of Miami-Dade County,

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Florida, or the federal courts for the United States for the Southern District of Florida, and no other courts, where this grant is made and/or to be performed.

Imposition of Other Requirements.

The Company reserves the right to impose other requirements on your participation in the Plan, on this Option and on any Shares purchased upon exercise of this Option, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Waiver.

You acknowledge that a waiver by the Company or breach of any provision of the Award Agreement shall not operate or be construed as a waiver of any other provision of the Award Agreement, or of any subsequent breach by you or any other Participant.

COUNTRY-SPECIFIC TERMS AND CONDITIONS/NOTIFICATIONS

BRAZIL

TERMS AND CONDITIONS

Compliance with Law.

By accepting this Option you acknowledge that you agree to comply with applicable Brazilian laws and pay any and all applicable taxes legally due by you associated with the exercise of this Option, the receipt of any dividends, and the sale of Shares acquired under the Plan.

NOTIFICATIONS

Exchange Control Information.

If you are resident or domiciled in Brazil, you will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US$100,000. Assets and rights that must be reported include Shares.

CANADA

TERMS AND CONDITIONS

Form of Payment.

Notwithstanding anything in the Plan or the Award Agreement to the contrary, you are prohibited from surrendering Shares that you already own or attesting to the ownership of Shares to pay the Exercise Price or any Tax-Related Items in connection with this Option.

Termination of Service.

The following provision supplements the *Termination* section of the Award Agreement:

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In the event of your termination of Service (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you provide Service or the terms of your Employment Agreement, if any), unless provided otherwise by the Company: (i) your right to vest in this Option (if any) will terminate effective, and (ii) the period (if any) during which you may exercise the vested Option will commence, as of the earlier of (1) the date the you receive notice of termination from the Employer, or (2) the date you are no longer actively providing Service, regardless of any notice period or period of pay in lieu of such notice required under applicable laws (including, but not limited to statutory law, regulatory law and/or common law).

The Committee shall have the exclusive discretion to determine when you are no longer actively providing Service for purposes of this Option.

The following terms and conditions apply if you are in Quebec:

Data Privacy Notice and Consent.

This provision supplements the *Data Privacy* section of the Award Agreement:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Subsidiary or Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company and any Subsidiary or Affiliate to record such information and to keep such information in your employee file.

French Language Provision.

The following provisions will apply if you are a resident of Quebec:

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la Convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

GERMANY

NOTIFICATIONS

Exchange Control Information.

Cross-border payments in excess of €12,500, including any cross-border payments in connection with the Plan, must be reported monthly to the German Central Bank. You are responsible for complying with the reporting obligations.

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MEXICO

TERMS AND CONDITIONS

No Entitlement or Claims for Compensation.

These provisions supplement the *Acknowledgment of Nature of Award* section of the Award Agreement including this Appendix A:

Modification. By accepting this Option, you understand and agree that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

Policy Statement. The Award of Options the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 5500 Blue Lagoon Drive, Miami, Florida 33126 U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of Shares does not, in any way, establish an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and the sole Employer is Administración de Comidas Rapidas SA de CV, located at Monte Elbruz No. 132, Piso 10, Colonia Chapultepec Morales, C.F., Mexico 11570 nor does it establish any rights between you and the Employer.

Plan Document Acknowledgment. By accepting this Option, you acknowledge that you have received copies of the Plan, have reviewed the Plan and the Award Agreement in their entirety and fully understand and accept all provisions of the Plan and the Award Agreement.

In addition, by accepting the Award Agreement, you further acknowledge that you have read and specifically and expressly approve the terms and conditions in the Award Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Subsidiary or Affiliates are not responsible for any decrease in the value of the Shares underlying this Option.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of your participation in the Plan and therefore grant a full and broad release to the Employer, the Company and any Subsidiary or Affiliate with respect to any claim that may arise under the Plan.

TÉRMINOS Y CONDICIONES

***No existirá derecho o reclamos de indemnización*.**

Estas disposiciones son complementarias del Contrato:

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Modificación. *Al aceptar las opciones, usted entiende y acuerda que cualquier modificación al Plan o al Contrato, o su terminación no constituirá un cambio o impedimento a los términos y condiciones de su empleo.*

Declaración de Política. *La Entrega de Opciones que la compañía hace mediante el Plan, es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho de modificarlo o suspenderlo en cualquier momento, sin asumir ninguna responsabilidad.*

La Compañía, con oficinas registradas en el domicilio 5500 Blue Lagoon Drive, Miami, Florida 33126 Estados Unidos de América, es únicamente responsable de la administración del Plan. La participación en el Plan y la adquisición de Acciones no establece, en ninguna forma, una relación laboral entre usted y la Compañía, puesto que usted está participando en el Plan en un plano meramente comercial y su único patrón es Administración de Comidas Rapidas SA de CV, located at Monte Elbruz No. 132, Piso 10, Colonia Chapultepec Morales, C.F., Mexico 11570 con quién tampoco se establece ningún derecho.

Reconocimiento del Documento del Plan. *Al aceptar las Opciones, usted reconoce que ha recibido las copias de dicho Plan, ha revisado el Plan y el Contrato en su integridad y comprende y acepta plenamente todas las disposiciones del Plan y del Contrato.*

Asimismo, al aceptar el Contrato, usted reconoce que ha leído y específica y expresamente aprueba los términos y condiciones en el Contrato, en el cual se establece y describe lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan, y su participación en él es ofrecido por la Compañía sobre una base plenamente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía y cualquier Subsidiaria o Afiliada no son responsables por cualquier disminución en el valor de las Acciones implícitas en las Opciones.

Finalmente, por medio del presente usted declara que renuncia a cualquier acción o derecho a presentar cualquier reclamo en contra de la Compañía por cualquier compensación o daño como resultado de su participación en el Plan y por lo tanto otorga la liberación más amplia que en derecho proceda al Patrón, la Compañía y cualquier Subsidiaria o Afiliada con respecto a cualquier reclamo que pueda surgir en torno al Plan.

NETHERLANDS

NOTIFICATIONS

Insider Trading Notification.

You should be aware of the Dutch insider trading rules, which may impact the sale of Shares issued to you at exercise of this Option. In particular, you may be prohibited from effectuating certain transactions involving Shares if you have inside information about the Company.

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “insider information” related to an issuing company is prohibited from effectuating a transaction

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in securities in or from the Netherlands. “Inside information” is defined as knowledge of specific information concerning the issuing company to which the securities relate or the trade in securities issued by such company, which has not been made public and which, if published, would reasonably be expected to affect the share price, regardless of the development of the price. The insider could be any employee of an Affiliate in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, you may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when you have such inside information.

By accepting this Option and the underlying Shares, you acknowledge having read and understood the notification above and acknowledge that it is your responsibility to comply with the Dutch insider trading rules, as discussed herein.

If you are uncertain whether the insider trading rules apply to you, you should consult your personal legal advisor.

SINGAPORE

NOTIFICATIONS

Securities Law Information.

The grant of this Option is being made pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (***“SFA”***) and is exempt from the prospectus and registration requirements under the SFA. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that this Option is subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of Shares in Singapore or (ii) any offer of such subsequent sale of Shares subject to the awards in Singapore, unless such sale or offer in is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Requirement.

If you are a director, associate director or shadow director of the Company’s Singapore Affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Affiliate in writing when you receive an interest (*e.g.*, Options, Shares) in the Company or Affiliate. In addition, you must notify the Singapore Affiliate when you sell Shares (including when you sell Shares issued upon vesting and exercise of this Option). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any Affiliate. In addition, a notification of your interests in the Company or Affiliate must be made within two business days of becoming a director.

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Insider Trading Notification.
You should be aware of the Singapore insider trading rules, which may impact the acquisition or disposal of shares or rights to Shares under the Plan. Under the Singapore insider trading rules, you are prohibited from acquiring or selling Shares when you are in possession of information which is not generally available and which you know or should know will have a material effect on the price of Shares once such information is generally available.

SPAIN

TERMS AND CONDITIONS

Nature of Grant.

This provision supplements the *Acknowledgment of Nature of Award* section of the Award Agreement including this Appendix A:

In accepting this Option, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan.

You understand and agree that, as a condition of the grant of this Option, except as provided for in the Award Agreement, the termination of your Service for any reason (including for the reasons listed below) will automatically result in the loss of this Option that has not vested on the date of termination.

In particular, you understand and agree that any unvested Option as of your termination date and any vested Option not exercised within the period set forth in the Award Agreement following your termination date will be forfeited without entitlement to the underlying Shares or to any amount as indemnification in the event of a termination by reason of, including, but not limited to: resignation, Retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, you understand that the Company has unilaterally, gratuitously and discretionally decided to grant options under the Plan to individuals who may be employees of the Company or any Affiliate. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or its Affiliates on an ongoing basis other than to the extent set forth in the Award Agreement. Consequently, you understand that this Option is granted on the assumption and condition that this Option and the Shares issued upon exercise shall not become a part of any employment or Service contract (either with the Company, the Employer or any other Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that the grant

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of this Option would not be made to you but for the assumptions and conditions referred to above; thus, you acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant to you of this Option shall be null and void.

NOTIFICATIONS

Securities Law Information.

This Option and the Shares described in the Award Agreement and this Appendix do not qualify under Spanish regulations as securities. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory. The Award Agreement (including this Appendix) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information.

To participate in the Plan, you must comply with exchange control regulations in Spain. The acquisition of Shares and the sale of Shares must be declared for statistical purposes to the *Dirección General de Comercio e Inversiones* (the "DGCI"). Because you will not purchase or sell the Shares through the use of a Spanish financial institution, you must make the declaration by filing a D-6 form with the DGCI. Generally, the D-6 form must be filed each January while the Shares are owned or to report the sale of Shares.

Effective January 1, 2013, you also will be required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the shares held in such accounts, depending on the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year. This report may first be due beginning in 2013 with respect to transactions during 2012 and balances as of December 31, 2012. You should consult with your personal legal advisor regarding the applicable thresholds and corresponding reporting requirements.

When receiving foreign currency payments derived from the ownership of Shares (*i.e.,* dividends or sale proceeds) exceeding €50,000, you must inform the financial institution receiving the payment of the basis upon which such payment is made. You will need to provide the institution with the following information: (i) your name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any further information that may be required.

Foreign Asset Reporting Requirement.

Effective January 1, 2013, you are required to report assets or rights deposited or held outside of Spain (including Shares acquired under the Plan or cash proceeds from the sale of Shares acquired under the Plan) if the value of such right or asset exceeds €20,000 on an individual basis. This new obligation applies to rights and assets held as of December 31 and requires that information on such rights and assets be included in your tax return filed with the Spanish tax authorities the following year. This report may first be due in 2013 with respect to assets and rights held as of December 31, 2012.

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SWITZERLAND

NOTIFICATIONS

Securities Law Information.

The offer of this Option is considered a private offering in Switzerland and is therefore not subject to registration in Switzerland.

UNITED KINGDOM

TERMS & CONDITIONS

Tax Acknowledgment.

The following provisions supplement the *Taxes* section of the Award Agreement:

You shall pay to the Company or the Employer the amount of income tax that the Company or the Employer may be required to account to HM Revenue & Customs ("HMRC") with respect to the event giving rise to the income tax (the "Taxable Event") that cannot be satisfied by the means described in the Award Agreement. If payment or withholding of the income tax is not made within ninety (90) days of the Taxable Event or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), then the amount that should have been withheld shall constitute a loan owed by you to the Employer, effective on the Due Date. You agree that the loan will bear interest at the HMRC official rate and will be immediately due and repayable by you, and the Company and/or the Employer may recover it at any time thereafter by any of the means set forth in Award Agreement.

Notwithstanding the foregoing, if you are an executive officer or director (as within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that you are an executive officer or director, as defined above, and income tax due is not collected from or paid by you by the Due Date, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and National Insurance contributions may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any employee National Insurance contributions due on this additional benefit.

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Exhibit 21.1

BURGER KING WORDLWIDE, INC.
List of Subsidiaries

Entity Name	Jurisdiction
Administracion de Comidas Rapidas, S.A. de C.V.	Mexico
BK Acquisition, Inc.	Delaware
BK Argentina Servicios, S.A.	Argentina
BK Asiapac (Japan) Y.K.	Japan
BK Asiapac, Pte. Ltd.	Singapore
BK CDE, Inc.	Delaware
BK Grundstucksverwaltungs Beteiligungs GmbH	Germany
BK Grundstucksverwaltungs GmbH & Co. KG	Germany
BK (UK) Company Limited	United Kingdom
BK Venezuela Servicios, C.A.	Venezuela
BK Whopper Bar, LLC	Florida
Burger King (Luxembourg) S.a.r.l.	Luxembourg
Burger King (Luxembourg) 2 S.a.r.l.	Luxembourg
Burger King (Luxembourg) 3 S.a.r.l.	Luxembourg
Burger King (Shanghai) Commercial Consulting Co. Ltd.	Hong Kong
Burger King (United Kingdom) Ltd.	United Kingdom
Burger King A.B.	Sweden
Burger King Beteiligungs GmbH	Germany
Burger King Canada Holdings, Inc.	Canada
Burger King Capital Finance, Inc.	Florida
Burger King Capital Holdings, LLC	Delaware
Burger King Corporation	Florida
Burger King de Puerto Rico, Inc.	Puerto Rico
Burger King do Brasil Assessoria a Restaurantes Ltda.	Brazil
Burger King Espana S.L.U.	Spain
Burger King Europe GmbH	Switzerland
Burger King Gida Sanayi Ve Ticaret Limited Sirketi	Turkey
Burger King General Service Company, S.L.	Spain
Burger King Holdco, LLC	Florida
Burger King Holdings, Inc.	Delaware
Burger King Interamerica, LLC	Florida
Burger King Interamerica, LLC EuroAsian Holdings SCS	Luxembourg
Burger King Israel Ltd.	Israel
Burger King Italia, S.r.L	Italy
Burger King Korea Ltd.	Korea
Burger King Nederland Services B.V.	Netherlands
Burger King (RUS) LLC	Russia
Burger King Saskatchewan Holdings, Inc.	Canada
Burger King Schweiz GmbH	Switzerland
Burger King South Africa Holdings (Pty) Ltd.	South Africa
Burger King Sweden, Inc.	Florida
Burger King UK Pension Plan Trustee Company Limited	United Kingdom
Burger King Limited	United Kingdom
Distron Transportation Systems, Inc.	Florida
Hayescrest Limited	United Kingdom
Huckleberry's Limited	United Kingdom
Inmobiliaria Burger King S.de R.L. de C.V.	Mexico
Jolick Trading, S.A.	Uruguay
Mini Meals Limited	United Kingdom
Moxie's, Inc.	Louisiana
The Melodie Corporation	New Mexico
TPC Number Four, Inc.	Delaware
TQW Company	Texas

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Burger King Worldwide, Inc.:

We consent to the incorporation by reference in the Registration Statements Nos. 333-182232 and 333-189501 on Form S-8 of Burger King Worldwide, Inc. of our report dated February 21, 2014, with respect to the consolidated balance sheets of Burger King Worldwide, Inc. and subsidiaries as of December 31, 2013 and 2012, and the related consolidated statements of operations, stockholders' equity, cash flows, and comprehensive income (loss) for each of the years in the three-year period ended December 31, 2013, and the effectiveness of internal control over financial reporting as of December 31, 2013, which report appears in the December 31, 2013 annual report on Form 10-K of Burger King Worldwide, Inc.

(signed) KPMG LLP

February 21, 2014
Miami, Florida
Certified Public Accountants

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EXHIBIT 31.1

CERTIFICATION

I, Daniel Schwartz, certify that:

1. I have reviewed this annual report on Form 10-K of Burger King Worldwide, Inc:
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Daniel Schwartz
Daniel Schwartz
Chief Executive Officer

Dated: February 21, 2014

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CERTIFICATION

I, Joshua Kobza , certify that:

1. I have reviewed this annual report on Form 10-K of Burger King Worldwide, Inc:
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Joshua Kobza
Joshua Kobza
Chief Financial Officer

Dated: February 21, 2014

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EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Burger King Worldwide, Inc. (the "Company") for the year ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel Schwartz, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Daniel Schwartz
Daniel Schwartz
Chief Executive Officer

Dated: February 21, 2014

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EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Burger King Worldwide, Inc. (the "Company") for the year ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joshua Kobza, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joshua Kobza
Joshua Kobza
Chief Financial Officer

Dated: February 21, 2014

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