

CONSOLIDATED AUDITED RESULTS FOR YEAR ENDED 30 NOVEMBER 2015

PRESTIGE HOLDINGS LTD.

A Restaurant Management Company

Chairman's Report to Shareholders

TO OUR SHAREHOLDERS, EMPLOYEES, CUSTOMERS AND PARTNERS

I am pleased to report that in 2015 Prestige Holdings delivered a solid performance, as is indicated by our improved revenue and profitability. Additionally, we continued to reduce our long term borrowings and improve our working capital. Our Debt/Equity Ratio at the end of 2015 stood at a healthy 12:88.

After experiencing a difficult start to the year due to the impact of the new Minimum Wage on our costs and sales, we have been able, through strong cost management, product innovation and attractive value offerings, to deliver improved transactions and profit on operations. Our profit after tax also benefited from an improved effective tax rate.

Our restaurants in Trinidad and Tobago continue to suffer from significant labour problems but we have made some progress in 2015 through improved recruiting techniques and training programmes. Our expectation is that we will experience some improvement in labour availability in 2016 as the local economy slows due to depressed energy prices.

We completed 6 restaurant re-images in 2015, the most significant being our 3 TGI Friday's restaurants in Trinidad and our Pizza Hut Restaurant at Price Plaza, which are all now outfitted to the highest standards for those brands internationally. Additionally, we opened 1 new restaurant, Subway - Gasparillo which brought our average number of restaurants to 112, up from 111 in 2014.

CONSOLIDATED PERFORMANCE AND FINANCIAL CONDITION

Group revenue increased by 4% to \$963 million compared with \$922 million for 2014, and profit for the year and profit attributable to shareholders increased by 18% to \$59.5 million, up from \$50.3 million in 2014. Diluted earnings per share were 95.7 cents compared with 80.9 cents in 2014.

OPERATIONS

All of our brands experienced revenue growth except for TGI Friday's, which was as a result of the significant amount of days our restaurants were closed due to the above mentioned re-imaging. Despite those lost days, the brand delivered a solid performance. Our TGI Friday's restaurant in Jamaica, while still facing some challenges, delivered an improved performance and returned to profitability.

The revenue at our Subway brand was marginally better than prior year, but growth and profitability did not meet our expectations. Management is addressing the labour and operational challenges that this brand is experiencing in order to bring the customer experience and financial performance up to our expectations.

The star performers in 2015 were our KFC and Pizza Hut brands. Both delivered strong revenue and profit growth driven by exciting new products, excellent value promotions and great every day value.

DIVIDENDS

The Board recommends a final dividend of 22 cents per common share, which, with shareholder approval, will bring the total dividends payable for the financial year 2015 to 38 cents (2014 – 32 cents). The proposed final dividend will be paid on 17 May, 2016 to shareholders whose names appear on the Register of Members on 6 May, 2016.

OUTLOOK

Our company has had a history of constant and consistent reinvestment in our brands and assets, and while we expect that lower energy prices will adversely affect the Trinidad and Tobago economy in 2016 and beyond, we also take the view that our investment decisions are made with the long term health of the business in mind. Following on from our 6 image enhancements and 1 new restaurant in 2015, we have planned 7 image enhancements in the coming year as well as 6 new restaurants.

While we are positive on our expectations for 2016, it is very difficult for us to gauge the impact of the significant reduction in energy prices on our sector. We cannot expect to be immune from the effects that lower gas and oil revenues will have on our economy, but we do believe that the inevitable economic slowdown will ease the very tight labour market, which will bring operational and customer service benefits to our restaurants. We are also making great efforts to reduce the costs of inputs as well as devise innovative new products and value offerings to fuel growth.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank our many loyal and hardworking employees. Your dedication and commitment is greatly appreciated and is reflected in the solid performance that our company enjoyed this year.

I would also like to thank the management who have demonstrated strong leadership, passion and dedication for our company and the people that work with and for them. I also wish to express my gratitude to my fellow Directors who have consistently provided wise council to both the management and me.

Finally I would like to thank our customers and shareholders, both of whom we are here to serve. Your continued support and confidence in our company are greatly appreciated.



Christian E. Mouttet
Chairman
26 January 2016

CONSOLIDATED INCOME STATEMENT

Notes:

- The Consolidated Financial Statements include the activities of Prestige Holdings Limited, the Parent Company (KFC, Pizza Hut and Subway), Weekenders Trinidad Limited (TGI Fridays Trinidad) and Prestige Restaurants Jamaica Limited (TGI Fridays Jamaica).
- The accounting policies used in preparation of the twelve (12) months results are consistent with those used in the Consolidated Audited Financial Statements for the year ended 30 November 2014.

	Twelve (12) Months to 30 November 2015	Year ended 30 November 2015	Year ended 30 November 2014
	% Increase	(AUDITED) \$ '000	(AUDITED) \$ '000
Revenue	4%	962,562	921,802
Cost of sales		(611,864)	(589,641)
Gross profit	6%	350,698	332,161
Other operating restaurants expenses		(200,214)	(191,111)
Administrative expenses		(63,370)	(59,039)
Other income		1,428	1,919
Operating profit		88,542	83,930
Finance costs - net		(8,370)	(12,053)
Profit before income tax	12%	80,172	71,877
Income tax expense		(20,670)	(21,610)
Profit for the year		59,502	50,267
Profit attributable to:			
Owners of the parent company	18%	59,502	50,267
Basic earnings per share (exclusive of ESOP shares)	18%	96.0 cents	81.4 cents
Diluted earnings per share (exclusive of ESOP shares)		95.7 cents	80.9 cents



CONSOLIDATED BALANCE SHEET	30 November 2015	30 November 2014	CONSOLIDATED CASH FLOW STATEMENT	30 November 2015	30 November 2014
	(AUDITED)	(AUDITED)		(AUDITED)	(AUDITED)
	\$ '000	\$ '000		\$ '000	\$ '000
ASSETS			Cash flow from operating activities		
Property, plant and equipment	264,125	262,080	Cash generated from operations	132,142	123,628
Other non-current assets	71,690	72,365	Interest paid	(8,370)	(12,053)
Current assets	145,905	133,008	Income tax paid	(20,922)	(21,051)
Total assets	481,720	467,453	Net cash generated from operating activities	102,850	90,524
			Investing activities	(44,905)	(25,757)
EQUITY AND LIABILITIES			Financing activities	(43,738)	(62,931)
Share capital	22,830	22,009	Net increase in cash and cash equivalents	14,207	1,836
Equity-settled arrangements	--	5,497	Cash and cash equivalents at the beginning of the year	57,315	55,479
Retained earnings	207,356	162,468	Cash and cash equivalents at the end of the year	71,522	57,315
Other reserves	18,110	18,404			
Other equity instrument	15,000	25,000			
Unallocated shares held by ESOP	(1,350)	(2,125)			
Non current liabilities	99,229	115,327			
Current liabilities	120,545	120,873			
Total equity and liabilities	481,720	467,453			
			CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
				30 November 2015	30 November 2014
				(AUDITED)	(AUDITED)
				\$ '000	\$ '000
			Profit for the year	59,502	50,267
			Other comprehensive income/(loss):		
			Items that will not be reclassified to profit or loss		
			Remeasurements of post employment benefit obligations	448	(78)
			Items that may be subsequently reclassified to profit or loss		
			Currency translation differences	(294)	(97)
			Total comprehensive income for the year	59,656	50,092
			Attributable To:		
			Owners of the Parent Company	59,656	50,092

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share Capital	Equity-settled Arrangements	Other Equity Instrument	Other Reserves	Retained Earnings	Total	Unallocated Shares Held by ESOP	Total Equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 December 2013	21,739	5,497	50,000	18,501	130,937	226,674	(4,644)	222,030
Comprehensive income								
Profit for the year	--	--	--	--	50,267	50,267	--	50,267
Other comprehensive loss								
Currency translation differences	--	--	--	(97)	--	(97)	--	(97)
Remeasurement of post employment benefit obligations	--	--	--	--	(78)	(78)	--	(78)
Total comprehensive income/(loss) for the year	--	--	--	(97)	50,189	50,092	--	50,092
Transactions with owners								
Proceeds from shares issued	270	--	--	--	--	270	--	270
Shares allocated during the year	--	--	--	--	--	--	2,519	2,519
Redemption	--	--	(50,000)	--	--	(50,000)	--	(50,000)
Proceeds from issue	--	--	25,000	--	--	25,000	--	25,000
Dividends for 2013								
-Paid 15 cents per share	--	--	--	--	(9,327)	(9,327)	--	(9,327)
Dividends for 2014								
-Paid 15 cents per share	--	--	--	--	(9,331)	(9,331)	--	(9,331)
Total transactions with owners	270	--	(25,000)	--	(18,658)	(43,388)	2,519	(40,869)
Balance at 30 November 2014	22,009	5,497	25,000	18,404	162,468	233,378	(2,125)	231,253
Balance at 1 December 2014	22,009	5,497	25,000	18,404	162,468	233,378	(2,125)	231,253
Comprehensive income								
Profit for the year	--	--	--	--	59,502	59,502	--	59,502
Other comprehensive income/(loss)								
Currency translation differences	--	--	--	(294)	--	(294)	--	(294)
Remeasurement of post employment benefit obligations	--	--	--	--	448	448	--	448
Total comprehensive income/(loss) for the year	--	--	--	(294)	59,950	59,656	--	59,656
Transactions with owners								
Proceeds from shares issued	821	--	--	--	--	821	--	821
Shares allocated during the year	--	--	--	--	--	--	775	775
Redemption	--	--	(10,000)	--	--	(10,000)	--	(10,000)
Transfer of expired share based payments	--	(5,497)	--	--	5,497	--	--	--
Dividends for 2014								
-Paid 17 cents per share	--	--	--	--	(10,583)	(10,583)	--	(10,583)
Dividends for 2015								
-Paid 16 cents per share	--	--	--	--	(9,976)	(9,976)	--	(9,976)
Total transactions with owners	821	(5,497)	(10,000)	--	(15,062)	(29,738)	775	(28,963)
Balance at 30 November 2015	22,830	--	15,000	18,110	207,356	263,296	(1,350)	261,946