

# PRESTIGE HOLDINGS LTD.

*A Restaurant Management Company*

## Chairman's Report to Shareholders

### CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

For the first nine months of fiscal 2015 Group revenue increased by 4% to \$723 million, and profit attributable to shareholders increased by 14% from \$36.3 million to \$41.2 million. Earnings per share increased by 13%. These results were generated from an average number of 112 restaurants.

### OPERATIONS

We have seen a positive trend in our profit from operations in the 3rd Quarter, mostly driven by exciting promotions that have improved our customer counts, and some gains in our labour recruitment and retention that have helped us improve our service levels and customer satisfaction. Customer Service and satisfaction remain a major focus of management, and represent our biggest opportunity for improved growth and profitability.

### DIVIDENDS

The Board recommends an interim dividend of 16 cents per common share (2014 - 15 cents) to be paid on 19 October 2015 to shareholders whose names appear on the Register of Members on 6 October 2015.

### OUTLOOK

Based on our performance to date we expect improved results for the current year.

Christian E. Mouttet  
Chairman  
23 September 2015

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Nine (9) Months to 31 August 2015 (UNAUDITED)	Nine (9) Months to 31 August 2014 (UNAUDITED)	Year to 30 November 2014 (AUDITED)
	\$ '000	\$ '000	\$ '000
<b>Profit for the year</b>	41,163	36,258	50,267
<b>Other comprehensive loss</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post employment benefit obligations	-	-	(78)
	-	-	(78)
<b>Items that may be subsequently reclassified to profit or loss</b>			
Currency translation differences	(152)	(111)	(97)
<b>Other Comprehensive Loss for The Year</b>	(152)	(111)	(175)
<b>Total Comprehensive Income For The Year</b>	41,011	36,147	50,092
<b>Attributable To:</b>			
Owners of the Parent Company	41,011	36,147	50,092
<b>Total Comprehensive Income For The Year</b>	41,011	36,147	50,092

### CONSOLIDATED INCOME STATEMENT

Notes:

1. 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).

2. The accounting policies used in preparation of the nine (9) months results are consistent with those used in the Consolidated Audited Financial Statements for the year ended 30 November 2014.

Revenue	4%
Cost of sales	
Gross profit	4%
Other operating restaurants expenses	
Administrative expenses (net of other income)	
Operating restaurants profit	
Finance costs - net	
Profit before income taxation	6%
Income tax expense	
Profit for the year	14%
Attributable to:	
Owners of the Parent Company	
Earnings per share - (Basic) - Total	
Earnings per share - (Diluted)	
Earnings per share - (Basic inclusive of ESOP shares)	13%

	Nine (9) Months to 31 August 2015	Nine (9) Months to 31 August 2015	Nine (9) Months to 31 August 2014	Three (3) Months to 31 August 2015	Three (3) Months to 31 August 2014	Year to 30 November 2014
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Revenue	723,209	697,738	253,548	238,143	921,802	
Cost of sales	(461,711)	(446,538)	(160,899)	(153,679)	(589,641)	
Gross profit	261,498	251,200	92,649	84,464	332,161	
Other operating restaurants expenses	(151,369)	(142,653)	(51,452)	(49,455)	(191,111)	
Administrative expenses (net of other income)	(47,626)	(46,338)	(16,154)	(14,555)	(57,120)	
Operating restaurants profit	62,503	62,209	25,043	20,454	83,930	
Finance costs - net	(6,359)	(9,151)	(2,070)	(2,964)	(12,053)	
Profit before income taxation	56,144	53,058	22,973	17,490	71,877	
Income tax expense	(14,981)	(16,800)	(5,752)	(5,001)	(21,610)	
Profit for the year	41,163	36,258	17,221	12,489	50,267	
Attributable to:						
Owners of the Parent Company	41,163	36,258	17,221	12,489	50,267	
Earnings per share - (Basic) - Total	66.5 cents	59.2 cents	27.8 cents	20.4 cents	81.4 cents	
Earnings per share - (Diluted)	66.3 cents	59.0 cents	27.7 cents	20.3 cents	80.9 cents	
Earnings per share - (Basic inclusive of ESOP shares)	66.1 cents	58.3 cents	27.7 cents	20.1 cents	80.8 cents	



CONSOLIDATED BALANCE SHEET	31 August 2015 (UNAUDITED)	31 August 2014 (UNAUDITED)	30 Nov 2014 (AUDITED)	CONSOLIDATED STATEMENT OF CASH FLOWS	31 August 2015 (UNAUDITED)	31 August 2014 (UNAUDITED)	30 Nov 2015 (AUDITED)
	\$ '000	\$ '000	\$ '000		\$ '000	\$ '000	\$ '000
<b>ASSETS</b>				<b>Cash flow from operating activities</b>			
Property, plant and equipment	262,589	263,422	262,080	Cash generated from operations	86,372	88,051	123,628
Other non-current assets	72,199	72,717	72,365	Interest paid	(6,359)	(9,151)	(12,053)
Current assets	150,975	147,629	133,008	Income tax paid	(15,502)	(15,726)	(21,051)
<b>Total assets</b>	<b>485,763</b>	<b>483,768</b>	<b>467,453</b>	<b>Net cash generated from operating activities</b>	<b>64,511</b>	<b>63,174</b>	<b>90,524</b>
<b>EQUITY AND LIABILITIES</b>				Investing activities	(32,891)	(18,858)	(25,757)
Share capital	22,830	21,888	22,009	Financing activities	(20,262)	(22,722)	(62,931)
Equity - settled arrangements	5,497	5,497	5,497	<b>Net increase in cash and cash equivalents</b>	<b>11,358</b>	<b>21,594</b>	<b>1,836</b>
Retained earnings	193,048	157,868	162,468	Cash and cash equivalents at the beginning of the year	57,315	55,479	55,479
Other reserves	18,556	18,390	18,404	Cash and cash equivalents at the end of the period	68,673	77,073	57,315
Other equity instrument Unallocated shares held by ESOP	25,000 (3,125)	50,000 (6,515)	25,000 (2,125)				
Non current liabilities	103,032	118,575	115,327				
Current liabilities	120,925	118,065	120,873				
<b>Total equity and liabilities</b>	<b>485,763</b>	<b>483,768</b>	<b>467,453</b>				

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
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance at 1 December 2013</b>	21,739	5,497	50,000	18,501	130,937	226,674	(4,644)	222,030
<b>Comprehensive Income</b>								
Profit for the year	-	-	-	-	50,267	50,267	-	50,267
<b>Other Comprehensive Loss</b>								
Currency translation differences	-	-	-	(97)	-	(97)	-	(97)
Remeasurement of post employment benefit obligations	-	-	-	-	(78)	(78)	-	(78)
<b>Total Comprehensive Income/ (Loss) For The Year</b>	-	-	-	(97)	50,189	50,092	-	50,092
<b>Transactions with owners</b>								
Proceeds from shares issued	270	-	-	-	-	270	-	270
Transfer of allocated shares	-	-	-	-	-	-	2,519	2,519
Convertible share option	-	-	(50,000)	-	-	(50,000)	-	(50,000)
Convertible share option	-	-	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)
<b>Total transactions with owners</b>	<b>270</b>	<b>-</b>	<b>(25,000)</b>	<b>-</b>	<b>(18,658)</b>	<b>(43,388)</b>	<b>2,519</b>	<b>(40,869)</b>
<b>Balance at 30 November 2014</b>	<b>22,009</b>	<b>5,497</b>	<b>25,000</b>	<b>18,404</b>	<b>162,468</b>	<b>233,378</b>	<b>(2,125)</b>	<b>231,253</b>
<b>Balance at 1 December 2014</b>	<b>22,009</b>	<b>5,497</b>	<b>25,000</b>	<b>18,404</b>	<b>162,468</b>	<b>233,378</b>	<b>(2,125)</b>	<b>231,253</b>
<b>Comprehensive Income</b>								
Profit for the year	-	-	-	-	41,163	41,163	-	41,163
<b>Other Comprehensive Income</b>								
Currency translation differences	-	-	-	152	-	152	-	152
<b>Total Comprehensive Income For The Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152</b>	<b>41,163</b>	<b>41,315</b>	<b>-</b>	<b>41,315</b>
<b>Transactions with owners</b>								
Proceeds from shares issued	821	-	-	-	-	821	-	821
Purchase of shares	-	-	-	-	-	-	(1,000)	(1,000)
Dividends for 2014 - Paid 17 cents per share	-	-	-	-	(10,583)	(10,583)	-	(10,583)
<b>Total transactions with owners</b>	<b>821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,583)</b>	<b>(9,762)</b>	<b>(1,000)</b>	<b>(10,762)</b>
<b>Balance at 31 August 2015</b>	<b>22,830</b>	<b>5,497</b>	<b>25,000</b>	<b>18,556</b>	<b>193,048</b>	<b>264,931</b>	<b>(3,125)</b>	<b>261,806</b>