

PRESTIGE HOLDINGS LTD.

A Restaurant Management Company

Chairman's Report to Shareholders

CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

For the first three months of fiscal 2016, Group revenue increased by 2% to \$238 million, and profit attributable to shareholders increased by 5% to \$12.3 million compared with \$11.7 million. Earnings per share were 19.8 cents compared with 18.9 cents for the same period in 2015.

These results were generated from an average number of 112 restaurants. One new SUBWAY restaurant was opened in Chase Village during the quarter.

In this quarter, our Brands with the exception of SUBWAY and TGI Fridays achieved revenue and profit growth. We will closely monitor the performance of these two brands to ensure we maximize profitability during the course of the year.

OPERATIONS

We continue to devise new strategies to address the different issues across each of the brands to ensure improvement in restaurant efficiencies. Despite a slowing economy, we and our valued customers continue to feel the effects of the difficult labour environment in Trinidad and Tobago. We are cognizant of the negative impact that the shortage of labour and absenteeism have on our service levels, and have been adopting several new approaches to address these issues.

OUTLOOK

While we are challenged by the current recession in the Trinidad and Tobago economy, our goal is to improve the results in this financial year.



Christian E. Mouttet
Chairman
23 March 2016

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 three (3) months results are consistent with those used in the Consolidated Audited Financial Statements for the year ended 30 November 2015.

	Three (3) Months to 29 February 2016 % Increase	Three (3) Months to 29 February 2016 (UNAUDITED) \$ '000	Three (3) Months to 28 February 2015 (UNAUDITED) \$ '000	Year to 30 November 2015 (AUDITED) \$ '000
Revenue	2%	238,462	233,684	962,562
Cost of sales		(152,033)	(149,209)	(611,864)
Gross profit	2%	86,429	84,475	350,698
Other operating restaurants expenses		(48,874)	(49,572)	(200,214)
Administrative expenses		(18,747)	(16,417)	(63,370)
Other income		457	319	1,428
Operating restaurants profit		19,265	18,805	88,542
Finance costs		(1,830)	(2,168)	(8,370)
Profit before income tax	5%	17,435	16,637	80,172
Income tax expense		(5,134)	(4,942)	(20,670)
Profit for the year		12,301	11,695	59,502
Profit attributable to:				
Owners of the parent company	5%	12,301	11,695	59,502
		12,301	11,695	59,502
Basic earnings per share (exclusive of ESOP shares)	5%	19.8 cents	18.9 cents	96.0 cents
Diluted earnings per share (exclusive of ESOP shares)		19.8 cents	18.8 cents	95.7 cents



Director



Director



CONSOLIDATED BALANCE SHEET

	29 February 2016 (UNAUDITED)	30 November 2015 (AUDITED)
	\$ '000	\$ '000
ASSETS		
Property, plant and equipment	258,140	264,125
Other non-current assets	71,764	71,690
Current assets	160,774	145,905
Total assets	490,678	481,720
EQUITY AND LIABILITIES		
Share capital	23,107	22,830
Retained earnings	219,657	207,356
Other reserves	18,168	18,110
Other equity instrument	15,000	15,000
Unallocated shares held by ESOP	(1,350)	(1,350)
Non current liabilities	95,728	99,229
Current liabilities	120,368	120,545
Total equity and liabilities	490,678	481,720

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

	Three (3) Months to 29 February 2016 (UNAUDITED)	Year to 30 November 2015 (AUDITED)
	\$ '000	\$ '000
Profit for the year	12,301	59,502
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligations	-	448
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	58	(294)
Total comprehensive income for the year	12,359	59,656
Attributable To:		
Owners of the Parent Company	12,359	59,656

CONSOLIDATED STATEMENT OF CASH FLOWS

	29 February 2016 (UNAUDITED)	30 November 2015 (AUDITED)
	\$ '000	\$ '000
Cash flow from operating activities		
Cash generated from operations	38,460	132,142
Interest paid	(1,830)	(8,370)
Income tax paid	(6,188)	(20,922)
Net cash generated from operating activities	30,442	102,850
Investing activities	(4,988)	(44,905)
Financing activities	(3,223)	(43,738)
Net increase in cash and cash equivalents	22,231	14,207
Cash and cash equivalents at the beginning of the year	71,522	57,315
Cash and cash equivalents at the end of the period	93,753	71,522

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 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
Balance at 1 December 2015	22,830	-	15,000	18,110	207,356	263,296	(1,350)	261,946
Comprehensive income								
Profit for the period	-	-	-	-	12,301	12,301	-	12,301
Other comprehensive income								
Currency translation differences	-	-	-	58	-	58	-	58
Total comprehensive income for the period	-	-	-	58	12,301	12,359	-	12,359
Transactions with owners								
Proceeds from shares issued	277	-	-	-	-	277	-	277
Total transactions with owners	277	-	-	-	-	277	-	277
Balance at 29 February 2016	23,107	-	15,000	18,168	219,657	275,932	(1,350)	274,582