

# Consolidated Unaudited Results for the Three Months Ended 28 February, 2017

## PRESTIGE HOLDINGS LTD. A Restaurant Management Company

### Prestige Holdings Limited Chairman's Report to Shareholders

For the first three months of 2017, Group sales increased by 6% to \$253 million, and profit attributable to shareholders decreased by 25% to \$9.2 million compared with \$12.3 million for the same period last year. Earnings per share were 14.8 cents compared with 19.8 cents for the same period in 2016. These results were generated from an average number of 119 restaurants.

Our first quarter performance is consistent with the conditions we have been experiencing since the second half of 2016, as mentioned in my 2016 Year End Report – higher food costs and other inputs as a result of the movement in the exchange rate and higher commodity prices. At the beginning of the second quarter we re-engineered some of our menu offerings to be able to recover some of these higher costs while still providing excellent value to our customers at various price points. Additionally, the increase in the tax rate from 25% to 30% has had an adverse effect on our after tax profit, when compared to the same period last year.

In this difficult economic environment, our goal has been to maintain strong transactions at all of our brands, which for the most part we have been able to achieve, over the last four quarters. Our recent menu changes should allow us to continue to achieve this whilst also improving our overall contribution.

The labour environment remains difficult, despite the slowing economy. This is particularly true at our KFC and Subway brands and we are employing various strategies to improve this.

### OUTLOOK

We expect the economy to remain difficult for some time to come, which will impact all of our brands to varying degrees. However, as a result of our recent initiatives, we expect to see improved results for the balance of 2017.



Christian E. Mouttet  
Chairman  
22 March, 2017

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three (3) Months to 28 February 2017 (UNAUDITED)	Year to 30 November 2016 (AUDITED)
	\$ '000	\$ '000
<b>Profit for the year</b>	9,177	47,188
<b>Other comprehensive income/(loss):</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
Currency translation differences	(16)	(200)
<b>Total comprehensive income for the year</b>	<u>9,161</u>	<u>46,988</u>
<b>Attributable To:</b>		
Owners of the Parent Company	<u>9,161</u>	<u>46,988</u>

### CONSOLIDATED INCOME STATEMENT YEAR ENDED 28 FEBRUARY 2017

	Three (3) Months to 28 February 2017 % Change	Three (3) Months to 28 February 2017 (UNAUDITED)	Three (3) Months to 29 February 2016 (UNAUDITED)	Year to 30 November 2016 (AUDITED)
		\$ '000	\$ '000	\$ '000
Revenue	6%	252,659	238,462	985,518
Cost of sales		(164,962)	(152,033)	(635,304)
Gross profit	1%	87,697	86,429	350,214
Other operating expenses		(52,529)	(48,146)	(203,511)
Administrative expenses		(20,422)	(19,475)	(77,410)
Other income		469	457	2,415
Operating profit		15,215	19,265	71,708
Finance costs		(1,484)	(1,830)	(6,997)
Profit before income tax	(21%)	13,731	17,435	64,711
Income tax expense		(4,554)	(5,134)	(17,523)
Profit for the year		9,177	12,301	47,188
Profit attributable to:				
Owners of the parent company	(25%)	9,177	12,301	47,188
		9,177	12,301	47,188
Basic earnings per share (exclusive of ESOP shares)	(25%)	14.8 cents	19.8 cents	76.2 cents
Diluted earnings per share (exclusive of ESOP shares)		14.8 cents	19.8 cents	76.2 cents



Director



Director

### Notes:

1. The Consolidated Financial Statements include the activities of Prestige Holdings Limited, the Parent Company (KFC, Pizza Hut, Subway and Starbucks), 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, 2016.



## CONSOLIDATED BALANCE SHEET

	28 February 2017 (UNAUDITED)	30 November 2016 (AUDITED)
	\$ '000	\$ '000
<b>ASSETS</b>		
Property, plant and equipment	268,427	274,897
Other intangible assets	74,066	74,612
Current assets	148,015	172,123
<b>Total assets</b>	<b>490,508</b>	<b>521,632</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	23,759	23,759
Retained earnings	239,966	230,789
Other reserves	17,894	17,910
Other equity instrument	--	5,000
Unallocated shares held by ESOP	(3,576)	(3,576)
Non current liabilities	80,376	83,882
Current liabilities	132,089	163,868
<b>Total equity and liabilities</b>	<b>490,508</b>	<b>521,632</b>

## CONSOLIDATED CASHFLOW STATEMENT

	28 February 2017 (UNAUDITED)	30 November 2016 (AUDITED)
	\$ '000	\$ '000
<b>Cash flow from operating activities</b>		
Cash generated from operations	(1,692)	148,034
Interest paid	(1,484)	(6,997)
Income tax paid	(2,473)	(23,824)
<b>Net cash generated from operating activities</b>	<b>(5,649)</b>	<b>117,213</b>
Investing activities	(4,616)	(57,661)
Financing activities	(8,500)	(46,826)
<b>Net increase in cash and cash equivalents</b>	<b>(18,765)</b>	<b>12,726</b>
Cash and cash equivalents at the beginning of the year	84,248	71,522
Cash and cash equivalents at the end of the period	<b>65,483</b>	<b>84,248</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Other Equity Instrument	Other Reserves	Retained Earnings	Total	Unallocated Shares Held by ESOP	Total Equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance at 1 December 2015</b>	22,830	15,000	18,110	207,356	263,296	(1,350)	261,946
<b>Comprehensive income</b>							
Profit for the year	--	--	--	47,188	47,188	--	47,188
<b>Other comprehensive loss</b>							
Currency translation differences	--	--	(200)	--	(200)	--	(200)
<b>Total comprehensive income/(loss) for the year</b>	<b>--</b>	<b>--</b>	<b>(200)</b>	<b>47,188</b>	<b>46,988</b>	<b>--</b>	<b>46,988</b>
<b>Transactions with owners</b>							
Proceeds from shares issued	929	--	--	--	929	--	929
Shares allocated during the year	--	--	--	--	--	1,887	1,887
Purchase of shares	--	--	--	--	--	(4,113)	(4,113)
Redemption	--	(10,000)	--	--	(10,000)	--	(10,000)
Dividends for 2015							
-Paid 22 cents per share	--	--	--	(13,753)	(13,753)	--	(13,753)
Dividends for 2016							
-Paid 16 cents per share	--	--	--	(10,002)	(10,002)	--	(10,002)
<b>Total transactions with owners</b>	<b>929</b>	<b>(10,000)</b>	<b>--</b>	<b>(23,755)</b>	<b>(32,826)</b>	<b>(2,226)</b>	<b>(35,052)</b>
<b>Balance at 30 November 2016</b>	<b>23,759</b>	<b>5,000</b>	<b>17,910</b>	<b>230,789</b>	<b>277,458</b>	<b>(3,576)</b>	<b>273,882</b>
<b>Balance at 1 December 2016</b>	<b>23,759</b>	<b>5,000</b>	<b>17,910</b>	<b>230,789</b>	<b>277,458</b>	<b>(3,576)</b>	<b>273,882</b>
<b>Comprehensive income</b>							
Profit for the year	--	--	--	9,177	9,177	--	9,177
<b>Other comprehensive loss</b>							
Currency translation differences	--	--	(16)	--	(16)	--	(16)
<b>Total comprehensive income/(loss) for the year</b>	<b>--</b>	<b>--</b>	<b>(16)</b>	<b>9,177</b>	<b>9,161</b>	<b>--</b>	<b>9,161</b>
<b>Transactions with owners</b>							
Redemption	--	(5,000)	--	--	(5,000)	--	(5,000)
<b>Total transactions with owners</b>	<b>--</b>	<b>(5,000)</b>	<b>--</b>	<b>--</b>	<b>(5,000)</b>	<b>(3,576)</b>	<b>(5,000)</b>
<b>Balance at 28 February 2017</b>	<b>23,759</b>	<b>--</b>	<b>17,894</b>	<b>239,966</b>	<b>281,619</b>	<b>(3,576)</b>	<b>278,043</b>