

Consolidated Unaudited Results for the Three Months Ended 28 February 2018

PRESTIGE HOLDINGS LTD. *A Restaurant Management Company*

Prestige Holdings Limited Chairman's Report to Shareholders

CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

For the first three months of 2018, group revenue increased by 5% to \$264 million, and profit attributable to shareholders decreased by 17% to \$7.65 million compared with \$9.2 million for the same period last year. Earnings per share were 12.3 cents compared with 14.8 cents for the same period in 2017. These results were generated from an average number of 123 restaurants.

As mentioned in my 2017 Year End Report, our business has been feeling the effects of high foreign exchange conversion costs and higher food costs, both of which are becoming increasingly difficult to control. This along with operational challenges in some of our restaurants and the difficult economy have impacted negatively on the business. We have already engaged in a number of initiatives to address these issues including managing our higher food costs, improving labour utilisation and introducing new value-added and innovative food offerings.

Neither your board nor the management are satisfied with these results and recognise that our performance can be improved, even in this difficult economy. On the positive side, our brands remain top of mind with consumers, and overall we continue to experience growth in transactions at our restaurants. On this solid base, it is our expectation that with the actions outlined above, we will achieve an improved performance over the next three quarters to that experienced in the first quarter.



Christian E. Mouttet
Chairman
28 March 2018

CONSOLIDATED INCOME STATEMENT YEAR ENDED 28 FEBRUARY 2018

	Three (3) Months to 28 February 2018	Three (3) Months to 28 February 2018	Year to 30 Months to 28 February 2017	Year to 30 November 2017
	% change	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(AUDITED) \$ '000
Revenue	5%	264,141	252,659	1,040,067
Cost of sales		(174,387)	(164,962)	(680,064)
Gross profit		89,754	87,697	360,003
Other operating expenses		(56,145)	(52,529)	(223,565)
Administrative expenses		(21,377)	(20,422)	(82,278)
Other income		475	469	2,167
Operating profit		12,707	15,215	56,327
Finance costs		(1,422)	(1,484)	(5,422)
Profit before income taxation	-18%	11,285	13,731	50,905
Income tax expense		(3,636)	(4,554)	(18,048)
Profit for the year		7,649	9,177	32,857
Profit attributable to: Owners of the Parent Company	-17%	7,649	9,177	32,857
Basic earnings per share (exclusive of ESOP shares)	-17%	12.3 cents	14.8 cents	52.8 cents
Diluted earnings per share (exclusive of ESOP shares)		12.3 cents	14.8 cents	52.8 cents



Director



Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three (3) Months to 28 February 2018	Year to 30 November 2017
	(UNAUDITED) \$ '000	(AUDITED) \$ '000
Profit for the year	7,649	32,857
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	(1)	88
Total comprehensive income for the year	7,648	32,945
Attributable To: Owners of the Parent Company	7,648	32,945

Notes:

- 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).
- 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 2017.



CONSOLIDATED BALANCE SHEET

	28 February 2018 (UNAUDITED) \$ '000	30 November 2017 (AUDITED) \$ '000
ASSETS		
Property, plant and equipment	275,413	277,735
Other intangible assets	77,280	77,671
Current assets	132,346	142,085
Total assets	485,039	497,491
EQUITY AND LIABILITIES		
Share capital	23,759	23,759
Retained earnings	248,790	241,141
Other reserves	17,997	17,998
Unallocated shares held by ESOP	(1,148)	(1,148)
Non current liabilities	65,584	69,083
Current liabilities	130,057	146,658
Total equity and liabilities	485,039	497,491

CONSOLIDATED CASHFLOW STATEMENT

	28 February 2018 (UNAUDITED) \$ '000	30 November 2017 (AUDITED) \$ '000
Cash flow from operating activities		
Cash (used)/generated from operations	(1,553)	91,152
Interest paid	(1,422)	(5,422)
Income tax paid	(2,780)	(18,367)
Net cash (used)/generated from operating activities	(5,755)	67,363
Investing activities	(9,305)	(53,735)
Financing activities	10,099	(41,504)
Net decrease in cash and cash equivalents	(4,961)	(27,876)
Cash and cash equivalents at the beginning of the year	56,372	84,248
Cash and cash equivalents at the end of the period	51,411	56,372

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
Balance at 1 December 2016	23,759	5,000	17,910	230,789	277,458	(3,576)	273,882
Comprehensive income							
Profit for the year	--	--	--	32,857	32,857	--	32,857
Other comprehensive income							
Currency translation differences	--	--	88	--	88	--	88
Total comprehensive income for the year	--	--	88	32,857	32,945	--	32,945
Transactions with owners							
Redemption	--	(5,000)	--	--	(5,000)	--	(5,000)
Shares allocated during the year	--	--	--	--	--	2,428	2,428
Dividends for 2016							
-Paid 22 cents per share	--	--	--	(13,753)	(13,753)	--	(13,753)
Dividends for 2017							
-Paid 14 cents per share	--	--	--	(8,752)	(8,752)	--	(8,752)
Total transactions with owners	--	(5,000)	--	(22,505)	(27,505)	2,428	(25,077)
Balance at 30 November 2017	23,759	--	17,998	241,141	282,898	(1,148)	281,750
Balance at 1 December 2017	23,759	--	17,998	241,141	282,898	(1,148)	281,750
Comprehensive income							
Profit for the period	--	--	--	7,649	7,649	--	7,649
Other comprehensive loss							
Currency translation differences	--	--	(1)	--	(1)	--	(1)
Total comprehensive income/(loss) for the period	--	--	(1)	7,649	7,648	--	7,648
Balance at 28 February 2018	23,759	--	17,997	248,790	290,546	(1,148)	289,398