



Mabel Mezzco Limited

**Interim report
as at and for the 28-week period to
November 06, 2016**

General information

Wagamama operates popular award winning pan-Asian inspired noodle restaurants based in the United Kingdom. In addition to our Company-operated restaurants across the United Kingdom and the United States, we have franchised restaurants operating in 17 markets around the world spread across Western Europe, Eastern Europe, the Middle East and New Zealand.

Wagamama offers fresh, pan-Asian cuisine in a friendly, vibrant setting. Our menu features a wide variety of noodle and rice dishes, as well as salads and side dishes, juices, hot drinks, wine, sake and Asian beers. Freshness and quality are two ingredients that we believe go into every dish. Many Wagamama signature dishes can be found in all of our restaurants across the globe and we also have local specialties that take advantage of regional produce and tastes.

Presentation of financial information

Unless otherwise indicated, the financial information presented in this report is the historical consolidated financial information of Mabel Mezzco Limited and its subsidiaries (the "Group").

This report includes or derives information from the following financial sources:

- the unaudited consolidated financial information of the Group as of and for the 12 weeks ended November 06, 2016 ("Second Quarter 2016/17", "Q2 2016/17", or "the quarter"), and the comparative period as of and for the 12 weeks ended November 08, 2015 ("Second Quarter 2015/16" or "Q2 2015/16"), prepared in accordance with FRS 102; and
- the unaudited consolidated financial information of the Group as of and for the 28 weeks ended November 06, 2016 ("Half One 2016/17", "H1 2016/17") and the comparative period as of and for the 28 weeks ended November 08, 2015 ("Half One 2015/16" or "H1 2015/16"), prepared in accordance with FRS 102.

The financial year for the Group runs from the calendar day following the previous financial year end to the Sunday nearest to April 30 of each calendar year. Accordingly, from time to time, the financial accounting period covers a 53-week period, which impacts the comparability of results. Our 2016/17 financial year will end on April 23, 2017 and will constitute a 52-week period.

Second Quarter 2017 highlights

Financial highlights

- Turnover increased 14.5% to £61.7 million in Q2 2016/17 with the continued expansion of our restaurants in the UK (4 new openings in the quarter) and 9.1% UK like for like sales growth.
- Adjusted EBITDA up 16.8% in Q2 2016/17 to £10.9 million from £9.4 million in Q2 2015/16.
- Adjusted EBITDA margin at 17.9% in Q2 2016/17 compared to 17.5% in Q2 2015/16 and leverage down to 2.6x.
- Underlying⁽¹⁾ free cashflow at 107.6% of adjusted EBITDA remains strong.

⁽¹⁾Q2 2016/17 and Q2 2015/16 both adjusted to reflect the movement in one-off fees relating to exceptional costs and re-financing.

Operational highlights

- Four new restaurants opened at Bankside, Peterborough, Ipswich and St Pauls.
- 13 refurbishments have been completed or are underway in Q2 2016/17, bringing Kaizen design and new covers where possible to the existing estate.
- Construction of first New York City restaurant completed in Q2 2016/17 with opening shortly after the quarter end on 16 November and strong performance and feedback.
- New franchise restaurants opened in Jeddah, Istanbul and Auckland and the pipeline is growing.

Half One 2017 highlights

Financial highlights

- Turnover increased 15.9% to £138.1 million in H1 2016/17 with the continued expansion of our restaurants in the UK (6 new openings in the year to date) and 9.5% UK like for like sales growth.
- Adjusted EBITDA up 17.9% in H1 2016/17 to £23.0 million from £19.5 million in H1 2015/16.
- Adjusted EBITDA margin at 16.8% in H1 2016/17 compared to 16.5% in H1 2015/16.
- Underlying⁽¹⁾ free cashflow at 102.8% of adjusted EBITDA remains strong.
- Both Moody's and Standard & Poor's credit ratings upgraded, from B2 stable to B2 positive outlook (Moody's) and B- stable to B flat stable (S&P).

⁽¹⁾H1 2016/17 and H1 2015/16 both adjusted to reflect the movement in one-off fees relating to exceptional costs and re-financing.

Operational highlights

- Six new UK restaurants opened in H1 2016/17 together with 6 new franchise restaurants.
- 18 refurbishments have been completed or are underway in H1 2016/17, bringing Kaizen design and new covers where possible to the existing estate. T5 has delivered multiple record sales weeks since its refurbishment.

Results of operations

Second Quarter 2016/17 compared with Second Quarter 2015/16

Turnover

Turnover increased 14.5% to £61.7 million in Q2 2016/17 from £53.9 million in Q2 2015/16. A geographic and business line analysis of our turnover follows:

£ million	Q2 2016/17	Q2 2015/16	% change
Company-operated UK	59.6	52.1	14.4%
Company-operated US	1.5	1.4	7.1%
Franchise	0.6	0.4	50.0%
Total	61.7	53.9	14.5%

Company-operated restaurants

Turnover in our restaurant business in the United Kingdom increased 14.4% to £59.6 million in Q2 2016/17 from £52.1 million in Q2 2015/16. This was primarily due to the increase in the number of restaurants from 117 open at the end of Q2 2015/16 to 122 open at the end of Q2 2016/17 and a 9.1% like for like sales increase.

Turnover in our restaurant business in the United States increased 7.1% to £1.5 million in Q2 2016/17 from £1.4 million in Q2 2015/16. US\$ turnover decreased by 15.1% to \$1.9 million for Q2 2016/17 versus \$2.2 million for Q2 2015/16 reflecting growth in LFL but offset by the closure of one Boston restaurant during Q1 2016/17.

International franchised restaurants

Turnover from our international franchised restaurants business line increased 50.0% to £0.6 million in Q2 2016/17 from £0.4 million in Q2 2015/16.

Cost of sales

Gross margin has increased from £24.4 million in Q2 2015/16 to £27.0 million in Q2 2016/17. The growth in the estate and the like for like sales growth were the primary causes of this increase.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 7.3% to £21.1 million in Q2 2016/17 from £19.6 million in Q2 2015/16. This was primarily due to overhead costs and depreciation commensurate with the addition of new restaurants in addition to the increase in central overhead expenses, again reflecting the increase in estate size.

Net interest payable and similar charges

Net interest payable and similar charges remained stable at £3.0 million in Q2 2016/17 and in Q2 2015/16.

Tax on loss on ordinary activities

The tax charge on profit on ordinary activities increased from £0.5 million in Q2 2015/16 to £0.7 million in Q2 2016/17 reflecting the increased profitability of the Group.

H1 2016/17 compared with H1 2015/16

Turnover

Turnover increased 15.9% to £138.1 million in H1 2016/17 from £119.2 million in H1 2015/16. A geographic and business line analysis of our turnover follows:

£ million	Q2 2016/17	Q2 2015/16	% change
Company-operated UK	133.4	115.2	15.8%
Company-operated US	3.4	3.1	9.7%
Franchise	1.3	0.9	44.4%
Total	138.1	119.2	15.9%

Company-operated restaurants

Turnover in our restaurant business in the United Kingdom increased 15.8% to £133.4 million in H1 2016/17 from £115.2 million in H1 2015/16. This was primarily due to the increase in the number of restaurants from 117 open at the end of Q2 2015/16 to 122 open at the end of Q2 2016/17 and a 9.5% like for like sales increase.

Turnover in our restaurant business in the United States increased 9.7% to £3.4 million in H1 2016/17 from £3.1 million in H1 2015/16. US\$ turnover decreased by 5.8% to \$4.5 million for H1 2016/17 versus \$4.8 million for H1 2015/16 reflecting growth in LFL but offset by the closure of one Boston restaurant during Q1 2016/17.

International franchised restaurants

Turnover from our international franchised restaurants business line increased 44.4% to £1.3 million in H1 2016/17 from £0.9 million in H1 2015/16.

Cost of sales

Gross margin has increased from £53.4 million in H1 2015/16 to £59.7 million in H1 2016/17. The growth in the estate and the like for like sales growth were the primary causes of this increase.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 6.9% to £48.2 million in H1 2016/17 from £45.1 million in H1 2015/16. This was primarily due to overhead costs and depreciation commensurate with the addition of new restaurants in addition to the increase in central overhead expenses, again reflecting the increase in estate size.

Net interest payable and similar charges

Net interest payable decreased from £7.1 million in H1 2015/16 to £7.0 million in H1 2016/17 as a result of small savings in commitment fees.

Tax on loss on ordinary activities

The tax charge on profit on ordinary activities increased from £0.5 million in H1 2015/16 to £1.4 million in H1 2016/17 reflecting the increased profitability of the Group.

Liquidity and capital resources***Net cash inflow from operating activities***

Net cash inflow from operating activities increased 5.5% to £11.0 million in Q2 2016/17 from £10.4 million in Q2 2015/16. This was primarily due to an increase in EBITDA.

Net cash inflow from operating activities increased 23.2% to £22.1 million in H1 2016/17 from £17.9 million in H1 2015/16. This was primarily due to an increase in EBITDA.

Net cash outflow from returns on investments and servicing of finance

Net cash flow from returns on investments remained flat at £0.0 million in both Q2 2016/17 and Q2 2015/16.

Net cash outflow from returns on investments and servicing of finance decreased from £6.1 million in H1 2015/16 to £5.9 million in 2016/17, reflecting a consistent payment of semi-annual bond interest but a small reduction in commitment fees.

Net cash outflow from capital expenditure

Net cash outflow from capital expenditure increased 23.1% to £5.6 million in Q2 2016/17 from £4.7 million in Q2 2015/16.

Net cash outflow from capital expenditure increased 50.9% to £14.2 million in H1 2016/17 from £9.4 million in H1 2015/16.

This was primarily due to new UK restaurant expenditure along with capital expenditure relating to the USA expansion. An increased level of refurbishment, head office and system expenditure also contributed to the increased level of expenditure in Q2 and H1 2016/17.

Net cash inflow/outflow from financing

Net cash outflow from financing was £0.0 million in both Q2 and H1 2016/17 and Q1 and H1 2015/16.

Capital expenditures

The following table shows our capital expenditures for the periods indicated:

	For the 12 weeks ended		For the 28 weeks ended	
	November 06, 2016	November 08, 2015	November 06, 2016	November 08, 2015
New site capital expenditures	3.3	3.0	7.3	6.1
Refurbishment expenditures	1.6	0.2	4.6	0.6
Maintenance expenditures	0.5	0.5	1.2	1.0
Other capital expenditures*	0.3	1.0	1.1	1.6
Total capital expenditures	5.7	4.7	14.2	9.3
Corporate expenses	-	0.1	-	0.1

*other capital expenditure: office, systems and central kitchen

Estate summary

We opened 4 new restaurants in Q2 2016/17 and 6 restaurants in H1 2016/17 compared to 2 restaurants in Q2 2015/16 and 7 restaurants in H1 2016/16. The increase in the number of franchised restaurants reflects new openings in Ayia Napa, Gibraltar, Rotterdam, Istanbul, Jeddah and Auckland.

The table below shows the number of our Company-operated and franchised restaurants as at the following dates:

	For the 12 weeks ended		For the 28 weeks ended	
	November 06, 2016	November 08, 2015	November 06, 2016	November 08, 2015
Company-operated restaurants⁽¹⁾	125	121	125	121
<i>United Kingdom restaurants</i>	122	117	122	117
<i>United States restaurants</i>	3	4	3	4
<i>Company-operated restaurant openings during the period</i>	4	2	6	7
<i>Company-operated restaurants closures during the period</i>	(1)	0	(5)	(2)
Franchised ⁽²⁾	38	31	38	31
Total	163	152	163	152

(1) Company-operated restaurants include all of our restaurants in the United Kingdom and the United States.

(2) Franchised restaurants as at the dates listed were located in Belgium, Greece, Ireland, Malta, The Netherlands, Northern Ireland, Denmark, Sweden, Cyprus, Slovakia, Turkey, Qatar, United Arab Emirates, Bahrain, New Zealand, Gibraltar and Saudi Arabia.

Key performance indicators

	For the 12 weeks ended		For the 28 weeks ended		LTM
	November 06, 2016	November 08, 2015	November 06, 2016	November 08, 2015	
	(£ millions)				
Like-for-like sales growth (%)	9.1%	11.3%	9.5%	12.3%	11.5%
EBITDAR	15.3	13.5	32.8	28.0	58.9
Rent Expense	5.0	4.6	11.2	10.2	19.5
EBITDA	10.3	8.9	21.6	17.8	39.5
EBITDA Margin (%)	16.8%	16.7%	15.8%	15.0%	16.0%
Adjusted EBITDA ⁽¹⁾	10.9	9.4	23.0	19.5	42.2
Adjusted EBITDA margin (%)	17.9%	17.5%	16.8%	16.5%	17.1%
Net total indebtedness ⁽²⁾					109.1
Ratio of net total indebtedness to adjusted EBITDA					2.6x

(1) Please find below a reconciliation calculation from profit for the financial period to EBITDA and Adjusted EBITDA and adjustments made to calculate Adjusted EBITDA for the periods indicated:

	For the 12 weeks ended		For the 28 weeks ended		LTM
	November 06, 2016	November 08, 2015	November 06, 2016	November 08, 2015	
	(£ millions)				
Profit/loss for the financial period	2.0	1.3	2.7	0.7	4.6
Tax on profit/loss on ordinary activities	0.7	0.5	1.3	0.5	1.9
Net interest payable and similar charges	3.0	3.0	6.9	7.1	12.9
Exceptional expenses/(income)	0.3	0.0	0.6	0.0	1.6
Goodwill amortisation	2.1	2.1	4.9	4.9	9.1
Depreciation and impairment of tangible assets	2.3	2.1	5.2	4.6	9.4
EBITDA	10.4	8.9	21.6	17.8	39.5
Pre-opening costs ^(a)	0.6	0.4	1.4	1.6	2.5
Corporate expenses ^(b)	0.0	0.1	0.0	0.1	0.2
Adjusted EBITDA	10.9	9.4	23.0	19.5	42.2
Franchise/USA adjusted EBITDA	(0.1)	(0.1)	(0.3)	(0.1)	(0.7)
General and administrative expenses	3.4	3.6	7.7	7.8	14.3
UK Restaurant 4-wall adjusted EBITDA	14.2	12.9	30.4	27.2	55.8

(a) Pre-opening costs represents costs incurred prior to the opening of a new restaurant, including rent incurred prior to opening, wages of employees in training and food costs incurred for training of new employees.

(b) Corporate expenses represents fees paid to our principal shareholders and security agent under our senior facilities agreement (which was repaid on January 28, 2015) / bond and RCF agreement, professional fees incurred relating to syndication and listing of loan notes under that agreement and fees in respect of our corporate status.

(2) Net total indebtedness represents total debt less cash.

Further information for noteholders

This report was prepared in accordance with the indenture dated January 28, 2015 among Wagamama Finance plc, as Issuer, the guarantors named therein, U.S. Bank Trustees Limited, as Trustee, Elavon Financial Services Limited, UK Branch, as paying agent and transfer agent, Elavon Financial Services Limited, as registrar, and U.S. Bank Trustees Limited, as Security Trustee.

This interim report may include forward-looking statements. All statements other than statements of historical facts included in this interim report, including those regarding the Group's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Many factors could cause the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this interim report. The Group expressly disclaims any obligations or undertaking, except as required by applicable law and applicable regulations to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The financial results presented in this presentation are preliminary and may change. This preliminary financial information includes calculations or figures that have been prepared internally by management and have not been reviewed or audited by our independent chartered accounting firm. There can be no assurance that the group's actual results for the period presented herein will not differ from the preliminary financial data presented herein and such changes could be material. This preliminary financial data should not be viewed as a substitute for full financial statements prepared in accordance with FRS 102 and is not necessarily indicative of the results to be achieved for any future periods. This preliminary financial information, and previously reported amounts, could be impacted by the effects of the pending review of the Board of Directors.

Use of non-FRS 102 financial information

Certain parts of this report contain non-FRS 102 measures and ratios, including EBITDAR, rent expense, EBITDA, EBITDA margin, Adjusted/(Adj.) EBITDA, Adjusted/(Adj.) EBITDA margin, UK restaurant 4-wall adjusted/(Adj.) EBITDA, new site capital expenditures, maintenance capital expenditures, other capital expenditures, total capital expenditures, like-for-like sales growth, working capital and leverage ratios that are not required by, or presented in accordance with, FRS 102. We believe that these measures are useful indicators of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. Because all companies do not calculate these measures on a consistent basis, our presentation of these measures may not be comparable to measures under the same or similar names used by other companies. Accordingly, undue reliance should not be placed on these measures in this interim report. In particular, EBITDAR, EBITDA, Adjusted/(Adj.) EBITDA and UK restaurant 4-wall adjusted/(Adj.) EBITDA are not measures of our financial performance or liquidity under FRS 102 and should not be considered as an alternative to (a) net income/(loss) for the period as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under FRS 102.

Our non-FRS 102 measures are defined by us as follows:

- We define "EBITDAR" as EBITDA plus rent expense.
- We define "rent expense" as the aggregate fees incurred for the period indicated pursuant to our property lease obligations.
- We define "EBITDA" as profit for the financial period plus tax on profit on ordinary activities, net interest payable and similar charges, exceptional administrative (expenses)/income, gain/(loss) on disposal of fixed assets, goodwill amortisation and depreciation and impairment of tangible assets.

- We define “EBITDA margin” as EBITDA divided by turnover.
- We define “Adjusted/(Adj.) EBITDA” as EBITDA adjusted for the impact of restaurant pre-opening costs, sponsor monitoring fees, and extra days of trading. We define LTM performance as FY16 audited full year results less H1 2015/16, plus H1 2016/17.
- We define “Adjusted/(Adj.) EBITDA margin” as Adjusted EBITDA divided by turnover.
- We define “UK restaurant 4-wall Adjusted/(Adj.) EBITDA” as adjusted EBITDA excluding general and administrative expenses, franchise net income and USA adjusted EBITDA.
- We define “new site capital expenditure” as the capital expenditures we incur in order to purchase and outfit a new restaurant in preparation for its opening.
- We define “refurbishment expenditure” as expansion capital expenditure in existing restaurants.
- We define “maintenance capital expenditure” as the capital expenditures we incur to maintain our restaurants.
- We define “other capital expenditure” as the capital expenditures we incur for overhead costs relating to our central kitchen and other centralised capital expenditures relating primarily to training and IT.
- We define “total capital expenditure” as the purchase of tangible fixed assets as reflected in our cash flow statements.
- We define “like-for-like sales growth” as sales from our United Kingdom restaurants that traded for at least 17 full four-week periods. Restaurants are included on a rolling basis as each new restaurant is included in the like-for-like comparison once it has traded for 17 full four-week periods. Any week in which a restaurant did not have revenue and the preceding and following week are excluded both in the period considered and in the comparative period.
- We define “Underlying free cashflow” as adjusted EBITDA less maintenance capex plus/minus changes in net working capital (adjusted for one-off payments in both Q2 2016/17 and Q2 2015/16 that do not reflect underlying working capital patterns).

Mabel Mezzco Limited

Interim financial information

For the 28 weeks ended 6 November 2016

Registered number: 07556501

Mabel Mezzco Limited

Group profit and loss account for the period ended 6 November 2016

		Unaudited 28 weeks to 6 November 2016 £'000	Unaudited 28 weeks to 8 November 2015 £'000	Audited 52 weeks to 24 April 2016 £'000
Turnover	2	138,090	119,229	229,864
Cost of sales		(78,375)	(65,868)	(126,986)
Gross profit		59,715	53,361	102,878
Administrative expenses before exceptional items		(48,246)	(45,111)	(85,151)
Exceptional administrative expenses	3	(552)	-	(1,067)
Administrative expenses		(48,798)	(45,111)	(86,218)
Operating profit	3	10,917	8,250	16,660
Profit on ordinary activities before interest and taxation		10,917	8,250	16,660
Interest receivable and similar income		115	50	110
Interest payable and similar charges before exceptional items		(7,044)	(7,112)	(13,139)
Exceptional items		0	-	-
Interest payable and similar charges	4	(7,044)	(7,112)	(13,139)
Profit/loss on ordinary activities		3,988	1,188	3,631
Tax on profit/loss on ordinary activities		(1,330)	(470)	(1,009)
Profit/loss after tax for the financial period		2,658	718	2,622

All of the activities of the Group are continuing.

Mabel Mezzco Limited

Group statement of comprehensive income for the period ended 6 November 2016

	Unaudited	Unaudited	Audited
	28 weeks to	28 weeks to	52 weeks
	6 November	8 November	to 24 April
	2016	2015	2016
	£'000	£'000	£'000
Profit/loss for the financial period	2,658	718	2,622
Foreign exchange differences arising on consolidation	773	90	113
Total comprehensive income/expense for the period	3,431	808	2,735

Group statement of changes in equity for the period ended 6 November 2016

	Unaudited	Unaudited	Audited
	28 weeks to	28 weeks to	52 weeks
	6 November	8 November	to 24 April
	2016	2015	2016
	£'000	£'000	£'000
Profit/loss for the financial period	2,658	718	2,622
Other comprehensive income for the period	773	90	113
Total comprehensive income/expense for the period	3,431	808	2,735
Total transactions with owners recognised directly in equity	-	-	-
Net change in shareholders' funds	3,431	808	2,735
Opening shareholders' funds	61,945	59,725	59,210
Closing shareholders' funds	65,376	60,533	61,945

Mabel Mezzco Limited

Group balance sheet as at 6 November 2016

	Notes	Unaudited 6 November 2016 £'000	Unaudited 8 November 2015 £'000	Audited 24 April 2016 £'000
Fixed assets				
Intangible assets		131,638	140,743	136,535
Tangible assets	5	90,175	74,763	79,427
		221,813	215,506	215,962
Current assets				
Stocks		1,589	1,329	1,400
Debtors	6	10,352	7,822	7,707
Cash at bank and in hand		37,395	31,128	35,472
		49,336	40,279	44,579
Creditors: amounts falling due within one year	7	(53,631)	(43,894)	(46,592)
		(4,295)	(3,615)	(2,013)
Total assets less current liabilities				
		217,518	211,891	213,949
Creditors: amounts falling due after more than 1 year	8	(146,411)	(145,196)	(145,804)
		71,107	66,695	68,145
Provisions for liabilities and charges		(5,731)	(6,162)	(6,200)
		65,376	60,533	61,945
Capital and reserves				
Called-up share capital		20,000	20,000	20,000
Profit and loss account		45,376	40,533	41,945
		65,376	60,533	61,945

Mabel Mezzco Limited

Group cash flow statement for the period ended 6 November 2016

		Unaudited 28 weeks to 6 November 2016	Unaudited 28 weeks to 8 November 2015	Audited 52 weeks to 24 April 2016
	Note	£'000	£'000	£'000
Net cash inflow from operating activities	9	22,066	17,911	36,837
Taxation		(133)	(7)	(509)
Net cash generated from operating activities		21,933	17,904	36,328
Cash flow from investing activities				
Interest received		115	50	110
Proceeds from disposal of tangible fixed assets		-	-	-
Payments to acquire tangible fixed assets		(14,169)	(9,390)	(17,505)
Net cash used in investing activities		(14,054)	(9,340)	(17,395)
Cash flow from financing activities				
Interest paid		(5,995)	(6,102)	(12,126)
Expenses paid in connection with issue of debt		-	-	-
New bond		-	-	-
Repayment of bank loans		-	-	-
Repayment of loan notes		-	-	-
Net cash used in financing activities		(5,995)	(6,102)	(12,126)
Net increase in cash and cash equivalents	10	1,884	(2,462)	6,807
Cash and cash equivalents at the beginning of the period		35,472	28,666	28,666
Exchange adjustments		39	-	(1)
Cash and cash equivalents at the beginning of the period		37,395	31,128	35,472

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016

1. Basis of preparation

The unaudited interim financial information contains consolidated financial information for Mabel Mezzco Limited and its subsidiary undertakings (the "Group") for the 28 weeks ended 6 November 2016.

The unaudited interim financial information has been prepared using consistent accounting policies, presentation and a method of computation to those applied in the latest annual audited financial statements of the Group for the 52 week period ended 24 April 2016. This financial information should be read in conjunction with the Group's financial statements for the period ended 24 April 2016, which have been prepared under FRS 102.

The statutory accounts for the 52 week period ended 24 April 2016 have been approved by the Board of Directors. The auditors reported on those accounts, their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016 (continued)

2. Turnover

The turnover and operating profit for the period was derived from the Group's continuing activity which was carried out primarily in the UK. The analysis of turnover is as follows:

	Unaudited 28 weeks to 6 November 2016 £'000	Unaudited 28 weeks to 8 November 2015 £'000	Audited 52 weeks to 24 April 2016 £'000
UK location analysis			
Town	68,494	62,195	119,581
Shopping centre	47,097	38,610	76,463
Other location	17,813	14,444	25,920
Total UK company operated	133,404	115,249	221,964
Franchise revenue	1,306	874	1,729
Total UK revenue	134,710	116,123	223,693
US revenue	3,380	3,106	6,171
Total Revenue	138,090	119,229	229,864

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Notes to the interim financial information for the period ended 06 November 2016 (continued)

3. Operating profit

Operating profit is stated after charging:

	Unaudited 28 weeks to 6 November 2016 £'000	Unaudited 28 weeks to 8 November 2015 £'000	Audited 52 weeks to 24 April 2016 £'000
Amortisation	4,908	4,908	9,116
Depreciation of owed fixed assets	5,177	4,637	8,626
Foreign exchange gains	-	-	-
Auditors' remuneration	-	-	-
- as auditors	35	34	64
- for taxation services	86	118	177
- for other advisory services	28	-	80
Operating lease costs - land & buildings	11,253	10,180	18,380
Exceptional administrative expenses/(income)	552	-	1,067

For the periods ended 6 November 2016 and 24 April 2016 exceptional expenses incurred comprise expenditure relating to infrastructure development in readiness for the Group's USA expansion.

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016 (continued)

4. Interest payable and similar charges

	Unaudited	Unaudited	Audited
	28 weeks to	28 weeks to	52 weeks
	6 November	8 November	to 24 April
	2016	2015	2016
	£'000	£'000	£'000
Interest payable on bond	6,343	6,343	11,780
Interest payable on bank borrowings	94	155	234
Loan note interest	-	-	-
Loan arrangement fees	-	-	-
Amortisation of loan fees	607	614	1,125
Interest payable and similar charges	7,044	7,112	13,139

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016 (continued)

5. Tangible fixed assets

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
Cost			
At 25 April 2016	83,431	29,959	113,390
Additions	8,839	6,657	15,496
Disposals	(1,043)	(575)	(1,618)
Foreign exchange difference	948	284	1,232
At 6 November 2016	92,176	36,325	128,500
Accumulated depreciation			
at 25 April 2016	22,765	11,198	33,963
Charge for the period	2,354	2,824	5,177
Disposals	(920)	(500)	(1,420)
Foreign exchange difference	393	212	605
At 6 November 2016	24,592	13,733	38,325
Net book value			
At 6 November 2016	67,584	22,591	90,175
at 25 April 2016	60,666	18,761	79,427

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016 (continued)

5. Tangible fixed assets

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
Cost			
At 27 April 2015	72,911	29,875	102,786
Additions	10,848	7,249	18,097
Disposals	(650)	(7,254)	(7,904)
Foreign exchange difference	322	89	411
At 24 April 2016	83,431	29,959	113,390
Accumulated depreciation			
At 27 April 2015	19,203	13,639	32,842
Charge for the period	3,900	4,726	8,626
Disposals	(650)	(7,254)	(7,904)
Foreign exchange difference	312	87	399
At 24 April 2016	22,765	11,198	33,963
Net book value			
At 24 April 2016	60,666	18,761	79,427
At 26 April 2015	53,708	16,236	69,944

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016 (continued)

5. Tangible fixed assets (continued)

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
Cost			
At 26 April 2015	72,911	29,875	102,786
Additions	4,274	5,131	9,405
Foreign exchange difference	121	68	22
At 8 November 2015	77,253	35,028	112,281
Accumulated depreciation			
At 26 April 2015	19,203	13,639	32,842
Charge for the period	2,091	2,546	4,637
Foreign exchange difference	25	14	39
At 8 November 2015	21,319	16,199	37,518
Net book value			
At 8 November 2015	55,934	18,829	74,763
At 26 April 2015	53,708	16,236	79,944

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016 (continued)

6. Debtors

	Unaudited	Unaudited	Audited
	6 November	8 November	24 April
	2016	2015	2016
	£'000	£'000	£'000
Trade debtors	2,012	1,139	1,892
Amounts owed by parent undertakings	-	2	-
Other debtors and prepayments	8,340	6,681	5,815
	10,352	7,822	7,707

7. Creditors: amounts falling due within one year

	Unaudited	Unaudited	Audited
	6 November	8 November	24 April
	2016	2015	2016
	£'000	£'000	£'000
Trade creditors	3,414	9,316	12,727
Amounts owed to parent undertakings	499	615	621
Corporation tax	3,518	2,130	7,632
Other taxation & social security	10,983	10,103	2,229
Other creditors	5,507	4,963	4,606
Accruals	19,710	16,767	18,777
	53,631	43,894	46,592

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 06 November 2016 (continued)

8. Creditors: amounts falling due after more than one year

	Unaudited	Unaudited	Audited
	6 November	8 November	24 April
	2016	2015	2016
	£'000	£'000	£'000
Bond	146,411	145,196	145,804
	146,411	145,196	145,804

On 28 January 2015, the Group issued £150 million, 7.875% coupon bond and repaid its existing debt facilities. The bond is stated net of unamortised issue costs of £3,588,000. The issue costs are being amortised over the five year term of the bond.

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016 (continued)

9. Reconciliation of operating profit to net cash inflow from operating activities

	Unaudited 6 November 2016 £'000	Unaudited 8 November 2015 £'000	Audited 52 weeks to 24 April 2016 £'000
Operating profit	10,918	8,250	16,660
Amortisation	4,908	4,908	9,116
Depreciation	5,178	4,637	8,626
Loss on disposal of fixed assets	-	-	-
Impairment	-	-	-
(Increase)/decrease in stocks	(184)	(291)	(359)
(Increase)/decrease in debtors	(2,634)	(655)	(1,143)
Increase in creditors	4,057	1,062	4,416
Onerous lease	(177)		(479)
Net cash inflow from operating activities	22,066	17,911	36,837

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016 (continued)

10. Reconciliation of net cash flow to movement in net debt

	Unaudited	Unaudited	Audited
	28 weeks to	28 weeks to	52 weeks
	6 November	8 November	to 24 April
	2016	2015	2016
	£'000	£'000	£'000
Increase/ (decrease) in cash in the period	1,884	2,462	6,807
Exchange adjustments	39	-	(1)
Amortisation of loan issue fees	(607)	(614)	(1,222)
Change in net debt	1,316	1,848	5,584
Opening net debt	(110,332)	(115,916)	(115,916)
Closing net debt	(109,016)	(114,068)	(110,332)

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016 (continued)

11. Analysis of changes in net debt

28 weeks ended November 2016

	At 25 April 2016 £'000	Cash flows £'000	Other non- cash changes £'000	At 6 November 2016 £'000
Net cash:				
Cash in hand and at bank	35,472	1,884	39	37,395
Debt:				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	(145,804)	-	(607)	(146,411)
	(145,804)	0	(607)	(146,411)
Net debt after financing issue costs	(110,332)	1,884	(568)	(109,016)
Financing issue costs	(4,196)			(3,589)
Net debt before financing issue costs	(114,528)			(112,605)

28 weeks ended 8 November 2015

	At 27 April 2015 £'000	Cash flows £'000	Other non- cash changes £'000	At 8 November 2015 £'000
Net cash:				
Cash in hand and at bank	28,666	2,462	-	31,128
Debt:				
Debt due within 1 year	-		-	-
Debt due after 1 year	(144,582)		(614)	(145,196)
	(144,582)		(614)	(145,196)
Net debt after financing issue costs	(115,916)	2,462	(614)	(114,068)
Financing issue costs	(5,418)			(4,805)
Net debt before financing issue costs	(121,334)			(118,873)

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 6 November 2016 (continued)

11. Analysis of changes in net debt (continued)

Non cash changes

	Unaudited	Unaudited	Audited
	28 weeks to	28 weeks to	52 weeks
	6 November	8 November	to 24 April
	2016	2015	2016
	£'000	£'000	£'000
Amortisation of loan issue fees	(607)	(614)	(1,222)
Rolled up loan interest	-	-	-
Currency translation	39	-	(1)
	(568)	(614)	(1,223)