



**Mabel Mezzco Limited**

**Interim report  
as at and for the 40-week period to  
January 31, 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 16 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 interim report is the historical consolidated financial information of Mabel Mezzco Limited and its subsidiaries (the "Group").

This interim 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 January 31, 2016 ("Third Quarter 2016", "Q3 2016", or "the quarter"), and the comparative period as of and for the 12 weeks ended February 1, 2015 ("Third Quarter 2015" or "Q3 2015"), prepared in accordance with UK GAAP; and
- the unaudited consolidated interim financial information of the Group as of and for the 40 weeks ended January 31, 2016 ("Year to date (YTD) 2016"), and the comparative period as of and for the 40 weeks ended February 1, 2015 ("Year to date (YTD) 2015"), prepared in accordance with UK GAAP.

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 financial year will end on April 24, 2016 and will constitute a 52-week period.

The Group is in the process of transitioning to the new United Kingdom reporting standard, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, which will be applicable for the period ended 24 April 2016. Based on initial analysis, no material measurement differences are expected.

## YTD 2016 highlights

### Financial highlights – Quarter 3

- Turnover increased 17.3% to £55.5 million in Q3 2016 with the continued expansion of our restaurants in the UK (2 new openings in the quarter) and 11.9% UK like for like sales growth.
- Adjusted EBITDA up 36.3% in Q3 2016 to £10.5 million from £7.7 million in Q3 2015.
- Adjusted EBITDA margin at 19.1% in Q3 2016 compared to 16.4% in Q3 2015.
- Underlying<sup>(1)</sup> free cashflow at 99.1% of adjusted EBITDA remains strong.
- Net debt down to £115.7 million at Q3 2016 from £121.2 million net indebtedness as of Q3 2015, having benefited from improvement in EBITDA and restructuring of debt.

## Financial highlights – YTD 2016

- Turnover increased 18.6% to £174.8 million in Q3 2016 with the continued expansion of our restaurants in the UK (9 new openings in the period) and 12.2% UK like for like sales growth.
- Adjusted EBITDA up 32.6% in YTD 2016 to £30.1 million from £22.7 million in YTD 2015.
- Adjusted EBITDA margin at 17.3% in YTD 2016 compared to 15.5% in YTD 2015.
- Underlying<sup>(1)</sup> free cashflow at 100.2% of adjusted EBITDA remains strong.

(1) Year to date 2016 and Year to date 2015 both adjusted to reflect the movement in one-off fees relating to re-financing.

## Operational highlights

- Deliveroo (delivery operation) is now in 67 restaurants and delivering strong sales and profit growth.
- Two new restaurants opened at Gatwick South and Newport in Q3 2016 and 9 new restaurants in YTD 2016.
- Continued measured development and roll-out of UK company-owned restaurants.
- Margins continue to be strong and grow with labour scheduling driving both controls and visibility.
- Building foundations for extension of the brand in the USA with market research having identified New York City as high potential and a flagship planned for September 2016.

## Results of operations

### Third Quarter 2016 compared with Third Quarter 2015

#### Turnover

Turnover increased 17.3% to £55.5 million in Q3 2016 from £47.3 million in Q3 2015. A geographic and business line analysis of our turnover follows:

£ million	Q3 2016	Q3 2015	% change
Company-operated UK	53.6	45.7	+17.3
Company-operated US	1.5	1.2	+25.0
Franchise	0.4	0.4	-
<b>Total</b>	<b>55.5</b>	<b>47.3</b>	<b>+17.3</b>

#### Company-operated restaurants

Turnover in our restaurant business in the United Kingdom increased 17.3% to £53.6 million in Q3 2016 from £45.7 million in Q3 2015. This was primarily due to the increase in the number of restaurants from 112 open at the end of Q3 2015 to 119 open at the end of Q3 2016 and an 11.9% like for like sales increase.

Turnover in our restaurant business in the United States increased 25.0% to £1.5 million in Q3 2016 from £1.2 million in Q3 2015. US\$ turnover increased by 14.7% to \$2.2 million for Q3 2016 versus \$1.9m for Q3 2015.

#### International franchised restaurants

Turnover from our international franchised restaurants business line was flat at £0.4 million in Q3 2016 from £0.4 million in Q3 2015.

### **Cost of sales**

Margin before administrative expenses has improved from 45.1% in Q3 2015 to 45.7% in Q3 2016 due to customer price increases, purchasing savings and improved staffing leverage. The growth in the estate and the like for like sales growth were the primary causes of cost of sales increasing 16.3% to £30.2 million in Q3 2016 from £25.9 million in Q3 2015.

### **Administrative expenses before exceptional items**

Administrative expenses before exceptional items increased 8.4% to £19.8 million in Q3 2016 from £18.2 million in Q3 2015. 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 decreased 52.0% to £3.0 million in Q3 2016 from £6.3 million in Q3 2015, largely as a result of exceptional finance costs of £2.8 million incurred in Q3 2015 during refinancing.

### **Tax on loss on ordinary activities**

Due to the ongoing improvement in UK profitability, the tax on profit on ordinary activities has increased to £0.9m in Q3 2016 from £0.3 million in Q3 2015.

## **YTD 2016 compared with YTD 2015**

### **Turnover**

Turnover increased 18.6% to £174.8 million in YTD 2016 from £147.4 million in YTD 2015. A geographic and business line analysis of our turnover follows:

£ million	YTD 2016	YTD 2015	% change
Company-operated UK	168.9	142.1	+18.9
Company-operated US	4.6	4.0	+15.0
Franchise	1.3	1.3	-
<b>Total</b>	<b>174.8</b>	<b>147.4</b>	<b>+18.6</b>

### *Company-operated restaurants*

Turnover in our restaurant business in the United Kingdom increased 18.9% to £168.9 million in YTD 2016 from £142.1 million in YTD 2015. This was primarily due to the increase in the number of restaurants from 112 open at the end of Q3 2015 to 119 open at the end of Q3 2016 and a 12.2% like for like sales increase.

Turnover in our restaurant business in the United States increased 15.0% to £4.6 million in YTD 2016 from £4.0 million in YTD 2015. US\$ turnover increased by 8.6% to \$7.0 million for YTD 2016 versus \$6.4 million for YTD 2015.

### *International franchised restaurants*

Turnover from our international franchised restaurants business line was flat at £1.3 million in YTD 2016 from £1.3 million in YTD 2015.

### **Cost of sales**

Margin before administrative expenses has improved from 44.5% in YTD 2015 to 45.0% in YTD 2016 due to customer price increases, purchasing savings and improved staffing leverage. The growth in the estate and the like for like sales growth were the primary causes of cost of sales increasing 17.5% to £96.0 million in YTD 2016 from £81.7 million in YTD 2015.

### ***Administrative expenses before exceptional items***

Administrative expenses before exceptional items increased 12.0% to £64.9 million in YTD 2016 from £58.0 million in YTD 2015. 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 decreased 31.3% to £10.2 million in YTD 2016 from £14.8 million in YTD 2015, as a result of exceptional finance costs of £2.8 million incurred in Q3 2015 during refinancing together with the lower interest charges following the refinancing of higher interest rate debt.

### ***Tax on loss on ordinary activities***

Due to the ongoing improvement in UK profitability, the tax on loss on ordinary activities has increased from £0.4 million in YTD 2015 to £1.4 million in YTD 2016.

## **Liquidity and capital resources**

### ***Net cash inflow from operating activities***

Net cash inflow from operating activities decreased 3.4% to £8.0 million in Q3 2016 from £8.3 million in Q3 2015. This was primarily due to an increase in EBITDA of £3.7 million offset by a working capital outflow that included re-financing fee payments.

Net cash inflow from operating activities increased 6.8% to £26.0 million in YTD 2016 from £24.3 million in YTD 2015. This was primarily due to the increase in EBITDA of £6.9 million offsetting a decrease in the working capital inflow that included one-off payments not reflective of the normal working capital cycle of £3.0m in YTD 2016.

### ***Net cash outflow from returns on investments and servicing of finance***

Net cash outflow from returns on investments and servicing of finance in Q3 2016 was £5.9 million which increased from the outflow in Q3 2015 of £1.6 million. Q3 2015 reflected a part cash part PIK financing structure.

Net cash outflow from returns on investments and servicing of finance in YTD 2016 was £12.0 million which increased 133.8% from the outflow in YTD 2015 of £5.1 million reflecting that the previous financing structure was part cash part PIK interest.

### ***Net cash outflow from capital expenditure***

Net cash outflow from capital expenditure decreased 7.7% to £2.9 million in Q3 2016 from £3.1 million in Q3 2015. This was primarily due to the higher number of restaurants opened in the respective quarters being 2 in Q3 2016 and 3 in Q3 2015 along with an increased level of head office and system expenditure in 2016.

Net cash outflow from capital expenditure increased 51.1% to £12.3 million in YTD 2016 from £8.1 million in YTD 2015. This was primarily due to the higher number of restaurants opened in the respective period, increasing to 9 in YTD 2016 from 6 in YTD 2015 along with higher spend on maintenance, office, systems and central kitchen.

### ***Net cash inflow/outflow from financing***

Net cash outflow from financing was £0.0 million in Q3 2016 compared to £3.3 million in Q3 2015. The outflow in Q3 2015 related to the net movement in the repayment of bank debt which was replaced by the issue of the Wagamama bond.

Net cash outflow from financing decreased to £0.0 million in YTD 2016 from £0.3 million in YTD 2015 in line with repayment of debt followed by the refinancing in Q3 2015.

## Capital expenditures

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

	For the 12 weeks ended		For the 40 weeks ended	
	January 31, 2016	February 1, 2015	January 31, 2016	February 1, 2015
New site capital expenditures	1.7	2.2	7.9	5.2
Refurbishment expenditures	0.6	0.1	1.2	0.7
Maintenance expenditures	0.4	0.7	1.4	1.8
Other capital expenditures*	0.2	0.1	1.8	0.3
<b>Total capital expenditures</b>	<b>2.9</b>	<b>3.1</b>	<b>12.3</b>	<b>8.1</b>
Corporate expenses	0.1	0.1	0.2	0.2

\*other capital expenditure: office, systems and central kitchen

## Estate summary

We opened 2 new restaurants in Q3 2016 and 9 in YTD 2016 compared to 3 new restaurants in Q3 2015 and 6 in YTD 2015. The increase in the number of franchised restaurants reflects new openings in Amsterdam, Bahrain, Dubai, Auckland and Bratislava.

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 40 weeks ended	
	January 31, 2016	February 1, 2015	January 31, 2016	February 1, 2015
<b>Company-operated restaurants<sup>(1)</sup></b> .....	<b>123</b>	<b>116</b>	<b>123</b>	<b>116</b>
<i>United Kingdom restaurants</i> .....	119	112	119	112
<i>United States restaurants</i> .....	4	4	4	4
<i>Company-operated restaurant openings during the period</i> .....	2	3	9	6
<i>Company-operated restaurant closures during the period</i> .....	0	1	1	1
Franchised <sup>(2)</sup> .....	35	30	35	30
<b>Total</b> .....	<b>158</b>	<b>146</b>	<b>158</b>	<b>146</b>

(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, Switzerland, Cyprus, Slovakia, Turkey, Qatar, United Arab Emirates, Bahrain and New Zealand.

## Key performance indicators

	For the 12 weeks ended		For the 40 weeks ended		LTM
	January 31, 2016	February 1, 2015	January 31, 2016	February 1, 2015	
	(£ millions)				
Like-for-like sales growth (%) .....	11.9%	10.3%	12.2%	10.6%	11.2%
EBITDAR .....	14.4	10.9	42.4	33.3	53.7
Rent Expense .....	4.6	3.8	14.8	11.8	18.6
EBITDA .....	9.9	7.1	27.6	21.5	35.1
EBITDA Margin (%) .....	17.9%	15.1%	15.9%	14.7%	16.0%
Adjusted EBITDA <sup>(1)</sup> .....	10.5	7.7	30.1	22.7	37.6
Adjusted EBITDA margin (%) .....	19.1%	16.4%	17.3%	15.5%	17.2%
Net total indebtedness <sup>(2)</sup> .....					115.7
Ratio of net total indebtedness to adjusted EBITDA .....					3.1x

(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 40 weeks ended		LTM
	January 31, 2016	February 1, 2015	January 31, 2016	February 1, 2015	
	(£ millions)				
Profit/loss for the financial period .....	1.4	(5.0)	2.1	(8.5)	(8.4)
Tax on profit/loss on ordinary activities.....	0.9	0.3	1.4	0.4	2.1
Net interest payable and similar charges.....	3.0	3.5	10.0	12.0	13.1
Exceptional expenses/(income).....	0.3	4.3	0.3	3.8	10.3
Goodwill amortisation .....	2.1	2.1	7.0	7.0	9.1
Depreciation and impairment of tangible assets .....	2.2	1.9	6.8	6.8	8.9
<b>EBITDA .....</b>	<b>9.9</b>	<b>7.1</b>	<b>27.6</b>	<b>21.5</b>	<b>35.1</b>
Pre-opening costs <sup>(a)</sup> .....	0.5	0.5	2.3	1.0	2.2
Corporate expenses <sup>(b)</sup> .....	0.1	0.1	0.2	0.2	0.3
<b>Adjusted EBITDA.....</b>	<b>10.5</b>	<b>7.7</b>	<b>30.1</b>	<b>22.7</b>	<b>37.6</b>

(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.

## Use of non-UK GAAP financial information

Certain parts of this interim report contain non-UK GAAP measures and ratios, including EBITDAR, rent expense, EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, 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, UK GAAP. 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 and Adjusted EBITDA are not measures of our financial performance or liquidity under UK GAAP 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 UK GAAP.

Our non-UK GAAP 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 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 FY15 audited full year results less YTD 2015, plus YTD 2016.
- We define "Adjusted EBITDA margin" as Adjusted EBITDA divided by turnover.
- 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 Year to date 2016 and Year to date 2015 that do not reflect underlying working capital patterns; principally refinancing).

# Mabel Mezzco Limited

Interim financial information  
For the 40 weeks ended 31 January 2016

Registered number: 07556501

## Mabel Mezzco Limited

### Group profit and loss account for the period ended 31 January 2016

	Notes	Unaudited 40 weeks to 31 January 2016 £'000	Unaudited 40 weeks to 1 February 2015 £'000	Audited 52 weeks to 26 April 2015 £'000
Turnover	2	174,753	147,359	193,292
Cost of sales		(96,040)	(81,719)	(107,073)
<b>Gross profit</b>		<b>78,713</b>	<b>65,640</b>	86,219
Administrative expenses before exceptional items		(64,876)	(57,950)	(75,294)
Exceptional administrative expenses	3	(307)	(1,010)	(11,036)
Administrative expenses		(65,183)	(58,960)	(86,330)
Operating profit	3	13,530	6,680	(111)
<b>Profit on ordinary activities before interest and taxation</b>		<b>13,530</b>	<b>6,680</b>	(111)
Interest receivable and similar income		68	22	31
Interest payable and similar charges before exceptional items		(10,152)	(11,983)	(15,006)
Exceptional items		-	(2,793)	(2,793)
Interest payable and similar charges	4	(10,152)	(14,776)	(17,799)
<b>Profit/loss on ordinary activities</b>		<b>3,446</b>	<b>(8,074)</b>	<b>(17,879)</b>
Tax on profit/loss on ordinary activities		(1,356)	(395)	(1,103)
<b>Profit/loss after tax for the financial period</b>		<b>2,090</b>	<b>(8,469)</b>	<b>(18,982)</b>
Dividend in specie		-	(455)	(455)
<b>Profit/loss for the financial period</b>		<b>2,090</b>	<b>(8,924)</b>	<b>(19,437)</b>

All of the activities of the Group are continuing.

There are no material differences between the loss on ordinary activities before taxation and the loss for the periods stated above and their historical cost equivalents.

## Mabel Mezzco Limited

### Consolidated statement of total recognised gains and losses for the period ended 31 January 2016

	<b>Unaudited</b>	Unaudited	Audited
	<b>40 weeks</b>	40 weeks	52 weeks
	<b>to 31</b>	to 1	to 26 April
	<b>January</b>	February	2015
	<b>2016</b>	2015	2015
	<b>£'000</b>	£'000	£'000
Profit/loss for the financial period	2,090	(8,924)	(19,437)
Foreign exchange differences arising on consolidation	280	410	361
<b>Total recognised profit/loss in the period</b>	<b>2,370</b>	<b>(8,514)</b>	<b>(19,076)</b>

### Consolidated movement in shareholders' funds for the period ended 31 January 2016

	<b>Unaudited</b>	Unaudited	Audited
	<b>40 weeks</b>	40 weeks	52 weeks
	<b>to 31</b>	to 1	to 26 April
	<b>January</b>	February	2015
	<b>2016</b>	2015	2015
	<b>£'000</b>	£'000	£'000
Profit/loss for the financial period	2,090	(8,469)	(18,982)
Dividends in specie	-	(455)	(455)
Other recognised gains and losses for the period (per STRGL)	280	410	361
<b>Net change in shareholders' funds</b>	<b>2,370</b>	<b>(8,514)</b>	<b>(19,076)</b>
Opening shareholders' funds	<b>59,725</b>	78,801	78,801
<b>Closing shareholders' funds</b>	<b>62,095</b>	70,287	59,725

## Mabel Mezzco Limited

### Group balance sheet as at 31 January 2016

		Unaudited	Unaudited	Audited
	Notes	31 January 2016 £'000	1 February 2015 £'000	26 April 2015 £'000
<b>Fixed assets</b>				
Intangible assets		138,639	147,755	145,651
Tangible assets	5	76,770	74,927	69,944
		<b>215,409</b>	222,682	215,595
<b>Current assets</b>				
Stocks		1,497	1,268	1,038
Debtors	6	8,056	7,363	6,297
Cash at bank and in hand		29,848	22,932	28,666
		<b>39,401</b>	31,563	36,001
Creditors: amounts falling due within one year	7	<b>(41,125)</b>	(36,370)	(41,007)
Net current liabilities		<b>(1,724)</b>	(4,807)	(5,006)
Total assets less current liabilities		<b>213,685</b>	217,875	210,589
Creditors: amounts falling due after more than 1 year	8	<b>(145,543)</b>	(144,162)	(144,582)
		<b>68,142</b>	73,713	66,007
<b>Provisions for liabilities and charges</b>		<b>(6,047)</b>	(3,425)	(6,282)
Net assets		<b>62,095</b>	70,288	59,725
<b>Capital and reserves</b>				
Called-up share capital		20,000	20,000	20,000
Profit and loss account		42,095	50,288	39,725
Total shareholders' funds		<b>62,095</b>	70,288	59,725

## Mabel Mezzco Limited

### Group cash flow statement for the period ended 31 January 2016

		<b>Unaudited</b>	Unaudited	Audited
		<b>40 weeks to 31 January 2016 £'000</b>	40 weeks to 1 February 2015 £'000	52 weeks to 26 April 2015 £'000
	<b>Notes</b>			
Net cash inflow from operating activities	9	25,950	24,287	34,068
<b>Returns on investments and servicing of finance</b>				
Interest received		68	22	31
Interest paid		(12,034)	(5,141)	(5,141)
Net cash outflow on investments and servicing of finance		(11,966)	(5,119)	(5,110)
Taxation		(507)	(16)	(19)
<b>Capital expenditure</b>				
Proceeds from disposal of tangible fixed assets		-	-	-
Payments to acquire tangible fixed assets		(12,295)	(8,136)	(12,355)
<b>Net cash outflow from capital expenditure</b>		<b>(12,295)</b>	<b>(8,136)</b>	<b>(12,355)</b>
Cash inflow/(outflow) before financing		1,182	11,016	16,584
<b>Financing</b>				
Expenses paid in connection with issue of debt		-	(5,854)	(5,697)
New bank loans or call bonds		-	150,000	150,000
Repayment of bank loans		-	(144,471)	(144,472)
<b>Net cash outflow from financing</b>		<b>-</b>	<b>(325)</b>	<b>(169)</b>
<b>Increase / (decrease) in cash</b>	10	<b>1,182</b>	<b>10,691</b>	16,415
Exchange adjustments		-	-	10
<b>Opening cash at bank and in hand</b>		<b>28,666</b>	<b>12,241</b>	12,241
<b>Closing cash at bank and in hand</b>		<b>29,848</b>	<b>22,932</b>	28,666

# Mabel Mezzco Limited

## Notes to the interim financial information for the period ended 31 January 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 40 weeks ended 31 January 2016 and are prepared in accordance with the Accounting Standards Board's Reporting Statement on Half Yearly Financial reports.

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 26 April 2015. This financial information should be read in conjunction with the Group's financial statements for the period ended 26 April 2015, which have been prepared under United Kingdom Generally Accepted Accounting Practice (UK GAAP).

The Group is in the process of transitioning to the new United Kingdom reporting standard, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, which will be applicable for the period ended 24 April 2016. Based on initial analysis, no material measurement differences are expected.

The statutory accounts for the 52 week period ended 26 April 2015 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 31 January 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:

	<b>Unaudited</b>	Unaudited	Audited
	<b>40 weeks</b>	40 weeks	52 weeks
	<b>to 31</b>	to 1	to 26
	<b>January</b>	February	April 2015
	<b>2016</b>	2015	
	<b>£'000</b>	£'000	£'000
<b>UK location analysis</b>			
Town	<b>90,729</b>	78,901	103,562
Shopping centre	<b>57,595</b>	46,135	60,537
Other location	<b>20,571</b>	17,107	22,470
Total UK company operated	<b>168,895</b>	142,143	186,569
Franchise revenue	<b>1,286</b>	1,267	1,546
<b>Total UK revenue</b>	<b>170,181</b>	143,410	188,115
US revenue	<b>4,572</b>	3,949	5,177
<b>Total Revenue</b>	<b>174,753</b>	147,359	193,292



## Mabel Mezzco Limited

### Notes to the interim financial information for the period ended 31 January 2016 (continued)

#### 3. Operating profit

Operating profit is stated after charging / (crediting):

	<b>Unaudited</b>	Unaudited	Audited
	<b>40 weeks</b>	40 weeks	
	<b>to 31</b>	to 1	52 weeks
	<b>January</b>	February	to 26
	<b>2016</b>	2015	April 2015
	<b>£'000</b>	£'000	£'000
Amortisation	<b>7,011</b>	7,011	9,116
Depreciation of owed fixed assets	<b>6,800</b>	6,807	8,899
Impairment - included in exceptional administrative expenses	-	-	5,915
Foreign exchange gains	-	-	3
Auditors' remuneration			
- as auditors	<b>49</b>	55	62
- for taxation services	<b>80</b>	23	50
- for other advisory services	-	420	575
Operating lease costs - land & buildings	<b>14,754</b>	11,761	15,596
Loss on disposal of fixed assets (of which £1,310,000 included in exceptional administrative expenses in the 52 week period to 26 April 2015)	-	-	1,310
Exceptional administrative expenses/(income)	<b>307</b>	1,010	11,036

For the 40 week period ended 31 January 2016 exceptional expenses comprise one off costs relating to building the foundations for the extension of the brand in the USA.

For the 40 week period ended 1 February 2015 exceptional expenses includes expenses in connection with the review of refinancing options £1,344,000, offset by insurance receipts in respect of the restaurant flooded in the 52 weeks to 27 April 2014.

For the period ended 26 April 2015, the exceptional administrative expenses incurred principally comprise of insurance income received from the flooding of a restaurant in prior year (£340,000) impairment of £5,915,000, onerous lease provisions of £2,849,000, loss on disposal of assets of £1,310,000 and professional fees in conjunction with the Group's review of re-financing options of £1,302,000. The impairment and onerous lease provisions follow a review of the Group's estate and an updated view on the application of accounting policy.

## Mabel Mezzco Limited

### Notes to the interim financial information for the period ended 31 January 2016 (continued)

#### 4. Interest payable and similar charges

	<b>Unaudited</b>	Unaudited	Audited
	<b>40 weeks</b>	40 weeks	52 weeks
	<b>to 31</b>	to 1	to 26
	<b>January</b>	February	April
	<b>2016</b>	2015	2015
	<b>£'000</b>	£'000	£'000
Interest payable on bond	9,062	162	2,880
Interest payable on bank borrowings	225	4,596	4,639
Loan note interest	-	6,491	6,491
Loan arrangement fees	-	-	-
Amortisation of loan fees	865	734	996
Interest payable and similar changes before exceptional items	10,152	11,982	15,006
Exceptional items	-	2,793	2,793
<b>Interest payable and similar charges</b>	<b>10,152</b>	<b>14,776</b>	<b>17,799</b>

The exceptional interest cost in the 40 week period ended 1 February 2015 and the 52 week period ended 26 April 2015 relates to accelerated loan costs write-off on repayment of borrowings.

## Mabel Mezzco Limited

### Notes to the interim financial information for the period ended 31 January 2016 (continued)

#### 5. Tangible fixed assets

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
<b>Cost</b>			
At 26 April 2015	72,911	29,875	102,786
Additions	7,479	5,861	13,340
Foreign exchange difference	380	121	501
<b>At 31 January 2016</b>	<b>80,770</b>	<b>35,857</b>	<b>116,627</b>
<b>Accumulated depreciation</b>			
At 26 April 2015	19,203	13,639	32,842
Charge for the period	3,102	3,698	6,800
Foreign exchange difference	141	74	215
<b>At 31 January 2016</b>	<b>22,446</b>	<b>17,411</b>	<b>39,857</b>
<b>Net book value</b>			
<b>At 31 January 2016</b>	<b>58,324</b>	<b>18,446</b>	<b>76,770</b>
At 26 April 2015	53,708	16,236	69,944

## Mabel Mezzco Limited

### Notes to the interim financial information for the period ended 31 January 2016 (continued)

#### 5. Tangible fixed assets (continued)

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
<b>Cost</b>			
at 28 April 2014	68,129	25,891	94,020
Additions	7,811	3,836	11,647
Disposals	(3,603)	-	(3,603)
Foreign exchange difference	574	148	722
<b>At 26 April 2015</b>	<b>72,911</b>	<b>29,875</b>	<b>102,786</b>
<b>Accumulated depreciation</b>			
at 28 April 2014	10,786	9,271	20,057
Charge for the period	5,100	3,799	8,899
Impairment	5,436	479	5,915
Disposals	(2,293)	-	(2,293)
Foreign exchange difference	174	90	264
<b>At 26 April 2015</b>	<b>19,203</b>	<b>13,639</b>	<b>32,842</b>
<b>Net book value</b>			
<b>At 26 April 2015</b>	<b>53,708</b>	<b>16,236</b>	<b>69,944</b>
At 28 April 2014	57,343	16,620	73,963

The impairment wrote certain assets down on a value in use basis using a 10% discount rate.

## Mabel Mezzco Limited

### Notes to the interim financial information for the period ended 31 January 2016 (continued)

#### 5. Tangible fixed assets (continued)

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
<b>Cost</b>			
At 27 April 2014	68,129	25,891	94,020
Additions	4,287	3,004	7,291
Foreign exchange differences	607	161	768
<b>At 1 February 2015</b>	<b>73,023</b>	<b>29,056</b>	<b>102,079</b>
<b>Accumulated depreciation</b>			
At 27 April 2014	10,786	9,271	20,057
Charge for the period	3,286	3,521	6,807
Foreign exchange difference	190	98	288
<b>At 1 February 2015</b>	<b>14,262</b>	<b>12,890</b>	<b>27,152</b>
<b>Net book value</b>			
<b>At 1 February 2015</b>	<b>58,761</b>	<b>16,166</b>	<b>74,927</b>
At 27 April 2014	57,343	16,620	73,963

## Mabel Mezzco Limited

### Notes to the interim financial information for the period ended 31 January 2016 (continued)

#### 6. Debtors

	<b>Unaudited 31 January 2016 £'000</b>	Unaudited 1 February 2015 £'000	Audited 26 April 2015 £'000
Trade debtors	1,338	1,044	1,312
Amounts owed by parent undertakings	4	-	-
Other debtors and prepayments	6,714	6,319	4,985
	<b>8,056</b>	<b>7,363</b>	<b>6,297</b>

#### 7. Creditors: amounts falling due within one year

	<b>Unaudited 31 January 2016 £'000</b>	Unaudited 1 February 2015 £'000	Audited 26 April 2015 £'000
Trade creditors	8,802	5,602	11,869
Amounts owed to parent undertakings	612	-	-
Corporation tax	2,505	1,163	1,626
Other taxation & social security	9,441	8,575	6,920
Other creditors	1,912	1,688	2,207
Accruals	17,853	19,342	18,385
	<b>41,125</b>	<b>36,370</b>	41,007

## Mabel Mezzco Limited

### Notes to the interim financial information for the period ended 31 January 2016 (continued)

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

	<b>Unaudited 31 January 2016 £'000</b>	Unaudited 1 February 2015 £'000	Audited 26 April 2015 £'000
Bond	145,543	144,162	144,582
Bank loans	-	-	-
Loan notes	-	-	-
	<b>145,543</b>	<b>144,162</b>	144,582

On 28 January 2015, the Group issued £150 million, 7.875% coupon bond and repaid its existing debt facilities of £140,844,000 valued at the date of the transaction date. The bond is stated net of unamortised issue costs of £4,805,000. 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 31 January 2016 (continued)

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

	<b>Unaudited 40 weeks to 31 January 2016 £'000</b>	Unaudited 40 weeks to 1 February 2015 £'000	Audited 52 weeks to 26 April 2015 £'000
Operating profit	13,530	6,680	(111)
Amortisation	7,011	7,011	9,116
Depreciation	6,800	6,807	8,899
Loss on disposal of fixed assets	-	-	1,310
Impairment	-	-	5,915
Decrease/(increase) in stocks	(459)	(166)	61
Decrease/(increase) in debtors	(1,486)	534	265
Increase in creditors	554	3,421	5,764
Onerous lease	-	-	2,849
<b>Net cash inflow from operating activities</b>	<b>25,950</b>	<b>24,287</b>	<b>34,068</b>



## Mabel Mezzco Limited

### Notes to the interim financial information for the period ended 31 January 2016 (continued)

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

	<b>Unaudited 40 weeks to 31 January 2016 £'000</b>	<b>Unaudited 40 weeks to 1 February 2015 £'000</b>	<b>Audited 52 weeks to 26 April 2015 £'000</b>
Increase/ (decrease) in cash in the period	1,182	10,691	16,415
Exchange adjustments	-	-	10
Net cash inflow from bank loans	-	(150,000)	(150,000)
Write off previously capitalised loan fees	-	5,854	5,697
Repayment of bank loans	-	144,471	144,472
Amortisation of loan issue fees	(961)	(3,527)	(3,791)
Rolled up interest	-	(6,491)	(6,491)
<b>Change in net debt</b>	<b>221</b>	<b>998</b>	<b>6,312</b>
Opening net debt	(115,916)	(122,228)	(122,228)
<b>Closing net debt</b>	<b>(115,695)</b>	<b>(121,230)</b>	<b>(115,916)</b>

## Mabel Mezzco Limited

### Notes to the interim financial information for the period ended 31 January 2016 (continued)

#### 11. Analysis of changes in net debt

40 weeks ended 31 January 2016

	At 27 April 2015 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 January 2016 £'000
Net cash:				
Cash in hand and at bank	28,666	1,182	-	29,848
Debt:				
Debt due within 1 year	-		-	-
Debt due after 1 year	(144,582)		(961)	(145,543)
	(144,582)		(961)	(145,543)
<b>Net debt after financing issue costs</b>	<b>(115,916)</b>	<b>1,182</b>	<b>(961)</b>	<b>(115,695)</b>
Financing issue costs	(5,418)			(4,456)
<b>Net debt before financing issue costs</b>	<b>(121,334)</b>			<b>(120,151)</b>

40 weeks ended 1 February 2015

	At 28 April 2014 £'000	Cash flows £'000	Other non- cash changes £'000	At 1 February 2015 £'000
Net cash:				
Cash in hand and at bank	12,241	10,691	-	22,932
Debt:				
Debt due within 1 year	(2,339)	2,339	-	-
Debt due after 1 year	(132,130)	(2,014)	(10,018)	(144,162)
	(134,469)	325	(10,018)	<b>(144,162)</b>
<b>Net debt after financing issue costs</b>	<b>(122,228)</b>	<b>11,016</b>	<b>(10,018)</b>	<b>(121,230)</b>
Financing issue costs	(1,999)			(5,838)
<b>Net debt before financing issue costs</b>	<b>(124,227)</b>			<b>(127,068)</b>

## Mabel Mezzco Limited

### Notes to the interim financial information for the period ended 31 January 2016 (continued)

#### 11. Analysis of changes in net debt (continued)

##### Non cash changes

	<b>Unaudited 40 weeks to 31 January 2016 £'000</b>	Unaudited 40 weeks to 1 February 2015 £'000	Audited 52 weeks to 26 April 2015 £'000
Amortisation of loan issue fees	<b>(961)</b>	(3,527)	(3,791)
Rolled up loan interest	-	(6,491)	(6,491)
Currency translation	-	-	10
	<b>(961)</b>	(10,018)	(10,272)