wagamama

Mabel Mezzco Limited

Interim report
as at and for the 12-week and 40-week periods ended
February 1, 2015

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 14 countries 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.

Third Quarter 2015 highlights

Financial highlights

- Turnover increased 18.3% to £47.3 million in the quarter with the continued expansion of our restaurants in the UK (3 new openings in the quarter) and 9.9% UK like for like sales growth.
- Adjusted EBITDA up 14.5% in the quarter to £7.9 million from £6.9 million in the comparable prior year quarter with margin at 16.8%. Margin percentage impacted by 0.9 ppt increase in management incentive charges reflecting significant out-performance versus budget.
- Free cashflow continues to be strong at 104.3% of adjusted EBITDA for the Interim Period 2015.
- Net debt down to £127.1 million from £128.8 million pro forma net indebtedness as of November 9 2014.

Operational highlights

- Heathrow lease renewed.
- 3 company-operated (Uxbridge, Birmingham New Street and Meadowhall) and 2 franchise restaurants opened in the quarter.
- Flagship London restaurant under construction at Great Marlborough Street (W1).
- Strong pipeline of restaurants to drive growth going forward.

Results of operations

Third Quarter 2015 compared with Third Quarter 2014

Turnover

Turnover increased 18.3% to £47.3 million in Q3 2015 from £40.0 million in Q3 2014. A geographic and business line analysis of our turnover follows:

£ million	**Q3 2015**	**Q3 2014**	**% change**
Company-operated UK	45.7	38.5	18.7
Company-operated US	1.2	1.1	9.1
Franchise	0.4	0.4	-
Total	**47.3**	**40.0**	**18.3**

Company-operated restaurants

Turnover in our restaurant business in the United Kingdom increased 18.7% to £45.7 million in Q3 2015 from £38.5 million in Q3 2014. This was primarily due to the increase in the number of restaurants from 104 open at the end of Q3 2014 to112 open at the end of Q3 2015 and a 9.9% like for like sales increase.

Turnover in our restaurant business in the United States was £1.2 million in Q3 2015 from £1.1 million in Q3 2014. Underlying US$ turnover was flat at $1.9 million for each of Q3 2015 and Q3 2014.

International franchised restaurants

Turnover from our international franchised restaurants business line was flat at £0.4 million in Q3 2015 from £0.4 million in Q3 2014.

Cost of sales

Margin before administrative expenses has improved from 44.2% in Interim Period 2014 to 45.1% in Interim Period 2015 due to customer price increases, purchasing benefits 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 16.1% to £25.9 million in Q3 2015 from £22.3 million in Q3 2014.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 17.4% to £18.2 million in Q3 2015 from £15.5 million in Q3 2014. 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.

Exceptional administrative expense

Exceptional administrative expenses in Q3 2014 was £0.2 million and primarily represented charges relating to management restructure and the recruitment of a more experienced management team in the UK and internationally. Exceptional administrative expenses in Q3 2015 was £1.5 million and primarily represented expenses relating to due diligence for alternative options to the bond issue.

Net interest payable and similar charges

Net interest payable and similar charges increased 85.2% to £6.3 million in Q3 2015 from £3.4 million in Q3 2014, as a result of the write off of previously capitalised re-financing costs of £2.8 million. Excluding these exceptional interest charges, net interest payable would be £3.5 million in Q3 2015 from £3.4 million in Q3 2014.

Tax on loss on ordinary activities

Tax on loss on ordinary activities increased 50.0% to £0.3 million in Q3 2015 from £0.2 million in Q3 2014. This was primarily due to the ongoing improvement in UK profitability.

Interim Period 2015 compared with Interim Period 2014

Turnover

Turnover increased 19.8% to £147.4 million in Interim Period 2015 from £123.0 million in Interim Period 2014. A geographic and business line analysis of our turnover follows:

£ million	**Interim Period 2015**	**Interim Period 2014**	**% change**
Company-operated UK	142.1	118.3	20.1
Company-operated US	3.9	3.5	11.4
Franchise	1.3	1.2	8.3
Total	**147.4**	**123.0**	**19.8**

Company-operated restaurants

Turnover in our restaurant business in the United Kingdom increased 20.1% to £142.1 million in Interim Period 2015 from £118.3 million in Interim Period 2014. This was primarily due to a cumulative like for like sales increase of 10.5% combined with 8 new openings increasing our estate size to 112 (104 at the end of Interim Period 2014).

Turnover in our restaurant business in the United States increased 11.4% to £3.9 million in Interim Period 2015 from £3.5 million in Interim Period 2014. This was primarily due to the opening of the fourth restaurant in October 2013.

International franchised restaurants

Turnover from our international franchised restaurants business increased 8.3% to £1.3 million in Interim Period 2015 from £1.2 million in Interim Period 2014.

Cost of sales

Margin before administrative expenses has improved from 43.0% in Interim Period 2014 to 44.5% in Interim Period 2015 due to customer price increases, purchasing benefits 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 16.7% to £81.7 million in Interim Period 2015 from £70.0 million in Interim Period 2014.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 16.7% to £57.9 million in Interim Period 2015 from £49.6 million in Interim Period 2014. This was primarily due to the increase in restaurant overheads and depreciation as well as central overhead as a result of the increase in the estate size.

Exceptional administrative income/expenses

Exceptional administrative income in Interim Period 2014 was £2.5 million and primarily represented the net compensation resulting from the early release of the lease for our Haymarket restaurant. Exceptional administrative expense in Interim Period 2015 was £1.1 million and primarily represented the refinancing due diligence expenses incurred in the quarter offset by insurance receipts for the Guildford restaurant.

Net interest payable and similar charges

Net interest payable and similar charges increased 31.0% to £14.8 million in Interim Period 2015 from £11.3 million in Interim Period 2014, as a result of the charge in the quarter of £2.8 million writing-off previously capitalised re-financing costs. Excluding these exceptional interest charges, net interest payable would be £12.0 million in Interim Period 2015 from £11.3 million in Q3 2014.

Tax on loss on ordinary activities

Tax on loss on ordinary activities increased 33.3% to £0.4 million in Interim Period 2015 from £0.3 million in Interim Period 2014. This was primarily due to the ongoing improvement in UK profitability.

Liquidity and capital resources

Net cash inflow from operating activities

Net cash inflow from operating activities increased 80.4% to £8.3 million in Q3 2015 from £4.6 million in Q3 2014. This was primarily due to an increase in EBITDA of £1.0 million and an increase in working capital inflow of £3.8 million. The working capital inflow is in part a timing benefit of not having paid all of the re-financing costs at the balance sheet date (£2.9 million).

Net cash inflow from operating activities increased 43.8% to £24.3 million in Interim Period 2015 from £16.9 million in Interim Period 2014. This was primarily due to the increase in EBITDA of £4.3 million and an increase in working capital inflow of ££6.1 million. As with the quarter, the Interim Period 2015 benefits from not having paid all of the re-financing costs at the balance sheet date (£2.9 million)

Net cash outflow from returns on investments and servicing of finance

Net cash outflow from returns on investments and servicing of finance in Q3 2015 was £1.6 million which decreased 5.9% from the outflow in Q3 2014 of £1.7 million. This was primarily due lower interest charges as a result of repayments of senior debt made according to the prior financing structure.

Net cash outflow from returns on investments and servicing of finance in Interim Period 2015 was £5.1 million which decreased 5.6% from the outflow in Interim Period 2014 of £5.4 million. This was primarily due lower interest charges as a result of repayments of senior debt made according to the prior financing structure.

Net cash outflow from capital expenditure

Net cash outflow from capital expenditure decreased 41.8% to £3.2 million in Q3 2015 from £5.5 million in Q3 2014. This was primarily due to the lower number of restaurants opened in the respective quarters being 3 in Q3 2015 and 5 in Q3 2014.

Net cash outflow from capital expenditure decreased 43.3% to £8.1 million in Interim Period 2015 from £14.3 million in Interim Period 2014. This was primarily due to the lower number of restaurants opened in the respective quarters, decreasing to 6 in Interim Period 2015 from 13 in Interim Period 2014.

Net cash inflow/outflow from financing

Net cash inflow from financing was £3.3 million in Q3 2015 from an outflow of £1.5 million in Q3 2014. The proceeds from the bond issue of £150.0 million were used to repay debt of £140.8 million and issue costs of £5.9 million.

Net cash outflow from financing decreased to £0.3 million in Interim Period 2015 from £2.1 million in Interim Period 2014. The proceeds from the bond issue of £150.0 million were used to repay debt of £140.8 million and issue costs of £5.9 million in addition to scheduled repayments of debt relating to the previous financing structure earlier in the year.

Capital expenditures

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

	For the 12 weeks ended		For the 40 weeks ended	
	February 1, 2015	February 2, 2014	February 1, 2015	February 2, 2014
	(£ millions)			
New site capital expenditures.......	2.2	4.2	5.2	10.6
Maintenance expenditures...........	0.9	1.0	2.6	2.8
Other capital expenditures...........	0.1	0.3	0.3	0.9
Total capital expenditures..........	**3.2**	**5.5**	**8.1**	**14.3**
Corporate expenses.....................	0.1	0.1	0.2	0.2

Estate summary

We opened 3 new restaurants in Q3 2015, 5 new restaurants in Q3 2014, 6 new restaurants in Interim Period 2015 and 13 new restaurants in Interim Period 2014. One of the restaurants opened in Q3 2015 and Interim Period 2015 is a relocation which is also reflected as a closure in each of these two periods. The decrease in the number of franchised restaurants reflects the closure of 9 restaurants in Australia offset by new openings.

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	
	February 1, 2015	February 2, 2014	February 1, 2015	February 2, 2014
Company-operated restaurants[(1)]......................	**116**	**108**	**116**	**108**
United Kingdom restaurants..................	112	104	112	104
United States restaurants	4	4	4	4
Company-operated restaurant openings during the period..........	3	5	6	13
Company-operated restaurants closures during the period..........	(1)	-	(1)	-
Franchised[(2)].............................	30	35	30	35
Total..	**146**	**143**	**146**	**143**

(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, Turkey, Qatar, United Arab Emirates and New Zealand.

Key performance indicators

	For the 12 weeks ended		For the 40 weeks ended		
	February 1, 2015	February 1, 2014	February 1, 2015	February 2, 2014	LTM
			(£ millions)		
Like-for-like sales growth (%)	9.9%	2.9%	10.5%	(0.8%)	9.0%
EBITDAR	11.0	9.3	33.3	26.3	42.7
Rent Expense	3.7	3.2	11.8	10.1	15.2
EBITDA	7.3	6.1	21.5	16.2	27.5
EBITDA Margin (%)	15.6%	15.4%	14.7%	13.3%	14.7%
Adjusted EBITDA[(1)]	7.9	6.9	22.7	18.4	31.5
Adjusted EBITDA margin[(2)] (%)	16.8%	17.4%	15.5%	15.1%	15.9%
Net total indebtedness[(3)]					127.1
Ratio of net total indebtedness to Adjusted EBITDA					4.0x

(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		
	February 1, 2015	February 2, 2014	February 1, 2015	February 2, 2014	LTM
			(£ millions)		
Loss for the financial period.................	(5.0)	(1.6)	(8.5)	(5.6)	(14.6)
Tax on loss on ordinary activities	0.3	0.2	0.4	0.3	0.9
Net interest payable and similar charges..	6.3	3.4	14.8	11.3	19.1
Exceptional administrative expenses/(income)..........................	1.5	0.2	1.0	(2.5)	4.3
Goodwill amortisation	2.1	2.1	7.0	7.0	9.1
Depreciation and impairment of tangible assets	2.1	1.8	6.8	5.8	8.7
EBITDA	**7.3**	**6.1**	**21.5**	**16.2**	**27.5**
Pre-opening costs[(a)]	0.5	0.7	1.0	2.0	1.8
Corporate expenses[(b)]	0.1	0.1	0.2	0.2	0.3
Run rate adjustment[(c)]					1.9
Adjusted EBITDA...............................	**7.9**	**6.9**	**22.7**	**18.4**	**31.5**

(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, professional fees incurred relating to syndication and listing of loan notes under that agreement and fees in respect of our corporate status.

(c) UK run-rate adjustments represent expected run-rate trading (excluding pre-opening costs) for restaurants open less than39 four-week periods as of February 1, 2015. These adjustments apply to 14 restaurants open between 14 and 39 four-week periods, 14 restaurants open between 12 and 20 four-week periods, and 5 restaurants open between 1 and 9 four-week periods. The UK run-rate adjustment is based on budgeted EBITDA for the applicable restaurant once it becomes "mature" multiplied by the ratio of actual annual EBITDA at end of 13 four-week periods versus projected EBITDA at the end of 39 four-week periods. Where a restaurant is ahead of its investment case, we do not perform a run-rate adjustment. We believe these UK run-rate adjustments are appropriate because, based on our experience and the actual performance over 39 four-week periods of 31 fully mature restaurants, the first six four-week periods of a restaurant's trading are not representative of run rate trading. We do not include any run-rate adjustments from our franchised restaurants or Company-operated restaurants in the United States in the UK run-rate adjustments. These adjustments to EBITDA are presented for informational purposes only and do not purport to present what EBITDA would have been had newly opened stores been open for the entire period nor does it purport to project EBITDA for any future period. The assumptions underlying the adjustments are based on our current estimates and they involve risks, uncertainties and other factors that may cause actual results or performance to be materially different from anticipated future results or performance expressed or implied by such adjustments.

(2) In calculating Adjusted EBITDA margin for the LTM period, turnover has been adjusted to include approximately £9.3 million of expected turnover generated by the restaurants for which we have added a UK-run rate adjustment to the Adjusted EBITDA definition in the 52-week period ended November 9, 2014.

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

Further information for noteholders

This interim 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.

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 February 1, 2015 (“Third Quarter 2015”, "Q3 2015", or “the quarter”), and the comparative period as of and for the 12 weeks ended February 2, 2014 (“Third Quarter 2014” or "Q3 2014"), prepared in accordance with UK GAAP; and

- the unaudited consolidated interim financial information of the Group as of and for the 40 weeks ended February 1, 2015 (“Interim Period 2015”), and the comparative period as of and for the 40 weeks ended February 2, 2014 (“Interim Period 2014”), prepared in accordance with UK GAAP.

- certain unaudited consolidated financial information of the Group for the 52 weeks ended February 1, 2015 (“LTM”), calculated by taking the results of operations for Interim Period 2015 and adding them to the results of operations for Financial Year 2014 and deducting the results of operations for Interim Period 2014.

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 2015 financial year will end on April 26, 2015 and will constitute a 52-week period.

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, extra days of trading and UK run-rate adjustments (for the purposes of Last Twelve Months, “LTM” performance).
- 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 “maintenance capital expenditure” as the capital expenditures we incur to maintain and refurbish our restaurants, including fitting and fixtures replacement for existing 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.

Mabel Mezzco Limited

Interim financial information
For the 40 weeks ended 1 February 2015

Registered number: 07556501

Mabel Mezzco Limited

Group profit and loss account
for the period ended 1 February 2015

	Notes	**Unaudited 40 weeks to 1 February 2015**	Unaudited 40 weeks to 2 February 2014	Audited 52 weeks to 27 April 2014
		£'000	£'000	£'000
Turnover	2	**147,359**	122,993	163,996
Cost of sales		**(81,719)**	(70,047)	(90,622)
Gross profit		**65,640**	52,946	73,374
Administrative expenses before exceptional items		**(57,949)**	(49,571)	(67,932)
Exceptional administrative expenses	3	**(1,010)**	2,529	(804)
Administrative expenses		**(58,959)**	(47,042)	(68,736)
Operating profit	3	**6,680**	5,904	4,638
Profit on ordinary activities before interest and taxation		**6,680**	5,904	4,638
Interest receivable and similar income		**22**	5	18
Interest payable and similar charges before exceptional items		**(11,983)**	(11,255)	(15,606)
Exceptional items		**(2,793)**	-	-
Interest payable and similar charges	4	**(14,776)**	(11,255)	(15,606)
Loss on ordinary activities		**(8,073)**	(5,346)	(10,950)
Tax on loss on ordinary activities		**(397)**	(263)	(752)
Loss after tax for the financial period		**(8,470)**	(5,609)	(11,702)
Dividend in specie		**(455)**	-	-
Loss for the financial period		**(8,925)**	(5,609)	(11,702)

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 1 February 2015

	Unaudited	Unaudited	Audited
	40 weeks to 1 February 2015	40 weeks to 2 February 2014	52 weeks to 27 April 2014
	£'000	£'000	£'000
Loss for the financial period	**(8,470)**	(5,609)	(11,702)
Foreign exchange differences arising on consolidation	**411**	(238)	(318)
Total recognised loss in the period	**(8,059)**	(5,847)	(12,020)

Consolidated movement in shareholders' funds for the period ended 1 February 2015

	Unaudited	Unaudited	Audited
	40 weeks to 1 February 2015	40 weeks to 2 February 2014	52 weeks to 27 April 2014
	£'000	£'000	£'000
Loss for the financial period	**(8,470)**	(5,609)	(11,702)
Dividends in specie	**(455)**		
Other recognised gains and losses for the period (per STRGL)	**411**	(238)	(318)
Net change in shareholders' funds	**(8,514)**	(5,847)	(12,020)
Opening shareholders' funds	**78,801**	90,821	90,821
Closing shareholders' funds	**70,827**	84,974	78,801

Mabel Mezzco Limited

Group balance sheet
as at 1 February 2015

	Notes	**Unaudited 1 February 2015**	Unaudited 2 February 2014	Audited 27 April 2014
		£'000	£'000	£'000
Fixed assets				
Intangible assets		**147,755**	156,869	154,767
Tangible assets	5	**74,927**	74,252	73,963
		222,682	231,121	228,730
Current assets				
Stocks		**1,268**	1,075	1,099
Debtors	6	**7,363**	7,576	7,498
Cash at bank and in hand		**22,932**	5,308	12,241
		31,563	13,959	20,838
Creditors: amounts falling due within one year	7	**(36,604)**	(25,285)	(35,123)
Net current liabilities		**(5,041)**	(11,326)	(14,285)
Total assets less current liabilities		**217,641**	219,795	214,445
Creditors: amounts falling due after more than 1 year	8	**(144,162)**	(131,699)	(132,130)
		73,479	88,096	82,315
Provisions for liabilities and charges				
Deferred tax		**(3,192)**	(3,122)	(3,514)
Net assets		**70,287**	84,974	78,801
Capital and reserves				
Called-up share capital		**20,000**	20,000	20,000
Profit and loss account		**50,287**	64,974	58,801
Total shareholders' funds		**70,287**	84,974	78,801

Mabel Mezzco Limited

Group cash flow statement
for the period ended 1 February 2015

	Notes	**Unaudited**	Unaudited	Audited
		40 weeks ended 1 February 2015	40 weeks ended 2 February 2014	52 weeks ended 27 April 2014
		£'000	£'000	£'000
Net cash inflow from operating activities	9	**24,272**	16,862	28,666
Returns on investments and servicing of finance				
Interest received		**22**	5	16
Interest paid		**(5,141)**	(5,417)	(6,424)
Net cash outflow on investments and servicing of finance		**(5,119)**	(5,412)	(6,408)
Taxation		**(16)**	(9)	6
Capital expenditure				
Proceeds from disposal of tangible fixed assets		**-**	-	156
Payments to acquire tangible fixed assets		**(8,135)**	(14,294)	(17,456)
Net cash outflow from capital expenditure		**(8,136)**	(14,294)	(17,300)
Cash inflow/(outflow) before financing		**11,002**	(2,853)	4,964
Financing				
Expenses paid in connection with issue of debt		**(5,854)**	-	(867)
New bank loans or call bonds		**150,000**	11,165	4,165
Repayment of bank loans		**(144,472)**	(13,285)	(6,285)
Net cash outflow from financing		**(326)**	(2,120)	(2,987)
Increase / (decrease) in cash	10	**10,676**	(4,973)	1,977
Exchange adjustments		**15**	13	(4)
Opening cash at bank and in hand		**12,241**	10,268	10,268
Closing cash at bank and in hand		**22,932**	5,308	12,241

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 1 February 2015

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 1 February 2015 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 27 April 2014. This financial information should be read in conjunction with the Group’s financial statements for the period ended 27 April 2014, which have been prepared under United Kingdom Generally Accepted Accounting Practice (UK GAAP).

   The statutory accounts for the 52 week period ended 27 April 2014 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.

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	Unaudited	Audited
	40 weeks to 1 February 2015	40 weeks to 2 February 2014	52 weeks to 27 April 2014
	£'000	£'000	£'000
UK location analysis			
Town	**78,901**	68,383	90,800
Shopping centre	**46,135**	37,071	49,484
Other location	**17,107**	12,876	17,409
Total UK company operated	**142,143**	118,330	157,693
Franchise revenue	**1,267**	1,209	1,540
Total UK revenue	**143,410**	119,539	159,233
US revenue	**3,949**	3,454	4,763
Total Revenue	**147,359**	122,993	163,996

Notes to the interim financial information
for the period ended 1 February 2015 (continued)

3. Operating profit

Operating profit is stated after charging / (crediting):

	Unaudited	Unaudited	Audited
	40 weeks to 1 February 2015	40 weeks to 2 February 2014	52 weeks to 27 April 2014
	£'000	£'000	
Amortisation	**7,000**	7,000	9,116
Depreciation of owed fixed assets	**6,807**	5,797	7,663
Impairment - included in exceptional administrative expenses	**-**	-	1,612
Foreign exchange gains	**-**	-	3
Auditors' remuneration			
- as auditors	**55**	49	64
- for taxation services	**23**	58	75
- for other advisory services	**420**	-	-
Operating lease costs - land & buildings	**11,761**	6,914	13,532
Loss on disposal of fixed assets (of which £720,000 included in exceptional administrative expenses in the 52 week period to 27 April 2014 and £421,000 of which is included in exceptional administrative expenses in the 40 weeks to 1 February 2013)	**-**	468	767
Exceptional administrative expenses/(income)	**1,010**	(2,527)	804

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 40 weeks ended 2 February 2014, the exceptional income principally comprises income arising from the net compensation from the early exit of a lease (£2,779,000) offset by costs in relation to changes to management team (£41,000).

For the 52 week period ended 27 April 2014, the exceptional administrative expenses incurred principally comprise of exceptional income arising from the net compensation from the early exit of a lease (£2,779,000), offset by costs in relation to changes in the senior executive team (£771,000), costs arising from abortive sites (£270,000), costs associated with the flooding of a restaurant (£623,000), a review of impaired assets (£1,612,000) and a franchise territory fee provision (£240,000).

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 1 February 2015 (continued)

4. Interest payable and similar charges

	Unaudited	Unaudited	Audited
	40 weeks to 1 February 2015	40 weeks to 2 February 2014	52 weeks to 27 April 2014
	£'000	£'000	£'000
Interest payable on bank borrowings	**4,596**	4,927	6,412
Interest payable on bond	**162**	-	-
Loan note interest	**6,491**	5,599	7,380
Loan arrangement fees	**-**	-	867
Amortisation of loan fees	**734**	729	947
Interest payable and similar changes before exceptional items	**11,983**	11,255	15,606
Exceptional items	**2,793**	-	-
Interest payable and similar charges	**14,776**	11,255	15,606

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

5. Tangible fixed assets

	Leasehold property	Restaurant and office equipment	Total
	£'000	£'000	£'000
Cost			
At 27 April 2014	68,129	25,891	94,020
Additions	4,287	3,004	7,291
Foreign exchange difference	607	161	768
At 1 February 2015	**73,023**	**29,056**	**102,079**
Accumulated depreciation			
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
At 1 February 2015	**14,262**	**12,890**	**27,152**
Net book value			
At 1 February 2015	**58,761**	**16,166**	**74,927**
At 27 April 2014	57,343	16,620	73,963

Mabel Mezzco Limited

Notes to the interim financial information
for the period ended 1 February 2015 (continued)

5. Tangible fixed assets (continued)

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
Cost			
At 28 April 2013	60,178	19,110	79,288
Additions	9,894	7,214	17,108
Disposals	(1,536)	(342)	(1,878)
Foreign exchange difference	(407)	(91)	(498)
At 27 April 2014	**68,129**	**25,891**	**94,020**
Accumulated depreciation			
At 28 April 2013	6,135	5,774	11,909
Charge for the period	3,933	3,730	7,663
Impairment	1,612	-	1,612
Disposals	(780)	(175)	(955)
Foreign exchange difference	(114)	(58)	(172)
At 27 April 2014	**10,786**	**9,271**	**20,057**
Net book value			
At 27 April 2014	**57,343**	**16,620**	**73,963**
At 28 April 2013	54,043	13,336	67,379

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 1 February 2015 (continued)

5. Tangible fixed assets (continued)

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
Cost			
At 28 April 2013	60,178	19,110	79,288
Additions	8,122	5,259	13,381
Disposals	(814)	(269)	(1,083)
Foreign exchange difference	(303)	(68)	(371)
At 2 February 2014	**67,183**	**24,032**	**91,215**
Accumulated depreciation			
At 28 April 2013	6,135	5,774	11,909
Charge for the period	2,983	2,814	5,797
Disposals	(477)	(138)	(615)
Foreign exchange difference	(85)	(43)	(128)
At 2 February 2014	**8,556**	**8,407**	**16,963**
Net book value			
At 2 February 2014	**58,627**	**15,625**	**74,252**
At 28 April 2013	54,043	13,336	67,379

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 1 February 2015 (continued)

6. Debtors

	Unaudited	Unaudited	Audited
	40 weeks to 1 February 2015	40 weeks to 2 February 2014	52 weeks to 27 April 2014
	£'000	£'000	£'000
Trade debtors	**1,044**	1,909	3,043
Amounts owed by parent undertakings	**-**	313	105
Other debtors and prepayments	**6,319**	5,354	4,350
	7,363	7,576	7,498

7. Creditors: amounts falling due within one year

	Unaudited	Unaudited	Audited
	40 weeks to 1 February 2015	40 weeks to 2 February 2014	52 weeks to 27 April 2014
	£'000	£'000	£'000
Bank loans	**-**	772	2,339
Trade creditors	**5,602**	5,218	13,769
Amounts owed to parent undertakings	**-**	214	-
Corporation tax	**1,164**	347	461
Other taxation & social security	**8,575**	6,671	5,493
Other creditors	**1,526**	1,331	1,364
Accruals	**19,737**	10,732	11,697
	36,604	25,285	35,123

Notes to the interim financial information for the period ended 1 February 2015 (continued)

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

	Unaudited 40 weeks to 1 February 2015	Unaudited 40 weeks to 2 February 2014	Audited 52 weeks to 27 April 2014
	£'000	£'000	£'000
Bank loans	**-**	85,110	83,725
Bond	**144,162**	-	-
Loan notes	**-**	46,589	48,405
	144,162	131,699	132,130

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 £5,838,000. 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 1 February 2015 (continued)

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

	Unaudited 40 weeks ended 1 February 2015	Unaudited 40 weeks ended 2 February 2014	Audited 52 weeks ended 27 April 2014
	£'000	£'000	£'000
Operating profit	**6,680**	5,904	4,638
Amortisation	**7,000**	7,000	9,116
Depreciation	**6,807**	5,797	7,663
Loss on disposal of fixed assets	**-**	468	767
Impairment	**-**	-	1,612
Decrease/(increase) in stocks	**(169)**	(285)	(307)
Decrease/(increase) in debtors	**(289)**	(1,816)	(1,686)
Increase in creditors	**4,243**	(206)	6,863
Net cash inflow from operating activities	**24,272**	16,862	28,666

Mabel Mezzco Limited

Notes to the interim financial information
for the period ended 1 February 2015 (continued)

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

	Unaudited 40 weeks ended 1 February 2015	Unaudited 40 weeks ended 2 February 2014	Audited 52 weeks ended 27 April 2014
	£'000	£'000	£'000
Increase/ (decrease) in cash in the period	**10,676**	(4,973)	1,977
Exchange adjustments	**15**	13	(4)
Net cash inflow from bank loans	**(144,146)**	(11,165)	(4,165)
Write off previously capitalised loan fees	**(2,793)**	-	-
Repayment of bank loans	**144,471**	13,285	6,285
Amortisation of loan issue fees	**(734)**	(729)	(947)
Rolled up interest	**(6,491)**	(5,599)	(7,380)
Change in net debt	**998**	(9,168)	(4,234)
Opening net debt	**(122,228)**	(117,994)	(117,994)
Closing net debt	**(121,230)**	(127,162)	(122,228)

11. Analysis of changes in net debt

40 weeks ended 1 February 2015

	At 27 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	10,676	15	**22,932**
Debt:				
Debt due within 1 year	(2,339)	2,339	-	**-**
Debt due after 1 year	(132,130)	(4,807)	(7,225)	**(144,162)**
	(134,469)	(2,468)	(7,225)	**(144,162)**
Net debt after financing issue costs	**(122,228)**	**8,208**	**(7,210)**	**(121,230)**
Financing issue costs	(3,536)			(5,838)
Net debt before financing issue costs	**(125,764)**			**(127,068)**

52 weeks ended 27 April 2014

	At 28 April 2013 £'000	Cash flows £'000	Other non-cash changes £'000	At 27 April 2014 £'000
Net cash:				
Cash in hand and at bank	10,268	1,977	(4)	**12,241**
Debt:				
Debt due within 1 year	(5,457)	3,912	(794)	**(2,339)**
Debt due after 1 year	(122,805)	(1,792)	(7,533)	**(132,130)**
	(128,262)	2,120	(8,327)	**(134,469)**
Net debt after financing issue costs	**(117,994)**	**4,097**	**(8,331)**	**(122,228)**
Financing issue costs	(4,483)			(3,536)
Net debt before financing issue costs	**(122,477)**			**(125,764)**

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 17 August 2014 (continued)

11. Analysis of changes in net debt (continued)

40 weeks ended 2 February 2014

	At 28 April 2013 £'000	**Cash flows £'000**	**other non-cash changes £'000**	**At 2 February 2014 £'000**
Net cash:				
Cash in hand and at bank	10,268	(4,973)	13	**5,308**
Debt:				
Debt due within 1 year	(5,457)	5,479	(611)	**(589)**
Debt due after 1 year	(122,805)	(3,360)	(5,717)	**(131,699)**
	(128,262)	2,120	(6,328)	**(132,470)**
Net debt after financing issue costs	**(117,994)**	**(2,852)**	**(6,315)**	**(127,162)**
Financing issue costs	**(4,483)**			**(3,754)**
Net debt before financing issue costs	**(122,477)**			**(130,916)**

Non cash changes

	Unaudited 40 weeks ended 1 February 2015 £'000	Unaudited 40 weeks ended 2 February 2014 £'000	Audited 52 weeks ended 27 April 2014 £'000
Amortisation of loan issue fees	**(734)**	(729)	(947)
Rolled up loan interest	**(6,491)**	(5,599)	(7,380)
Currency translation	**15**	13	(4)
	(7,210)	(6,315)	(8,331)