

FOR IMMEDIATE RELEASE

BreadTalk achieves 1H 2015 Group Net Profit of \$4.9M

Key highlights:

- Group Revenue increased 9.6% year-on-year to \$307 million in 1H 2015.
- 1H 2015 EBITDA increased 12.4% year-on-year to \$36 million.
- 1H 2015 Net Profit increased 10.4% year-on-year to \$4.9 million.
- Interim dividend of 0.5 cent per share.
- Number of outlet increased 10.4% year-on-year from 844 to 932.

SINGAPORE – 5 August 2015 – Mainboard-listed BreadTalk Group Limited (“BreadTalk” or “the Group”), a leading lifestyle F&B group, today announced its financial results for the second financial quarter ended 30 June 2015.

FINANCIAL HIGHLIGHTS

| S\$ million | 1H 2015 | 1H 2014 | Y/Y |
|----------------------|--------------|--------------|----------------|
| Revenue | 307 | 280 | 9.6% |
| EBITDA | 36 | 32 | 12.4% |
| <i>EBITDA margin</i> | <i>11.8%</i> | <i>11.5%</i> | <i>0.3 ppt</i> |
| Net profit | 4.9 | 4.4 | 10.4% |
| <i>Net margin</i> | <i>1.6%</i> | <i>1.6%</i> | - |
| EPS (cents) | 1.73 | 1.57 | 10.2% |

| | 1H 2015 | FY2014 | Y/Y |
|-------------------|---------|--------|------|
| NAV/Share (cents) | 42.9 | 41.1 | 4.3% |

Group revenue for 1H 2015 grew 9.6% Y/Y from \$280.3 million to \$307.3 million, driven by broad-based improvements across all divisions. For the same period, despite rising manpower and rental costs, EBITDA for the Group rose 12.4%, translating to an EBITDA margin of 11.8% (1H 2014: 11.5%); while profit after tax and minority interests ("PATMI") rose 10.4%, from \$4.4 million to \$4.9 million.

Revenue for the Bakery Division came in 10.5% higher Y/Y at \$153.8 million, driven primarily by an increase in the number of outlets to 837 (1H 2014: 751). This is despite the cessation of revenue consolidation of Thailand, whose business was transferred into our 50-50 joint venture in BTM (Thailand) Co., Ltd from August 2014. EBITDA for the Division was 14.5% higher Y/Y, translating to an EBITDA margin of 7.5% (1H 2014: 7.3%).

Food Atrium Division saw revenue rise 7.3% Y/Y to \$84.4 million driven by resilient same store sales performance at our Hong Kong outlets despite weaker tourist arrivals from Mainland China. Both our Taiwan and Thailand operations saw double-digit improvements in revenue, helped by an improved strategy and more stable political situation respectively. During the period, the Division ceased operations of two outlets in China, resulting in one-time write-off of around \$1.5 million, which caused the Division to report 24.3% lower Y/Y EBITDA and EBITDA margin of 11.7% (1H 2014: 16.7%).

Restaurant Division turned in a stellar set of performance with revenue rising 10.6% Y/Y to \$69.1 million driven largely by consistent performance of our Din Tai Fung operations in Singapore and ramp up in revenue contribution by our Din Tai Fung outlets in Thailand. Together with the better revenue contribution from the new Sanpou-Tei ramen concept, the Division was able to more than mitigate the lower revenue contribution from Ramen Play due to lower number of outlets. Coupled with good cost control, EBITDA for the Division rose a strong 64.3% Y/Y, translating to significantly better EBITDA margin of 17.5% (1H 2014: 11.8%).

Earnings per share (EPS) on a fully diluted basis for 1H 2015 increased 10.2% to 1.73 cents compared to 1.57 cents in 1H 2014.

Net asset value per share was higher at 42.9 cents as at 30 June 2015 compared to 41.1 cents as at 31 December 2014.

Number of outlets including franchise under the Group:

| Segment | 1H 2015 | FY 2014 | Net increase/ (decrease) | 1H 2014 | Net increase/ (decrease) |
|--------------------|---------|---------|-----------------------------|---------|-----------------------------|
| Bakery | 837 | 817 | 2.4% | 751 | 11.5% |
| Food Atrium | 62 | 63 | (1.6%) | 59 | 5.1% |
| Restaurant | 33 | 34 | (2.9%) | 34 | (2.9%) |
| Total | 932 | 914 | 2.0% | 844 | 10.4% |

Interim Dividend

The Board of Directors is recommending a one-tier tax-exempt interim dividend of 0.5 cent per share for 1H 2015 (1H 2014: 0.5 cent). The one-tier tax-exempt interim dividend will be paid to shareholders on 4 September 2015.

OUTLOOK

Bakery Division is in the process of implementing new strategies to improve its profitability, including better manpower cost control and closing the underperformance gaps in certain areas such as Hong Kong, Malaysia and Toast Box in Mainland China.

Food Atrium Division continues to see operating challenges from the slowdown in Mainland China, translating to weaker footfalls in the shopping malls where our outlets operate. However, this is partially mitigated by the good mix of residential and office customer base in the catchment of our food atria.

Restaurant Division remains focused on executing its core strategies for Din Tai Fung to continue to drive revenue growth and margin expansion in both Singapore and Thailand. The streamlining process of underperforming Ramen Play outlets in Singapore and China is expected to continue.

Barring any unforeseen circumstances, the Group expects to remain profitable for the rest of FY2015.

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About BreadTalk Group Limited

Founded as a bakery brand in Singapore in 2000 and listed on the SGX in 2003, BreadTalk has rapidly expanded to become an award-winning F&B Group that has established its mark on the world stage with its bakery, restaurant and food atrium footprints. With 1,000 retail stores spread across 17 territories, its brand portfolio comprises BreadTalk, Toast Box, Food Republic, Din Tai Fung, Carl's Jr., Thye Moh Chan, The Icing Room and RamenPlay. The Group has a network of owned bakery outlets in Singapore, PRC, Malaysia, Hong Kong and Thailand as well as franchised bakery outlets across Asia and the Middle East. It also owns and operates the world-renowned Din Tai Fung restaurants in Singapore and Thailand, as well as the award-winning Food Republic food atria in Singapore, China, Taiwan, Hong Kong and Malaysia.

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Disclaimer

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