FOR IMMEDIATE RELEASE

BreadTalk achieved FY2015 Net Profit of S$7.6M

Key highlights:

- **Group Revenue increased 5.9% year-on-year to $624 million.**
- **FY2015 EBITDA increased 9.3% year-on-year to $78 million.**
- **FY2015 EBITDA margin improved to 12.4%.**
- **Number of outlets increased year-on-year from 914 to 957.**
- **Final dividend of 1.0 cent per share.**

S$ million	FY2015	FY2014	Y/Y
Revenue	624	590	5.9%
EBITDA	78	71	9.3%
EBITDA margin	***12.4%***	***12.0%***	***0.4 ppt***
Net profit	7.6	22.2	(65.7%)
Net margin	***1.2%***	***3.8%***	***(2.6 ppt)***
EPS S$ cents	2.69	7.85	(65.7%)

S$ cents	FY 2015	FY 2014	Y/Y
NAV/share	52.0	49.1	5.9%

SINGAPORE – 24 February 2016 – Mainboard-listed BreadTalk Group Limited ("BreadTalk" or "the Group"), a leading lifestyle F&B group, today announced its financial results for the fourth financial quarter and the financial year ended 31 December 2015.

Group revenue for FY2015 grew 5.9% Y/Y from $589.6 million to $624.1 million. For the same period, Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") for the Group rose 9.3% with EBITDA margin improving to 12.4% (FY2014: 12.0%). During the financial year, the Group changed its accounting policy for its investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements for FY2014 were restated. The fair value treatment of our investment properties resulted in the recognition of a net increase of $0.4 million (FY2014: $10.0 million) to the Profit Before Tax of the Group. The PATMI for FY2015 also included a goodwill impairment of S$1.0 million (FY2014: NIL) on our Beijing Food Atrium business, as well as an asset impairment and write-off of $4.4 million (FY2014: $3.1 million) on certain underperforming outlets and outlets that have been closed during the year. As a result, Profit After Tax and Minority Interests ("PATMI") for FY2015 declined 65.7% from $22.2 million (FY2014 restated) to $7.6 million.

Bakery Division revenue increased 4.7% Y/Y to $307.9 million fuelled by a 5.5% increase in the number of outlets to 862 (FY2014: 817). EBITDA for the Division declined slightly by 2.7% Y/Y, with EBITDA margin at 7.3% (FY2014: 7.8%), primarily attributed to higher staff and rental costs as well as underperformance of the Beijing, Hong Kong and Malaysia operations.

Food Atrium Division revenue increased 5.0% Y/Y to $173.1 million. The Division opened 5 outlets (2 in Singapore and 1 each in Shanghai, Hangzhou and Xi'an) and closed 3 outlets in China (2 prematurely and 1 upon lease expiry), ending the year with 65 outlets (FY 2014: 63 outlets). Same store sales growth remained healthy in Singapore while recovery in Taiwan and Thailand remains on track. The Mainland China operation continued to face headwinds from weaker shopping traffic in certain shopping malls. Combining the impact from start-up expenses of new outlets, write-offs attributed to outlet closures as well as higher operating expenses, EBITDA declined 26.0% with EBITDA margin lower at 10.3% (FY2014: 14.7%).

Restaurant Division delivered the highest revenue growth at 9.5% Y/Y to $143.2 million, riding on strong same store sales growth, ramp-up in revenue by our Din Tai Fung outlets in Thailand and contribution from Sanpoutei. Total outlet decreased by 4 during the year, attributed to the opening of 1 Din Tai Fung outlet in Thailand (Central Plaza Lardprao, Bangkok) and the closure of 5 Ramen Play outlets (2 in Singapore and 3 in Shanghai). The Division has completely exited its Ramen Play business in China. Coupled with good cost control, EBITDA increased by a strong 61.1% Y/Y, translating to significantly better EBITDA margin of 23.7% (FY2014: 16.1%).

Interest income increased by 94.6% Y/Y as the Group received higher returns from its fixed income bond investments. Interest expense rose 42.8% Y/Y mainly due to higher interest rates and outstanding loans.

Earnings per share (EPS) on a fully diluted basis was 2.69 cents for FY2015 compared to 7.85 cents for FY2014.

Net asset value (NAV) per share was 52.0 cents as at 31 December 2015 compared to 49.1 cents as at 31 December 2014.

Number of outlets including franchise under the Group:

Segment	FY 2015	FY 2014	Net increase/ (decrease)
Bakery	**862**	**817**	**5.5%**
Food Atrium	**65**	**63**	**3.2%**
Restaurant	**30**	**34**	**(11.8%)**
Total	**957**	**914**	**4.7%**

Dividend

The Board is recommending a final tax exempt (one-tier) dividend of 1.0 cent per share. Including the interim dividend of 0.5 cent per share paid in 4 September 2015, the total dividend paid and proposed for FY2015 is 1.5 cents per share (FY2014: 1.5 cents).

Outlook

Bakery Division is in the process of implementing new strategies to improve its profitability, including better manpower cost control, raw materials cost management, tightening of operating procedures as well as turning around underperforming outlets. Food Atrium Division continues to see operational challenges from slowdown in Mainland China, translating to weaker footfalls in the shopping malls where our outlets operate. The opening of the 5 new outlets (2 in Singapore, 3 in China), during the year is expected to exert pressure on profitability of the Division during the gestation period. Restaurant is expected to stay focused on driving revenue growth and margin expansion in both Singapore and Thailand. The restructuring of Ramen Play is now substantially completed with a rebranding exercise underway for the 6 outlets.

On the strategic investment front, the Group had announced on 17 January 2016 that it has divested its investment in 112 Katong for S$16 million and expected to book a gain of S$8.5 million before transaction costs in 1Q FY2016.

Group Chairman, Dr. George Quek said, "FY2015 has been a challenging year for the Group. Heading into FY2016, we shall refine our current operating models with a view to realising profitability through cost rationalisation and increased productivity. The Group will also see our brands – BreadTalk, Toast Box and Food Republic in the upcoming iconic Shanghai Disney Resort project when it opens around June 2016."

Barring any unforeseen circumstances, the Group expects to remain profitable in FY2016.

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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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