

BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Third Quarter Ended 30 September 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

The Board of Directors of BreadTalk Group Limited is pleased to announce the consolidated results of the Group for the third quarter ended 30 September 2011. The figures presented below have not been audited.

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	3Q 2011 \$000	3Q 2010 \$000		YTD Sep 2011 \$000	YTD Sep 2010 \$000	
Revenue	96,066	81,304	18.2%	265,399	219,597	20.9%
Cost of sales	<u>(43,830)</u>	<u>(36,852)</u>	18.9%	<u>(120,455)</u>	<u>(99,994)</u>	20.5%
Gross profit	52,236	44,452	17.5%	144,944	119,603	21.2%
Other operating income	1,333	2,083	-36.0%	4,702	7,606	-38.2%
Distribution and selling expenses	<u>(37,376)</u>	<u>(30,925)</u>	20.9%	<u>(106,710)</u>	<u>(86,937)</u>	22.7%
Administrative expenses	<u>(11,131)</u>	<u>(11,744)</u>	-5.2%	<u>(32,133)</u>	<u>(30,917)</u>	3.9%
Profit from operations	<u>5,062</u>	<u>3,866</u>	30.9%	<u>10,803</u>	<u>9,355</u>	15.5%
Interest income	221	141	56.7%	581	400	45.3%
Interest expense	<u>(211)</u>	<u>(168)</u>	25.6%	<u>(537)</u>	<u>(502)</u>	7.0%
Profit before tax and share of results of associates and joint ventures	5,072	3,839	32.1%	10,847	9,253	17.2%
Share of results of joint ventures	<u>9</u>	<u>(26)</u>	N.M.	<u>125</u>	<u>173</u>	-27.7%
Profit before tax	5,081	3,813	33.3%	10,972	9,426	16.4%
Tax expense	<u>(1,421)</u>	<u>(1,136)</u>	25.1%	<u>(3,627)</u>	<u>(3,475)</u>	4.4%
Profit after tax	<u>3,660</u>	<u>2,677</u>	36.7%	<u>7,345</u>	<u>5,951</u>	23.4%
Attributable to:						
Shareholders of the Company	3,672	2,804	31.0%	7,656	5,881	30.2%
Non-controlling interests	<u>(12)</u>	<u>(127)</u>	N.M.	<u>(311)</u>	<u>70</u>	N.M.
	<u>3,660</u>	<u>2,677</u>	36.7%	<u>7,345</u>	<u>5,951</u>	23.4%
Other comprehensive income:						
Net loss on available-for-sale financial assets	(138)	-	N.A.	(195)	(460)	-57.6%
Foreign currency translation	<u>(339)</u>	<u>(694)</u>	N.M.	<u>(724)</u>	<u>(680)</u>	N.M.
Other comprehensive income for the period, net of tax	<u>(477)</u>	<u>(694)</u>	N.M.	<u>(919)</u>	<u>(1,140)</u>	-19.4%
Total comprehensive income for the period	<u>3,183</u>	<u>1,983</u>	60.5%	<u>6,426</u>	<u>4,811</u>	33.6%
Attributable to:						
Shareholders of the Company	3,195	2,110	51.4%	6,737	4,741	42.1%
Non-controlling interests	<u>(12)</u>	<u>(127)</u>	N.M.	<u>(311)</u>	<u>70</u>	N.M.
	<u>3,183</u>	<u>1,983</u>	60.5%	<u>6,426</u>	<u>4,811</u>	33.6%

1(a)(ii) Breakdown and Explanatory Notes to the income statement.

(A) Profit before tax is arrived at after charging/(crediting) the following:

	Group			Group		
	3Q 2011	3Q 2010	Increase/ (Decrease)	YTD Sep 2011	YTD Sep 2010	Increase/ (Decrease)
	\$000	\$000		\$000	\$000	
Depreciation and amortisation	5,969	5,845	2.1%	17,560	15,695	11.9%
Operating lease expenses	18,965	16,050	18.2%	54,163	46,443	16.6%
Personnel expenses	26,601	22,068	20.5%	74,221	62,099	19.5%
Impairment loss of intangible assets	-	19	-100.0%	-	19	-100.0%
Property, plant and equipment written off (Note 1)	318	324	-1.9%	811	1,758	-53.9%
Loss/(gain) on disposal of property, plant and equipment	109	(212)	N.M.	133	(213)	N.M.
Writeback of impairment of property, plant and equipment	-	-	N.A.	(29)	-	N.A.
Write back of impairment of trade receivables	(12)	-	N.A.	(11)	-	N.A.
Impairment of other receivables	5	-	N.A.	55	-	N.A.
Impairment of amount due from an associate (non-trade)	-	-	N.A.	-	30	-100.0%
Reversal of write-down of inventories	-	(47)	-100.0%	-	-	N.A.
Provision for loss from misappropriation of funds	-	622	-100.0%	-	622	-100.0%
Foreign exchange (gain)/loss, net	(306)	288	-206.3%	(20)	253	N.M.
Government grant	-	(172)	-100.0%	(580)	(988)	-41.3%

Note 1: The property, plant and equipment were written off as a result of closure, relocation or upgrading of outlets.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
	\$000	\$000	\$000	\$000
Non-current assets				
Property, plant and equipment	72,543	73,306	6,728	5,766
Intangible assets	8,867	9,142	-	-
Investment securities	12,318	12,127	-	-
Investment in subsidiaries	-	-	40,437	39,166
Investment in associates	-	-	-	-
Investment in joint ventures	452	446	-	-
Other receivables	550	399	-	-
Deferred tax assets	2,340	1,898	14	12
	<u>97,070</u>	<u>97,318</u>	<u>47,179</u>	<u>44,944</u>

	Group		Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
	\$000	\$000	\$000	\$000
Current assets				
Inventories	6,610	6,114	-	-
Trade receivables	7,804	5,203	-	-
Other receivables and deposits	23,126	20,142	-	26
Prepayments	6,504	3,306	41	83
Tax recoverable	61	9	-	-
Amount due from subsidiaries (non-trade)	-	-	2,864	5,748
Amount due from joint ventures (non-trade)	1,149	506	-	-
Amount due from minority shareholders of subsidiaries (non-trade)	425	455	-	-
Cash and cash equivalents	77,393	71,144	1,918	2,947
	<u>123,072</u>	<u>106,879</u>	<u>4,823</u>	<u>8,804</u>
Current liabilities				
Trade payables	17,861	18,114	-	-
Other payables	38,297	42,649	401	489
Other liabilities	45,585	38,146	1,954	1,845
Provision for reinstatement costs	3,804	3,536	-	-
Amount due to subsidiaries (non-trade)	-	-	9,866	8,762
Amount due to a joint venture (trade)	2	-	-	-
Amount due to joint ventures (non-trade)	341	140	-	-
Amount due to landlord (non-trade)	86	83	-	-
Finance lease obligations, secured	51	54	-	-
Loan from a minority shareholder of a subsidiary	200	200	-	-
Short term loan, secured	4,372	4,698	-	-
Current portion of long-term loans, secured	8,033	6,232	-	-
Tax payable	4,529	4,402	7	80
	<u>123,161</u>	<u>118,254</u>	<u>12,228</u>	<u>11,176</u>
Net current liabilities	(89)	(11,375)	(7,405)	(2,372)
Non-current liabilities				
Long-term loans, secured	12,711	8,117	3,989	3,989
Finance lease obligations, secured	-	37	-	-
Loan from minority shareholders of subsidiaries	882	-	-	-
Amount due to landlord (non-trade)	16	59	-	-
Deferred tax liabilities	2,576	2,647	-	-
	<u>16,185</u>	<u>10,860</u>	<u>3,989</u>	<u>3,989</u>
Net assets	<u>80,796</u>	<u>75,083</u>	<u>35,785</u>	<u>38,583</u>
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(399)	(199)	(399)	(199)
Accumulated profits	37,933	33,090	2,426	5,064
Translation reserve	2	(722)	-	-
Other reserves	2,935	3,090	455	415
	<u>73,774</u>	<u>68,562</u>	<u>35,785</u>	<u>38,583</u>
Non-controlling interests	7,022	6,521	-	-
Total equity	<u>80,796</u>	<u>75,083</u>	<u>35,785</u>	<u>38,583</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.09.2011	
Secured	Unsecured
\$000	\$000
12,456	200

As at 31.12.2010	
Secured	Unsecured
\$000	\$000
10,984	200

Amount repayable after one year

As at 30.09.2011	
Secured	Unsecured
\$000	\$000
12,711	882

As at 31.12.2010	
Secured	Unsecured
\$000	\$000
8,154	-

Details of any collateral

(1) As at 30 September 2011, a total amount of \$21.2 million of the Group's bank borrowings are secured by corporate guarantees issued by the Company while another bank loan of \$4.0 million taken up by the Company is secured by a charge over the leasehold land the Company acquired which had a net book value of \$5.1 million.

(2) Finance lease obligations are secured by the underlying assets acquired and in some cases, together with corporate guarantees issued by the Company.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	3Q 2011 \$000	3Q 2010 \$000	YTD Sep 2011 \$000	YTD Sep 2010 \$000
Cash flows from operating activities				
Profit before tax	5,081	3,813	10,972	9,426
Adjustments for:				
Share of results of joint ventures	(9)	26	(125)	(173)
Depreciation of property, plant and equipment	5,857	5,744	17,262	15,397
Amortisation of intangible assets	112	101	298	298
Loss/(gain) on disposal of property, plant and equipment	109	(212)	133	(213)
Impairment loss of intangible assets	-	19	-	19
Write back of impairment of property, plant and equipment	-	-	(29)	-
Property, plant and equipment written off	318	324	811	1,758
Interest expense	211	168	537	502
Interest income	(221)	(141)	(581)	(400)
Reversal of write-down of inventories	-	(47)	-	-
Write back of impairment of trade receivables	(12)	-	(11)	-
Impairment of other receivables	5	-	55	-
Impairment of amount due from an associate (non-trade)	-	-	-	30
Share based payment expenses	87	67	189	604
Unrealised exchange differences	(448)	554	(83)	573
Operating cash flow before working capital changes	<u>11,090</u>	<u>10,416</u>	<u>29,428</u>	<u>27,821</u>

	Group		Group	
	3Q 2011	3Q 2010	YTD Sep 2011	YTD Sep 2010
	\$000	\$000	\$000	\$000
(Increase)/decrease in:				
Inventories	(485)	319	(496)	(268)
Trade receivables	(1,731)	(1,587)	(2,590)	(1,191)
Other receivables and deposits	(2,407)	948	(3,191)	(564)
Prepayments	(3,301)	(794)	(3,198)	(867)
Amount due from an associate (non-trade)	-	-	-	(30)
Amount due from joint ventures (trade)	33	-	-	-
Amount due from joint ventures (non-trade)	(205)	(70)	(142)	40
Increase/(decrease) in:				
Trade payables	821	629	(253)	2,158
Other payables and other liabilities	11,292	4,170	7,539	4,869
Amount due to a joint venture (trade)	2	-	2	-
Amount due to joint ventures (non-trade)	(6)	(5)	201	(13)
Cash generated from operations	<u>15,103</u>	<u>14,026</u>	<u>27,300</u>	<u>31,955</u>
Tax paid	(1,205)	(1,570)	(4,020)	(3,250)
Net cash flow from operating activities	<u>13,898</u>	<u>12,456</u>	<u>23,280</u>	<u>28,705</u>
Cash flows from investing activities				
Interest income received	89	141	195	195
Purchase of property, plant and equipment	(4,558)	(7,391)	(20,024)	(28,195)
Proceeds from disposal of property, plant and equipment	14	273	135	537
Acquisition of intangible assets	-	(53)	(2)	(424)
Loan to a joint venture	-	-	(500)	-
Investment in a joint venture	-	-	(100)	-
Dividends received from a joint venture	200	-	200	-
Subscription of junior bonds	-	-	-	(5,750)
Net cash flow used in investing activities	<u>(4,255)</u>	<u>(7,030)</u>	<u>(20,096)</u>	<u>(33,637)</u>
Cash flows from financing activities				
Interest paid	(206)	(163)	(519)	(484)
Dividends paid to shareholders of the Company	-	-	(2,813)	(2,342)
Dividends paid to minority shareholders of a subsidiary	-	(200)	(820)	(1,312)
Repayment of finance lease obligations	(13)	(59)	(40)	(144)
Proceeds from short-term loans	2,975	835	8,352	6,412
Repayment of short-term loans	(3,595)	(1,802)	(8,709)	(6,844)
Proceeds from long-term loans	2,844	291	11,255	8,730
Repayment of long-term loans	(1,900)	(1,165)	(4,926)	(3,587)
Purchase of treasury shares	(348)	-	(348)	(259)
Repayment of amount owing to landlord	(20)	(22)	(61)	(66)
Increase in cash at bank pledged	-	2	-	(64)
Capital injection from minority shareholders of subsidiaries	106	90	812	1,290
Loan from minority shareholders of subsidiaries	-	200	882	200
Net cash flow (used in)/from financing activities	<u>(157)</u>	<u>(1,993)</u>	<u>3,065</u>	<u>1,530</u>
Net increase/(decrease) in cash and cash equivalents	9,486	3,433	6,249	(3,402)
Cash and cash equivalents at beginning of financial period	67,907	51,591	71,144	58,426
Cash and cash equivalents at end of financial period	<u>77,393</u>	<u>55,024</u>	<u>77,393</u>	<u>55,024</u>

Note A: Cash and cash equivalents comprise:

	Group	
	30 Sep 2011	30 Sep 2010
	\$000	\$000
Cash on hand and at bank	75,392	54,582
Fixed deposits	2,001	506
	<u>77,393</u>	<u>55,088</u>
Less: Cash at bank pledged	-	(64)
Cash and cash equivalents	<u>77,393</u>	<u>55,024</u>
Less: Total borrowings	(26,249)	(20,328)
Net cash	<u>51,144</u>	<u>34,696</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year
Attributable to Shareholders of the Company

Group	Share capital	Treasury shares	Translation reserve	Accumulated profits	Other reserves (Note B)	Total	Non-controlling interests	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 January 2010	33,303	(283)	137	24,782	2,723	60,662	5,504	66,166
Profit for the period	-	-	-	3,077	-	3,077	197	3,274
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(460)	(460)	-	(460)
Foreign currency translation	-	-	14	-	-	14	-	14
Total other comprehensive income, net of tax	-	-	14	-	(460)	(446)	-	(446)
Total comprehensive income for the period	-	-	14	3,077	(460)	2,631	197	2,828
<u>Transactions with equity holders</u>								
Share-based payments	-	-	-	-	25	25	-	25
Dividend paid	-	-	-	(2,342)	-	(2,342)	-	(2,342)
Treasury shares transferred on vesting of restricted share grant	-	343	-	-	168	511	-	511
Purchase of treasury shares	-	(259)	-	-	-	(259)	-	(259)
Capital contribution from a minority shareholder	-	-	-	-	-	-	1,200	1,200
Total transactions with equity holders	-	84	-	(2,342)	193	(2,065)	1,200	(865)
Balance at 30 June 2010	33,303	(199)	151	25,517	2,456	61,228	6,901	68,129
Profit for the period	-	-	-	2,804	-	2,804	(127)	2,677
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	(694)	-	-	(694)	-	(694)
Total other comprehensive income, net of tax	-	-	(694)	-	-	(694)	-	(694)
Total comprehensive income for the period	-	-	(694)	2,804	-	2,110	(127)	1,983
<u>Transactions with equity holders</u>								
Share-based payments	-	-	-	-	67	67	-	67
Capital contribution from a minority shareholder	-	-	-	-	-	-	90	90
Total transactions with equity holders	-	-	-	-	67	67	90	157
Balance at 30 September 2010	33,303	(199)	(543)	28,321	2,523	63,405	6,864	70,269

Attributable to Shareholders of the Company

Group	Share capital \$000	Treasury shares \$000	Translation reserve \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000	Non-controlling interests \$000	Total equity \$000
Balance at 1 January 2011	33,303	(199)	(722)	33,090	3,090	68,562	6,521	75,083
Profit for the period	-	-	-	3,984	-	3,984	(299)	3,685
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(57)	(57)	-	(57)
Foreign currency translation	-	-	(385)	-	-	(385)	-	(385)
Total other comprehensive income, net of tax	-	-	(385)	-	(57)	(442)	-	(442)
Total comprehensive income for the period	-	-	(385)	3,984	(57)	3,542	(299)	3,243
<u>Transactions with equity holders</u>								
Share-based payments	-	-	-	-	101	101	-	101
Dividend paid	-	-	-	(2,813)	-	(2,813)	-	(2,813)
Treasury shares transferred on vesting of restricted share grant	-	148	-	-	(148)	-	-	-
Capital contribution from minority shareholders	-	-	-	-	-	-	706	706
Total transactions with equity holders	-	148	-	(2,813)	(47)	(2,712)	706	(2,006)
Balance at 30 June 2011	33,303	(51)	(1,107)	34,261	2,986	69,392	6,928	76,320
Profit for the period	-	-	-	3,672	-	3,672	(12)	3,660
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(138)	(138)	-	(138)
Foreign currency translation	-	-	1,109	-	-	1,109	-	1,109
Total other comprehensive income, net of tax	-	-	1,109	-	(138)	971	-	971
Total comprehensive income for the period	-	-	1,109	3,672	(138)	4,643	(12)	4,631
<u>Transactions with equity holders</u>								
Share-based payments	-	-	-	-	87	87	-	87
Purchase of treasury shares	-	(348)	-	-	-	(348)	-	(348)
Capital contribution from minority shareholders	-	-	-	-	-	-	106	106
Total transactions with equity holders	-	(348)	-	-	87	(261)	106	(155)
Balance at 30 September 2011	33,303	(399)	2	37,933	2,935	73,774	7,022	80,796

Company	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
Balance at 1 January 2010	33,303	(283)	4,253	90	37,363
Profit for the period	-	-	84	-	84
Total comprehensive income for the period	-	-	84	-	84
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	25	25
Dividend paid	-	-	(2,342)	-	(2,342)
Treasury shares transferred on vesting of restricted share grant	-	343	-	168	511
Purchase of treasury shares	-	(259)	-	-	(259)
Total transactions with equity holders	-	84	(2,342)	193	(2,065)
Balance at 30 June 2010	33,303	(199)	1,995	283	35,382
Profit for the period	-	-	(1)	-	(1)
Total comprehensive income for the period	-	-	(1)	-	(1)
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	67	67
Total transactions with equity holders	-	-	-	67	67
Balance at 30 September 2010	33,303	(199)	1,994	350	35,448

Company	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
As at 1 January 2011	33,303	(199)	5,064	415	38,583
Profit for the period	-	-	55	-	55
Total comprehensive income for the period	-	-	55	-	55
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	101	101
Dividend paid	-	-	(2,813)	-	(2,813)
Treasury shares transferred on vesting of restricted share grant	-	148	-	(148)	-
Total transactions with equity holders	-	148	(2,813)	(47)	(2,712)
Balance at 30 June 2011	33,303	(51)	2,306	368	35,926
Profit for the period	-	-	120	-	120
Total comprehensive income for the period	-	-	120	-	120
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	87	87
Purchase of treasury shares	-	(348)	-	-	(348)
Total transactions with equity holders	-	(348)	-	87	(261)
Balance at 30 September 2011	33,303	(399)	2,426	455	35,785

Note B: Other reserves

	Group		Company	
	30 Sep 2011 \$000	30 Sep 2010 \$000	30 Sep 2011 \$000	30 Sep 2010 \$000
Statutory reserve fund	2,071	1,455	-	-
Fair value adjustment reserve	409	718	-	-
Capital reserve	186	168	186	168
Share based compensation reserve	269	182	269	182
	<u>2,935</u>	<u>2,523</u>	<u>455</u>	<u>350</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the share capital of the Company in 3Q 2011.

There were a total of 792,690 treasury shares held as at 30 September 2011 (30 September 2010: 580,582).

Total number of restricted shares granted conditionally under the "BreadTalk Restricted Share Grant Plan" as at 30 September 2011 was 1,284,336 (31 December 2010: 1,105,763).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 September 2011, the Company's issued and paid up capital, excluding 792,690 (31 December 2010: 580,582) treasury shares held, comprises 281,100,548 (31 December 2010: 281,312,656) ordinary shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported thereon.

	Number of Treasury Shares			
	3Q 2011	3Q 2010	YTD Sep 2011	YTD Sep 2010
Balance at beginning of financial period	147,690	580,582	580,582	970,000
Allotment of bonus shares	-	-	-	194,000
Purchase of treasury shares	645,000	-	645,000	500,000
Treasury shares transferred on vesting of restricted share grant	-	-	(432,892)	(1,083,418)
Balance at end of financial period	<u>792,690</u>	<u>580,582</u>	<u>792,690</u>	<u>580,582</u>

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 December 2010, except for the adoption of the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2011.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group and the Company have adopted the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2011. The adoption of the new and revised FRS did not result in any material impact on the Group's and the Company's financial statements.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	3Q 2011	3Q 2010	YTD Sep 2011	YTD Sep 2010
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.31 cent	1.00 cent	2.72 cent	2.09 cent
Weighted average number of ordinary shares	281,365,548	281,312,656	281,378,386	280,965,451
(b) On a fully diluted basis	1.30 cent	0.99 cent	2.71 cent	2.09 cent
Adjusted weighted average number of ordinary shares	282,649,884	282,456,742	282,542,708	282,064,795

As at 30 September 2011, a total of 1,284,336 (30 September 2010: 1,105,763 restricted shares have been granted conditionally under the "BreadTalk Restricted Share Grant Plan" while no share options have been issued under the "BreadTalk Group Limited Employees' Share Option Scheme".

7. Net asset value (for the issuer and the group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Net asset value per ordinary share based on issued share capital as at the end of period/year	<u>26.2 cents</u>	<u>24.4 cents</u>	<u>12.7 cents</u>	<u>13.7 cents</u>

Note: The net asset value per ordinary share of the Group and the Company as at 30 September 2011 is computed based on the total number of issued shares (excluding 792,690 treasury shares) of 281,100,548.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Overview

The Group revenue grew 18.2% to \$96.1 million in 3Q 2011 compared to \$81.3 million in 3Q 2010 underpinned by growth across all business segments. YTD 9M 2011, revenue rose 20.9% to \$265.4 million compared to \$219.6 million for the same period last year.

In 3Q 2011, group operating profit grew \$1.2 million compared to 3Q 2010. The bakery segment posted a 160.5% growth in operating profit to \$2.4 million in 3Q 2011 boosted by higher profit contribution from the Singapore and PRC bakery units on the back of higher revenue as well as smaller losses from the Malaysia bakery unit. This was, however, offset by lower profit from the restaurant and food court segments. Operating results of the restaurant segment was weighed down by higher costs of certain Din Tai Fung outlets in Singapore and offset by profit contribution from the first Din Tai Fung outlet in Bangkok, Thailand. The food court segment registered lower operating profit mainly due to start-up cost for new outlets in Guangzhou, Thailand and Taiwan, cushioned by higher profit from the PRC and Hong Kong food court units.

Other operating income fell 36.0% to \$1.3 million in 3Q 2011 mainly due to the gain on disposal of plant and equipment in 3Q 2010 and lower government grant.

Interest income rose 56.7% to \$221,000 in 3Q 2011 mainly attributable to higher interest income from banks on higher cash and cash equivalents as well as higher amortised interest income from junior bonds associated with the Katong Mall investment.

Share of profit from joint ventures turnaround from a loss of \$26,000 in 3Q 2010 to a profit of \$9,000 in 3Q 2011 mainly due to higher net profit from the Malaysian food court business offset by the Group's share of start-up losses from the open-air "Beer Garden" at St James Power Station.

A net loss of \$12,000 was attributed to non-controlling interests in 3Q 2011 compared to a net loss of \$127,000 in 3Q 2010 mainly as a result of lower minority shareholders' share of losses in certain newly start-up companies of the Group.

Overall, group net profit attributable to shareholders rose 31.0% to \$3.7 million in 3Q 2011, up from \$2.8 million in 3Q 2010. For 9M 2011, the Group recorded a net profit of \$7.7 million, an increase of 30.2% compared to \$5.9 million in 9M 2010.

Earnings per share (EPS) on a fully diluted basis rose 31.3% to 1.30 cents in 3Q 2011 compared to 0.99 cents in 3Q 2010 while EPS on a fully diluted basis for 9M 2011 rose 29.7% to 2.71 cents compared to 2.09 cents in 9M 2010.

Net asset value per share rose 7.4% to 26.2 cents as at 30 September 2011 compared to 24.4 cents as at 31 December 2010.

(A) Segmental Analysis

Group revenue rose 18.2% to \$96.1 million in 3Q 2011 underpinned by continued expansion across all business divisions.

	3Q 2011		3Q 2010		Increase	
	\$000	% Contribution	\$000	% Contribution	\$000	
Bakery sales	45,908	47.7%	38,136	46.9%	7,772	20.4%
Franchise income	5,921	6.2%	5,449	6.7%	472	8.7%
Restaurant sales	19,743	20.6%	14,376	17.7%	5,367	37.3%
Foodcourt income	24,494	25.5%	23,343	28.7%	1,151	4.9%
	<u>96,066</u>	<u>100.0%</u>	<u>81,304</u>	<u>100.0%</u>	<u>14,762</u>	<u>18.2%</u>

	YTD Sep 2011		YTD Sep 2010		Increase	
	\$000	% Contribution	\$000	% Contribution	\$000	
Bakery sales	123,439	46.5%	99,691	45.4%	23,748	23.8%
Franchise income	17,550	6.6%	15,465	7.0%	2,085	13.5%
Restaurant sales	54,781	20.6%	38,849	17.7%	15,932	41.0%
Foodcourt income	69,629	26.3%	65,592	29.9%	4,037	6.2%
	<u>265,399</u>	<u>100.0%</u>	<u>219,597</u>	<u>100.0%</u>	<u>45,802</u>	<u>20.9%</u>

Bakery

Bakery sales rose 20.4% to \$45.9 million in 3Q 2011, largely driven by outlet expansion and partly contributed by higher same store sales in Singapore and the PRC.

The number of bakery outlets owned and operated by the Group:

	30-Sep-11	31-Dec-10	30-Sep-10
Singapore	72	67	60
Malaysia	12	14	13
Hong Kong	12	13	11
PRC	60	55	52
Thailand	11	8	6
	<u>167</u>	<u>157</u>	<u>142</u>

Franchise revenue grew 8.7% to \$5.9 million in 3Q 2011 mainly attributed to continued growth in royalty fee income in tandem with expanding franchise network.

The Group's franchised bakery network:

	30-Sep-11	31-Dec-10	30-Sep-10
Indonesia	77	68	62
Philippines	20	17	16
Kuwait	5	6	6
Oman	1	1	1
India	6	6	6
Korea	7	6	5
PRC	149	129	111
Vietnam	4	2	1
Bahrain	3	3	4
	<u>272</u>	<u>238</u>	<u>212</u>

Overall, bakery segment registered higher operating profit of \$1.5 million in 3Q 2011 compared to \$0.9 million in 3Q 2010 mainly attributable to higher profit contribution from the Singapore bakery units including revenue growth and higher profit from the PRC bakery operations. In addition, the bakery unit in Malaysia incurred a smaller loss mainly as a result of closure of certain loss-making outlets. However, the Hong Kong bakery unit was affected by higher personnel expenses following the implementation of the Minimum Wage Policy.

For 9M 2011, bakery segment registered 23.8% growth in revenue to \$123.4 million while operating profit rose 66.1% to \$5.4 million. The profit growth was mainly attributed to higher profit from franchise division on higher franchise revenue, lower loss from PRC bakery unit due to higher outlet sales, smaller loss from bakery unit in Malaysia with the closure of loss-making outlets and offset by higher personnel expenses by the Hong Kong bakery unit as a result of the implementation of Minimum Wage Policy

Restaurants

Revenue from the restaurant business grew 37.3% to \$19.7 million in 3Q 2011, up from \$14.4 million in 3Q 2010 mainly attributed to revenue contribution from additional Din Tai Fung, Ramen Play and Carl's Junior outlets in 3Q 2011 compared to 3Q 2010.

The number of restaurants owned and operated by the Group:

	30-Sep-11	31-Dec-10	30-Sep-10
Din Tai Fung	11	10	8
Carl's Junior	4	3	3
Ramen Play	7	8	6
	<u>22</u>	<u>21</u>	<u>17</u>

Restaurant business registered lower operating profit of \$0.5 million in 3Q 2011 compared to an operating profit of \$0.9 million in 3Q 2010 mainly due to: (1) lower profit from Din Tai Fung operations in Singapore weighed down by higher material cost and operating expenses and under-performance of certain outlets; (2) underperformance of Carl's Junior in the PRC and Ramen Play outlets in Singapore, while partially offset by smaller loss from Ramen Play restaurant operations in the PRC due to closure of a loss-making outlet. Meanwhile, the first Din Tai Fung restaurant in Bangkok, Thailand which opened in May 2011 is already profitable due to overwhelming response.

For 9M 2011, revenue from the restaurant segment rose 41.0% to \$54.8 million. However, operating profit fell \$0.7 million or 33.8% to \$1.4 million compared to 9M 2010 largely due to the same reasons above.

Food Courts

Food court revenue grew \$1.2 million or 4.9% to \$24.5 million in 3Q 2011 mainly contributed by additional food courts opened in the PRC and Malaysia. The Hong Kong food court operations recorded healthy revenue growth in 3Q 2011 but mitigated by weaker Hong Kong dollar against the Singapore dollar.

Number of food courts owned and operated by the Group:

	30-Sep-11	31-Dec-10	30-Sep-10
PRC	21	20	19
Hong Kong	5	5	5
Singapore	6	6	5
Malaysia	2	1	1
	<u>34</u>	<u>32</u>	<u>30</u>

Operating profit from food court business dipped 4.1% to \$2.0 million in 3Q 2011 compared to 3Q 2010 mainly due to start-up losses from operations in Guangzhou, Thailand and Taiwan but cushioned by higher profit contribution from the PRC following closure of certain non-performing outlets in 2010 and Hong Kong food court operations on the back of higher revenue achieved.

For 9M 2011, revenue from the food court segment rose \$4.0 million or 6.2% to \$69.6 million while operating profit rose 0.2% to \$3.8 million mainly contributed by higher profit from the PRC and Hong Kong food court units offset the start-up losses from food courts in Guangzhou, Thailand and Taiwan.

(B) Geographical Analysis

Breakdown of the Group's revenue by geographical segments is summarised below:

	3Q 2011		3Q 2010		<u>Increase/(decrease)</u>	
	\$000	% Contribution	\$000	% Contribution	\$000	
Singapore	48,878	50.9%	41,040	50.5%	7,838	19.1%
PRC	32,106	33.4%	27,432	33.7%	4,674	17.0%
Hong Kong	9,079	9.5%	8,885	10.9%	194	2.2%
Rest of the world	6,003	6.2%	3,947	4.9%	2,056	52.1%
	<u>96,066</u>	<u>100.0%</u>	<u>81,304</u>	<u>100.0%</u>	<u>14,762</u>	<u>18.2%</u>

	YTD Sep 2011		YTD Sep 2010		<u>Increase/(decrease)</u>	
	\$000	% Contribution	\$000	% Contribution	\$000	
Singapore	139,785	52.7%	113,083	51.5%	26,702	23.6%
PRC	84,500	31.8%	71,503	32.6%	12,997	18.2%
Hong Kong	26,282	9.9%	24,560	11.2%	1,722	7.0%
Rest of the world	14,832	5.6%	10,451	4.7%	4,381	41.9%
	<u>265,399</u>	<u>100.0%</u>	<u>219,597</u>	<u>100.0%</u>	<u>45,802</u>	<u>20.9%</u>

The Group achieved broad-based revenue growth across all geographical segments in 3Q 2011. Revenue contribution from Singapore grew 19.1% to \$48.9 million in 3Q 2011 underpinned by outlet expansion for bakery, food court and restaurant segments.

The PRC segment, contributing 33.4% to group revenue in 3Q 2011, registered 17.0% growth in revenue to \$32.1 million mainly from bakery segment as well as Carl's Junior and Ramen Play businesses. Revenue contribution from Hong Kong rose 2.2% to \$9.1 million in 3Q 2011 contributed by both the bakery and food court operations, partially offset by impact of a weaker Hong Kong dollar against the Singapore dollar. Revenue from rest of the world grew 52.1% to \$6.0 million boosted by maiden revenue contribution from the first Din Tai Fung outlet in Bangkok which opened in May 2011 as well as higher revenue from the bakery unit in Thailand.

(C) Balance Sheet

Non-current assets decreased by \$0.2 million or 0.3% to \$97.1 million as at 30 September 2011. The decrease was mainly due to depreciation and amortization charge for the period of \$17.6 million and asset write-off of \$0.8 million while offset by increase in property, plant and equipment of \$17.7 million arising from outlet expansion and translation difference of \$0.9 million.

Other payables decreased by \$4.4 million or 10.2% to \$38.3 million as at 30 September 2011 mainly due to payments made on capital expenditure as well as payment of dividends to minority shareholders of a subsidiary of \$0.8 million.

As at 30 September 2011, the Group's net current liabilities narrowed to \$0.1 million compared to \$11.4 million as at 31 December 2010 mainly helped by strong operating cash flows generated for the 9 months. Included in current liabilities are deposits from food court tenants and franchisees and stored value card deposits amounted to \$12.5 million and deferred revenue of \$14.6 million. Deferred revenue comprises mainly unutilised value on stored value cards, unredeemed cash vouchers sold and unearned deferred franchise fees received. These current liabilities, because of their nature, are not expected to result in significant cash outflow from the Group within the next 12 months. In addition, the Group has unutilised banking facilities available for future use.

The Group's total borrowings increased by \$6.9 million to \$26.2 million as at 30 September 2011 compared to \$19.3 million as at 31 December 2010. The increase was mainly due to bank loans taken up to provide working capital and finance business expansion while offset by repayment of existing bank loans.

(D) Cash Flow Statement

The Group recorded strong operating cash flow of \$13.9 million in 3Q 2011. A net cash flow of \$4.3 million was used in investing activities while a net cash flow of \$0.2 million was used in financing activities in 3Q 2011. Consequently, the Group's cash and cash equivalents increased by \$9.5 million in 3Q 2011 to \$77.4 million as at 30 September 2011.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not Applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Encouraged by the profitable contribution of our first Din Tai Fung outlet in Bangkok, the Group plans to increase its brand offerings by operating food courts and food atriums in Thailand. Looking ahead, Thailand is expected to be an additional growth engine in the South-east Asian region.

The Group's investment in Katong Mall is nearing completion given its Asset Enhancement Plan and has already secured an occupancy rate of approximately 95% as at October 2011. Going forward, the Group will carefully consider investment opportunities that are strategic to upstream integration and retail delivery touch points.

Ours efforts to expand margins are gaining traction and further improvements are anticipated. The Group remains committed to revenue growth, footprint expansion and brand building across the region.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?
None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable.

14. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

To the best knowledge of the Board of Directors, nothing material has come to the attention of the Board of Directors which may render the financial results for the third quarter ended 30 September 2011 of the Group and the Company to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
11 November 2011