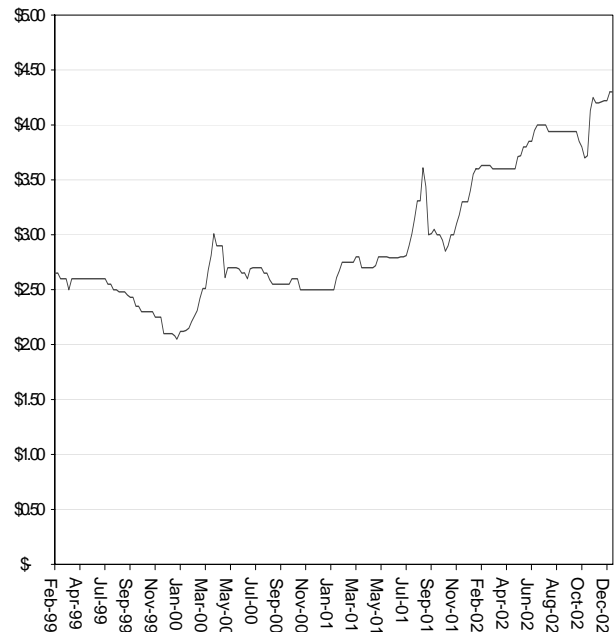


**Prestige Holdings Limited**

Recent Price	\$ 4.31	EPS(est.2002)	\$ 0.25
52 Wk Range	\$ 3.31 - 4.31	Div.(est.2002)	\$ 0.19
Shares O/s	60,000,000	Yld.(est.2002)	4.41%
Float	18,000,000	P/E (est.2002)	17.20 X
Market Cap.	\$ 258,600,000	Fiscal Yr End	November
<b>ACTUAL</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
P/E Ratio	12.35 X	11.33 X	12.35 X
EPS	\$ 0.27	\$ 0.22	\$ 0.17
Div. Payout	71.32%	74.78%	79.41%
ROE% (Avg)	35.53%	45.60%	55.31%
ROA% (Avg)	8.31%	10.72%	10.65%
B.V. / Share	\$ 0.58	\$ 0.49	\$ 0.33
LT Debt	\$ 106,051,000	\$ 62,418,404	\$ 48,291,049
Pref. Equity	Nil	Nil	Nil
Comm. Equity	\$ 34,548,000	\$ 29,183,336	\$ 19,544,500



We expect that the Trinidad operations would continue to grow, especially if the current political gridlock is resolved and the economy returns to some normalcy. However the DR remains uncertain especially as the world economy is expected to continue to sputter. As such we reiterate our full year earnings per share forecast of 25¢.

**The Company**

Incorporated in 1972, the Company is the largest company in the Quick Service Restaurant industry in Trinidad and Tobago, operating KFC and Pizza Hut Restaurants under long-term franchise arrangements. The KFC outlets account for most of the Company's business, with 37 outlets nationwide. The Pizza-Hut outlets presently number 3, at the beginning of 1999, two outlets were closed at Independence Square and Library Corner, San Fernando.

In 1997, KFCC/PepsiCo. Holdings Ltd. sold its entire shareholding to Victor E. Mouttet Ltd., a privately owned company. In February 1999 the Company offered 25% of its shareholdings to the public. Victor Mouttet Ltd. (VEMCO) owns the other 75% of the shares.



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## Prestige Holdings Limited

### Update – Q3 ended August 31, 2002.

Prestige Holdings continues to feel the effects of the poor performance of its Dominican Republic (DR) operations. The KFC operations in the DR have been affected by the depressed economy and the competitive nature of the market. The losses from the KFC restaurants in the DR were \$3 million for the period. The lone TGI Friday restaurant in the DR continues to show good results.

Overall there was a healthy increase in sales of 27.86% for the nine months ended August 31, 2002 moving from \$222.679 million in 2001 to \$284.713 million in 2002. Cost of sales grew by 29.15% moving from \$150.503 million to \$194.378 million. Gross profit increased by 25.16% moving from \$72.176 million in 2001 to \$90.335 million in 2002. Operating expenses increased by 32.67% moving from \$47.904 million in 2001 to \$63.552 million in 2002. As a result of these steeper increase in expenses operating profit increased by only 10.35% moving from \$24.272 million in 2001 to \$26.783 million in 2002. There was a substantial jump in interest cost of 40.17% moving from \$6.853 million in 2001 to \$9.606 million in 2002. This mainly as a result of the increase in long term debt. As a consequence there was a marginal decline in profit before tax of 1.39% moving from \$17.419 million in 2001 to \$17.177 million in 2002. Taxation increased by 26.33% from \$6.548 million in 2001 to \$8.272 in 2002. The effective tax rate jumped from 37.59% in 2001 to 48.16% in 2002. The Company's tax rate is higher than the statutory rate because the losses in the DR cannot be offset against the profit in Trinidad. Overall profit attributable to shareholders declined by 11.66% moving from \$11.987 million in 2001 to \$10.589 million in 2002.

Prestige's short to medium term growth would be affected by the challenges it faces in the DR. The Chairman in his report stated that the DR market continues to be challenging for the KFC brand. He also stated that the Company had reorganized the KFC business with support from Trinidad with a view to reducing cost, improving the consistency of the product quality and achieving sales growth. There are early signs that the initiatives are having a positive effect.

In Trinidad all the Company's brands continue to deliver excellent same store growth with an increased combined profitability of 14% for the nine months ended August 2002 over the same period in 2001. During the last quarter the new TGI Friday and Pizza Hut restaurants would be opened in Chaguanas.

The Board of Directors have approved an interim dividend of 6¢ per share payable on October 25, 2002 to shareholders on the close of business on October 16, 2002. The interim dividend paid in 2001 was 7¢ per share.

**Prestige Holdings Limited****Income Statement Analysis (TT\$ millions)**

	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
Rev.	302.934	242.435	198.492	181.675	152.562
Op. Inc.	136.123	79.699	57.344	55.832	47.778
Depr.	10.125	7.866	6.588	6.297	6.521
Int. Exp.	9.418	8.024	7.002	6.590	1.052
Pretax Inc.	21.578	18.616	14.796	7.280	11.488
Eff. Tax Rate	37.60%	31.56%	30.91%	21.08%	38.48%
Net Inc.	15.984	13.239	10.223	5.746	7.067

**Bal. Sheet & Other Fin. Data (TT\$ millions)**

Cash	1.926	1.690	0.171	0.130	5.627
Curr. Assets	16.826	13.277	10.174	15.028	11.212
Total Assets	187.724	136.155	101.642	90.289	79.958
Curr. Lia.	42.222	30.195	28.721	18.969	12.631
LT Debt	96.797	62.418	48.291	51.198	49.145
Common Eq.	34.548	29.183	19.545	17.422	15.876
Total Cap.	179.697	128.129	99.111	87.520	79.845
Cap Exp.	53.778	31.021	22.710	12.041	5.778
Cash Flow	-34.926	-15.576	-0.157	-6.059	-39.153

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