

FAMOUS BRANDS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1969/004875/06)

Share code: FBR

ISIN code: ZAE000053328

("Famous Brands" or "the Group" or "the Company")

VOLUNTARY PERFORMANCE UPDATE FOR THE TWELVE MONTHS ENDED 28 FEBRUARY 2021

BACKGROUND

- The announcement of the COVID-19 pandemic in March 2020 coincided with the first month of the Group's review period, and its impact has been evident over the entire twelve months, in varying degrees, as the respective countries' risk-adjusted strategies progressed from total lockdown to gradual easing of restrictions and then returning restrictions.
- Across our trading markets, in South Africa ("SA"), rest of Africa and the Middle East ("AME") and the United Kingdom ("UK"), the negative financial impact of the COVID-19 global pandemic ("pandemic") and resultant national lockdowns and trading restrictions has been severe.
- During the lockdowns, in line with regulations, our SA and UK operations were shut in April 2020, apart from the SA retail division. Prescribed restrictions in the AME region were slightly less onerous, affording some trading activity. The gradual easing of restrictions in SA and the UK in the first and second half of the reporting period enabled improved performance of the business while complying with regulations.
- Aligned with our three-year roadmap, and accelerated by the pandemic, our focus over the review period was to right-size the business, reduce costs, and preserve cash to facilitate balance sheet flexibility.

SALES PERFORMANCE

BRANDS

The Group's brand portfolio is categorised into Leading (mainstream) and Signature (niche) brands.

SA

Leading brands' system-wide sales*# declined by 28.6%, while like-for-like sales** decreased 29.1%. Signature brands' system-wide sales^ deteriorated 66.6%, while like-for-like sales reduced by 55.1%.

AME

In the context of less stringent trading restrictions, the AME region delivered solid results. System-wide sales in this region declined by 22.9%.

* System-wide sales refer to sales reported by all restaurants across the network, including new restaurants opened during the period.

** Like-for-like sales refer to sales reported by all restaurants across the network, excluding restaurants opened or permanently closed during the period.

Leading brands' sales refer to sales of the Leading brands trading in SA.

^ Signature brands' sales refer to SA sales as well as cross-border sales where the brand is a Joint Venture partnership and the brand is not managed by its AME management team.

AME sales are denominated in Rand terms.

SUPPLY CHAIN (Manufacturing and Logistics divisions)

This business, which supports the front-end brands division in SA, was particularly hard hit by restrictions. Compared to the prior corresponding period, Manufacturing revenue declined by 24% while Logistics revenue decreased by 27%.

RETAIL

This division, which supplies third-party retailers and wholesalers in SA with branded licensed products, was permitted to trade throughout the lockdown. Sales reported for the period were R151 million.

GBK Restaurants Limited("GBK") UK and Ireland

- The business was placed into Administration on 14 October 2020 in accordance with the insolvency legislation in the UK.
- The Group's investment in GBK was impaired in full (at R1.3 billion, net of tax) when the Group published its interim results for the six-month period ended 31 August 2020.
- The Group awaits the finalisation of the Administration process being handled by the Administrator. However, there will be no further operating losses impacting the Group's results from the date on which GBK entered into Administration as the Group no longer has control over GBK.
- Disclosure that facilitates an understanding of the Group's results in the context of the deconsolidation of GBK from the Group's results will be provided when the year-end results are published.

OTHER

The Board of Directors of Famous Brands ("Board") does not at the date of this announcement have the required certainty to provide details of the anticipated minimum percentage nor the range expected for earnings per share ("EPS") for the year ended 28 February 2021. A trading statement will be provided as and when the Board has the required certainty.

We continue to maintain rigorous health and safety protocols across our operations to play our part in reducing the spread of the virus. These measures have enabled the business to deliver responsible, safe, uninterrupted service to our customers and ensure the well-being of our employees.

The Group's results for the year ended 28 February 2021 will be published on SENS on or about Tuesday, 25 May 2021.

The financial information on which this announcement is based has not been reviewed or reported on by the Group's external auditors.

11 March 2021

Midrand

Sponsor

The Standard Bank of South Africa Limited