

**Popeyes Louisiana Kitchen, Inc.**  
**Consolidated Balance Sheets**  
**As of December 27, 2015 and December 28, 2014**  
(In millions, except share data)

	2015	2014
<b>Current assets:</b>		
Cash and cash equivalents	\$ 9.1	\$ 8.4
Accounts and current notes receivable, net	9.2	8.6
Other current assets	8.5	7.4
Advertising cooperative assets, restricted	35.4	32.4
Total current assets	62.2	56.8
<b>Long-term assets:</b>		
Property and equipment, net	97.7	95.7
Goodwill	11.1	11.1
Trademarks and other intangible assets, net	94.2	94.7
Other long-term assets, net	1.5	2.0
Total long-term assets	204.5	203.5
Total assets	\$ 266.7	\$ 260.3
<b>Current liabilities:</b>		
Accounts payable	\$ 6.7	\$ 7.4
Other current liabilities	13.9	12.4
Current debt maturities	0.3	0.3
Advertising cooperative liabilities	35.4	32.4
Total current liabilities	56.3	52.5
<b>Long-term liabilities:</b>		
Long-term debt	112.3	109.6
Deferred credits and other long-term liabilities	38.5	32.4
Total long-term liabilities	150.8	142.0
<b>Commitments and contingencies</b>		
<b>Shareholders' equity:</b>		
Preferred stock (\$.01 par value; 2,500,000 shares authorized; 0 issued and outstanding)	—	—
Common stock (\$.01 par value; 150,000,000 shares authorized; 22,449,697 and 23,143,609 shares issued and outstanding at the end of fiscal years 2015 and 2014, respectively)	0.2	0.2
Capital in excess of par value	—	46.4
Retained earnings	59.6	19.3
Accumulated other comprehensive loss	(0.2)	(0.1)
Total shareholders' equity	59.6	65.8
Total liabilities and shareholders' equity	\$ 266.7	\$ 260.3

The accompanying notes are an integral part of these consolidated financial statements.

**Popeyes Louisiana Kitchen, Inc.**  
**Consolidated Statements of Operations**  
**For Fiscal Years 2015, 2014, and 2013**  
(In millions, except per share data)

	2015	2014	2013
<b>Revenues:</b>			
Sales by Company-operated restaurants	\$ 109.5	\$ 97.2	\$ 78.7
Franchise royalties and fees	144.0	131.3	121.9
Rent from franchised restaurants	5.5	7.1	5.4
Total revenues	259.0	235.6	206.0
<b>Expenses:</b>			
Restaurant food, beverages and packaging	35.3	32.0	26.1
Restaurant employee, occupancy and other expenses	52.3	46.8	37.9
General and administrative expenses	84.3	78.9	73.4
Occupancy expenses - franchise restaurants	3.1	3.2	3.4
Depreciation and amortization	9.7	8.7	6.7
Other expenses (income), net	—	1.2	0.3
Total expenses	184.7	170.8	147.8
<b>Operating profit</b>	74.3	64.8	58.2
Interest expense, net	3.7	3.0	3.7
<b>Income before income taxes</b>	70.6	61.8	54.5
Income tax expense	26.5	23.8	20.4
<b>Net income</b>	\$ 44.1	\$ 38.0	\$ 34.1
<b>Earnings per common share, basic:</b>	\$ 1.94	\$ 1.63	\$ 1.44
<b>Earnings per common share, diluted:</b>	\$ 1.91	\$ 1.60	\$ 1.41
<b>Weighted-average shares outstanding:</b>			
Basic	22.7	23.3	23.6
Diluted	23.1	23.8	24.1

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**Popeyes Louisiana Kitchen, Inc.**  
**Consolidated Statements of Comprehensive Income**  
**For Fiscal Years 2015, 2014, and 2013**  
(In millions)

	2015	2014	2013
<b>Net income</b>	\$ 44.1	\$ 38.0	\$ 34.1
<b>Other comprehensive income</b>			
Net change in fair value of cash flow hedge	(0.4)	—	0.4
Reclassification adjustments for derivative losses included in earnings	0.2	0.8	—
Other comprehensive income (loss), before income tax	(0.2)	0.8	0.4
Income tax expense (benefit) on other comprehensive income	(0.1)	0.3	0.2
Other comprehensive income (loss), net of income taxes	(0.1)	0.5	0.2
<b>Comprehensive income</b>	<u>\$ 44.0</u>	<u>\$ 38.5</u>	<u>\$ 34.3</u>

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**Popeyes Louisiana Kitchen, Inc.**  
**Consolidated Statements of Cash Flows**  
**For Fiscal Years 2015, 2014, and 2013**  
(In millions)

	2015	2014	2013
<b>Cash flows provided by (used in) operating activities:</b>			
Net income	\$ 44.1	\$ 38.0	\$ 34.1
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	9.7	8.7	6.7
Net (gain) loss on sale and disposal of assets	(0.1)	(0.8)	0.3
Deferred income taxes	4.2	2.4	4.5
Non-cash interest expense, net	0.4	1.0	0.8
Provision for credit losses (recoveries)	0.1	—	(0.7)
Excess tax benefit from share-based payment arrangements	(7.6)	(2.6)	(3.4)
Stock-based compensation expense	6.7	5.3	5.4
Change in operating assets and liabilities:			
Accounts receivable	(0.6)	0.4	(1.6)
Other operating assets	6.7	4.9	(2.3)
Accounts payable and other operating liabilities	(0.9)	2.3	0.5
Net cash provided by operating activities	62.7	59.6	44.3
<b>Cash flows provided by (used in) investing activities:</b>			
Capital expenditures	(12.8)	(27.8)	(32.8)
Proceeds from dispositions of property and equipment	0.2	1.3	0.6
Capitalized interest	—	—	(0.2)
Investment in indefinite-lived assets	—	(41.8)	—
Net cash used in investing activities	(12.6)	(68.3)	(32.4)
<b>Cash flows provided by (used in) financing activities:</b>			
Principal payments — 2010 credit facility (revolver)	—	—	(37.0)
Principal payments — 2010 credit facility (term loan)	—	—	(31.3)
Borrowings under 2013 revolving credit facility	6.0	43.0	63.0
Payments under 2013 revolving credit facility	(3.0)	—	—
Excess tax benefits from share-based payment arrangements	7.6	2.6	3.4
Share repurchases	(62.0)	(40.0)	(19.9)
Proceeds from exercise of employee stock options	2.5	2.4	3.6
Debt issuance costs	—	—	(0.7)
Other financing activities, net	(0.5)	(0.5)	(0.4)
Net cash provided by (used in) financing activities	(49.4)	7.5	(19.3)
Net increase (decrease) in cash and cash equivalents	0.7	(1.2)	(7.4)
Cash and cash equivalents at beginning of year	8.4	9.6	17.0
<b>Cash and cash equivalents at end of year</b>	<b>\$ 9.1</b>	<b>\$ 8.4</b>	<b>\$ 9.6</b>

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