



Farsons

Simonds Farsons Cisk p.l.c.

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COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Simonds Farsons Cisk p.l.c. pursuant to MFSA Listing Rule 5.16.4, 5.16.20, 5.74 and 5.75.

Quote

At its meeting held today 30th September 2015, the Board of Directors of Simonds Farsons Cisk p.l.c. approved the group's unaudited financial statements and Interim Directors' Report for the six months ended 31st July 2015.

A copy of these financial statements and report are attached herewith and are also available to the public on www.farsons.com.

The Board of Directors of Simonds Farsons Cisk p.l.c. also resolved to distribute, out of tax exempt profits, an interim dividend of € 1,000,000, equivalent to € 0.0333 per ordinary share. This dividend will be paid on Tuesday 20th October 2015 to the ordinary shareholders who will be on the Register as at the close of business on Tuesday 6th October 2015.

Unquote

ANTOINETTE CARUANA
Company Secretary

30th September 2015

Simonds Farsons Cisk plc

Interim Report 2015

SIX MONTHS ENDED 31 JULY 2015

INTERIM DIRECTORS' REPORT

TRADING PERFORMANCE

The board of directors is pleased to announce the Farsons group's interim results for the six months ended 31 July 2015.

The group registered another period of steady growth and profitable performance with turnover and profits exceeding those attained in the comparable period of last year.

Group turnover exceeded €44 million, an increase of 8% over last year. Operating profit increased by €592,000 whilst profit for the period from continuing operations after

taxation at €4.6 million, exceeded last year's record figure by 14%.

The following factors impacted the results for the period in a positive manner:

- A buoyant performance of the local economy,
- Further growth in tourist arrivals and expenditure,
- Successful marketing of our beer portfolio,
- Volume growth in imported beverages, and
- Improved performance from the franchised food business.

BUSINESS OUTLOOK

The market within which the group operates remains highly competitive with constant pressures on volumes and margins. Efficiency improvements through investment,

technology, innovation and cost containment remain ongoing while exports growth will continue to be an area of focus in line with the group's strategic vision.

BEER PACKAGING FACILITY

The group continues to work towards its vision to grow its international business and become a regional player within the food and beverage sector. The investment in the new state-of-the-art beer packaging facility is set to enhance product and

process innovation and contribute to plans for export-led growth.

The facility is scheduled to be operational as planned in April 2016, and the project remains on budget.

EXTENSION OF OFFICES AND LOGISTICS CENTRE

Apart from the new beer packaging facility, the group is planning to expand its logistics operations and warehousing capabilities while also developing new office space above the current administration block

to cater for additional in-house requirements. The estimated cost of these and related investments amount to €10 million and works are expected to commence in January 2016 to be completed by the end of 2017.

TAXATION ON CAPITAL GAINS

Changes to the taxation rules on capital gains were enacted subsequent to the group's most recent financial year end of 31 January 2015. The net impact of these changes on the deferred tax liability attributable to the fair valuations of group properties amounted to a reduction in the required deferred tax provision of

€2.85 million. €1.78 million of the deferred tax reduction has been reflected in the consolidated income statement under discontinued operations, and the balance of €1.07 million (which relates to property, plant and equipment) has been adjusted through equity.

FARSONS BUSINESS PARK AND PROPERTY SPIN-OFF

The company announcement dated end May 2015 explained that planning applications for the development of the Farsons Business Park were duly submitted to MEPA. Since then, further detailed designs, analysis and

specifications have been undertaken. The project is set for approval by the next Annual General Meeting. Funding options and details of the spin-off are currently being analysed by the board of directors.

DIVIDENDS

On 26 June 2015, following approval at the Annual General Meeting, the company paid a final dividend to the ordinary shareholders, out of tax-exempt profits, of €2 million in respect of the financial year ending 31 January 2015. The board of directors is recommending a net interim dividend of €1 million (2014:

€1 million) in respect of the financial year ending 31 January 2016, payable on 20 October 2015 to the ordinary shareholders who will be on the Register of Members of the company on 6 October 2015. The interim dividend will be paid out of tax exempt profits and is equivalent to €0.0333 (2014: €0.0333) per share.

STATEMENT PURSUANT TO LISTING RULE 5.75.3 ISSUED BY THE LISTING AUTHORITY

I hereby confirm that to the best of my knowledge:

- The condensed interim financial information gives a true and fair view of the financial position of the group as at 31 July 2015, and of its financial performance and cash flows for the period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim Financial reporting (IAS34); and
- The Interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Louis A. Farrugia

Louis A. Farrugia - Chairman
30 September 2015

CONDENSED CONSOLIDATED INCOME STATEMENT

SIX MONTHS ENDED 31 JULY 2015

	Group	
	31 July 2015 (unaudited)	31 July 2014 (unaudited)
	€'000	€'000
Continuing operations:		
Revenue	44,207	41,004
Gross profit	17,101	15,652
Operating profit	5,486	4,894
Finance costs	(677)	(706)
Profit before tax	4,809	4,188
Tax expense	(224)	(168)
Profit for the period from continuing operations	4,585	4,020
Discontinued operations:		
Profit/(Loss) for the period from discontinued operations	1,751	(68)
Profit for the period	6,336	3,952
Earnings per share for the period attributable to shareholders arising from:		
- Continuing operations	€0.153	€0.134
- Discontinued operations	€0.058	(€0.002)
Earnings per share	€0.211	€0.132

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SIX MONTHS ENDED 31 JULY 2015

	Group	
	31 July 2015 (unaudited)	31 July 2014 (unaudited)
	€'000	€'000
Profit for the period		
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Effect of changes in property tax rules	1,070	-
Items that may be subsequently reclassified to profit or loss:		
Cash flow hedges net of deferred tax	97	(298)
Other comprehensive income for the period	1,167	(298)
Total comprehensive income for the period	7,503	3,654
Total comprehensive income attributable to equity shareholders arising from:		
- Continuing operations	5,752	3,722
- Discontinued operations	1,751	(68)
Total comprehensive income for the period	7,503	3,654

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2015

	Group	
	31 July 2015 (unaudited)	31 January 2015 (audited)
	€'000	€'000
ASSETS		
Non-current assets	87,106	83,973
Current assets	34,212	31,744
Non-current assets classified as held for sale	33,599	33,041
Total assets	154,917	148,758
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the company	105,738	100,235
Non-current liabilities	24,460	25,184
Current liabilities	21,429	18,446
Liabilities directly attributable to non-current assets held for sale	3,290	4,893
Total liabilities	49,179	48,523
Total equity and liabilities	154,917	148,758

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY SIX MONTHS ENDED 31 JULY 2015

Group	Share capital €'000	Hedging reserve €'000	Revaluation and other reserves €'000	Retained earnings €'000	Total €'000
Period ended 31 July 2015					
Balance at 1 February 2015	9,000	(850)	53,221	38,864	100,235
Comprehensive income					
Profit for the six months ended 31 July 2015	-	-	-	6,336	6,336
Cash flow hedges net of deferred tax	-	97	-	-	97
Effect of changes in property tax rules	-	-	2,848	(1,778)	1,070
Total comprehensive income	-	97	2,848	4,558	7,503
Transactions with owners					
Dividends	-	-	-	(2,000)	(2,000)
Balance at 31 July 2015	9,000	(753)	56,069	41,422	105,738
Period ended 31 July 2014					
Balance at 1 February 2014	9,000	(302)	58,421	28,155	95,274
Comprehensive income					
Profit for the six months ended 31 July 2014	-	-	-	3,952	3,952
Cash flow hedges net of deferred tax	-	(298)	-	-	(298)
Total comprehensive income	-	(298)	-	3,952	3,654
Transactions with owners					
Dividends	-	-	-	(1,500)	(1,500)
Balance at 31 July 2014	9,000	(600)	58,421	30,607	97,428

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS SIX MONTHS ENDED 31 JULY 2015

	Group	
	31 July 2015 (unaudited)	31 July 2014 (unaudited)
	€'000	€'000
Net cash generated from operating activities	4,015	5,345
Net cash used in investing activities	(5,300)	(3,637)
Net cash used in financing activities	(2,875)	(2,375)
Net movement in cash and cash equivalents	(4,160)	(667)
Cash and cash equivalents at beginning of period	4,448	34
Cash and cash equivalents at end of period	288	(633)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

- This report is being published pursuant to the terms of Chapter 5 of the Listing Rules issued by the Listing Authority and the Prevention of Financial Markets Abuse Act 2005.
- The financial information being published has been extracted from the Simonds Farsons Cisk group's unaudited interim financial statements for the six months ended 31 July 2015, prepared in accordance with accounting standards adopted for use in the European Union for reported interim financial information (IAS 34 - Interim Financial Reporting). In terms of Listing Rule 5.75.5, this interim report has not been audited by the group's independent auditors.
- The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 January 2015.
- The group's operations consist of the brewing, production and sale of beer and branded beverages, the importation and sale of food and beverages, including wines and spirits, the operation of franchised food retailing establishments and property management. These operations are carried out primarily on the local market. An analysis by business segment of the group's turnover and operating profit is set out below:

	Brewing, production and sale of beer & branded beverages €'000	Importation and sale of food & beverages including wines & spirits €'000	Operation of franchised food retailing establishments €'000	Property management €'000	Group €'000
Period ended 31 July 2015					
Revenue	24,846	16,422	6,281	-	47,549
Less: inter-segmental sales	(1,032)	(2,310)	-	-	(3,342)
	23,814	14,112	6,281	-	44,207
Segment results	4,791	1,151	470	-	6,412
Unallocated costs					(926)
Operating profit from continuing operations					5,486
Net finance costs					(677)
Profit before tax					4,809
Tax expense					(224)
Profit from continuing operations					4,585
Profit from discontinued operations	-	-	-		1,751
Profit for the period					6,336
Period ended 31 July 2014					
Revenue	23,967	14,460	5,406	-	43,833
Less: inter-segmental sales	(866)	(1,963)	-	-	(2,829)
	23,101	12,497	5,406	-	41,004
Segment results	4,385	1,127	307	-	5,819
Unallocated costs					(925)
Operating profit from continuing operations					4,894
Net finance costs					(706)
Profit before tax					4,188
Tax expense					(168)
Profit from continuing operations					4,020
Loss from discontinued operations	-	-	-	(68)	(68)
Profit for the period					3,952

- Earnings per share is based on the profit after tax attributable to the ordinary shareholders of Simonds Farsons Cisk p.l.c. divided by the weighted average number of ordinary shares in issue during the period and ranking for dividend.
- Additions to non-current assets for the period include an amount of €2.5 million incurred on the new beer packaging facility during the period ended 31 July 2015.
- Commitments for capital expenditure not provided for in these condensed financial statements amount to €33 million. These capital commitments relate to the approved investment plans that comprise a new beer packaging facility, which development has substantially progressed in 2015, as well as the extension of offices and logistics centre, as referred to in the Directors' Report.