Simonds Farsons Cisk plc
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COMPANY ANNOUNCEMENT

The following is a Company Announcement by Simonds Farsons Cisk plc pursuant to the Malta Financial Services Authority Listing Rules Chapters 8 and 9.

Quote

The Board of Directors of Simonds Farsons Cisk plc (the "Company") has on Wednesday 14th April, 2010 met and approved for publication the financial statements of the Company for the year ended 31st January 2010, and resolved to propose the same for the approval of the shareholders at the forthcoming Annual General Meeting of the Company to be held on 24th June, 2010.

A Preliminary Statement of Annual Results for the year ended 31st January 2010 is attached herewith and is available to the public on website www.farsons.com.

The Board of Directors of Simonds Farsons Cisk plc has resolved to recommend for the approval of the Annual General Meeting the distribution, out of tax exempt profits, of a final net dividend of €1,500,000, that is €0.05 per each ordinary share of €0.30, to be paid by not later than 25th June, 2010.

An interim net dividend of €300,000 that is €0.01 per ordinary share was approved at the Board Meeting held on 30th September, 2009 and distributed. Therefore the total net dividend to the ordinary shareholders for the year amounts to €1,800,000, that is €0.06 per ordinary share.

The Board of Directors has established 28th May 2010 as the Effective Date on which all shareholders then on the register of members shall be entitled to receive notice of and attend the Annual General Meeting, be paid dividends declared by the General Meeting and appoint directors or vote at the election of Directors.

Unquote

Arthur Muscat
Company Secretary

14th April, 2010

FARSONS GROUP
Farsons

SIMONDS FARSONS CISK plc

PRELIMINARY STATEMENT OF ANNUAL RESULTS 2010

for the year ended 31 January 2010

BREWERS & BOTTLERS | PROPERTY MANAGEMENT | RESTAURANTS | BEVERAGE SERVICES | FOOD IMPORTERS | BEVERAGE IMPORTERS | BEVERAGES & MORE

Review of the business

The group registered an operating profit for the year of €4.9 millon, a notable improvement of €2.5 million over the results for the previous financial year. This increase in profits has been achieved despite a marginal decline in the group turnover from €66.4 million in 2009 to €65.1 million for the current year. As reported in the Interim Report and the subsequent Company Announcement, the decline in turnover was mainly a result of the reduction of excise duties on spirits which became effective as of 1 January 2009 and a weaker tourist industry, a result of the economic downturn within the EU and worldwide.

The group's profit after discontinued operations and before tax amounted to €3.2 million compared to €0.8 million of the previous financial year. The recovery of the performance of the manufacturing segment has been the main reason for the improvement in profitability, albeit after a disappointing financial year ending 31 January 2009. The main factors affecting these results are:

• the attainment of targeted production efficiencies on our production lines;

• a more effective sales and marketing strategy together with higher efficiency levels in the logistics centre;

• continuation of cost containment exercises principally through reductions in headcount and overheads;

• decreases in the cost of raw materials such as malt and hops, partly eroded by increases in the prices of sugar and increased utility costs;

• implementation of various measures to reduce and manage electricity and energy consumption, and as a result contain the increases in utility costs;

• certain one-off charges, in particular a further impairment on the old PET line to its current realisable value and employee early retirement charges;

• implementation of our declared strategy of divesting loss-making operations. During the year the group concluded the disposal of its Italian operation which distributed bottled water in Italy.

The group has continued to expand and invest in its food importation and franchised food businesses. In November 2009, Quintano Foods Limited has relocated its operations to Marsa, thereby releasing property which has become available for eventual sale. Furthermore, a new Pizza Hut at the PAVI Shopping Complex and a KFC at the Malta International Airport have been opened during the year under review.

The group's balance sheet and shareholders' funds remain healthy, with a net asset base of €84 million (2009: €82 million). Shareholders' funds finance 57% (2009: 54%) of the group's total assets. The group's net asset value per share at the year end stood at €2.80 (2009: €2.74).

Group indebtedness at €38.5 million has decreased considerably compared to the previous financial year end figure of €44 million. Group earnings before interest, tax, depreciation and amortisation (EBITDA) for the year amounted to €10.2 million (2009: €8.2 million) while the gearing ratio, that is, the ratio of debt on equity and debt at the year end stood at 31% (2009: 35%).

Outlook for financial year ending 31 January 2011

The new financial year presents new challenges determined by the general economic uncertainty and further competitive activity. Once again, the company has managed to contract some primary raw materials at lower prices although these savings will be eroded by the substantially higher costs of utilities.

The food retailing businesses also face the challenge of higher utility costs which it may not be possible to pass on to consumers through price increases.

The beverage importation arm has strengthened its portfolio through the recently secured representation of Red Bull.

Cost containment right across the group still remains a priority for management, principally managed through increased productivity and reduced overhead costs.

The group has also unveiled its new corporate identity. The new identity draws on elements which have long been associated with the group's solid reputation and reliable past, but at the same time bring the group in line with contemporary business image standards.

The Board of Directors has approved an investment to build a new €14 million Brewhouse and water treatment facility. Preparatory work is at an advanced stage and civil works are expected to commence in July 2010. When completed, this project will totally free up the façade of the brewery for eventual further re-development in due course. The company has submitted an application to the Listing Authority for the approval of a bond issue amounting to €15 million, which if forthcoming, shall be issued in May 2010.

The Board of Directors remain confident that the group's business model is proving to be based on a resilient strategy for continued growth and development, ensuring a competitive response in the fast changing and dynamic economy the group operates in.

Results and dividends

The directors declared a net interim dividend of €300,000 which was paid on 23 October 2009 to the ordinary shareholders, and will recommend the payment of a final dividend to the ordinary shareholders of €1,500,000 at the Annual General Meeting scheduled for 24 June 2010. The interim dividend was paid out of tax exempt profits. If approved at the Annual General Meeting, the final dividend will be paid on 25 June 2010 (out of tax exempt profits) to the shareholders who will be on the register of members of the company on 28 May 2010.

Net dividends to the ordinary shareholders paid during the year ended 31 January 2010 amounted to €1,100,000 (2009: €1,567,000).

By order of the board
14 April 2010

Notes to the condensed financial statements

1. This statement is published pursuant to the Malta Financial Services Authority Listing Rules 8.7.4, 8.7.21 and 9.35 and Article 4(2)(b) of the Prevention of Financial Markets Abuse (Disclosure and Notification) Regulations, 2005.

2. The financial information contained herein has been extracted from the Simonds Farsons Cisk plc group's audited financial statements for the year ended 31 January 2010, as approved by the board of directors on 14 April 2010. The accounting policies used in the preparation of the financial statements for the year ended 31 January 2010 are consistent with those used in the annual financial statements for the year ended 31 January 2009.

3. The group's operations consist of the brewing, production and sale of branded beers and beverages, the importation, wholesale and retail 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.

4. Earnings per share at €0.092 (2009: €0.015) have been calculated by dividing the profit after tax attributable to the equity shareholders by the weighted average number of ordinary shares in issue during the year and ranking for dividend.

Condensed Statements of Financial Position

	Group		Company	
	2010 €'000	2009 €'000	**2010 €'000**	2009 €'000
Assets				
Non-current assets	**116,162**	118,670	**104,745**	108,759
Current assets	**29,749**	32,206	**25,478**	22,349
Non-current classified as held for sale	**77**	263	**-**	-
Total current assets	**29,826**	32,469	**25,478**	22,349
Total assets	**145,988**	151,139	**130,223**	131,108
Equity and Liabilities				
Capital and reserves attributable to owners of the company	**83,916**	82,266	**79,995**	79,054
Non-current liabilities	**28,106**	42,110	**20,244**	33,951
Current liabilities	**33,966**	26,645	**29,984**	18,103
Liabilities directly attributable to non-current assets held for sale	**-**	118	**-**	-
Total current liabilities	**33,966**	26,763	**29,984**	18,103
Total liabilities	**62,072**	68,873	**50,228**	52,054
Total equity and liabilities	**145,988**	151,139	**130,223**	131,108

Condensed Income Statements

	Group		Company	
	2010 €'000	2009 €'000	**2010 €'000**	2009 €'000
Continuing operations:				
Revenue	**65,111**	66,441	**38,760**	39,148
Cost of sales	**(40,520)**	(43,469)	**(22,425)**	(23,676)
Gross profit	**24,591**	22,972	**16,335**	15,472
Selling and distribution costs	**(9,177)**	(9,904)	**(7,180)**	(7,637)
Administrative expenses	**(10,500)**	(10,679)	**(5,659)**	(5,911)
Operating profit	**4,914**	2,389	**3,496**	1,924
Profit on disposal of non-current assets	**-**	505	**-**	-
Impairment of amounts owed by subsidiary	**-**	-	**425**	-
Release of impairment provision on amounts owed by subsidiary	**-**	-	**(425)**	-
Investment income	**63**	112	**155**	235
Finance costs	**(1,851)**	(2,111)	**(1,610)**	(1,896)
Profit before tax	**3,126**	895	**2,041**	263
Tax expense	**(454)**	(354)	**-**	-
Profit for the year from continuing operations	**2,672**	541	**2,041**	263
Discontinued operations:				
Profit/(loss) for the year from discontinued operations	**78**	(90)	**-**	-
Profit for the year	**2,750**	451	**2,041**	263
Earnings per share for profit/(loss) during the year				
from continuing operations	**€0.089**	€0.018		
from discontinued operations	**€0.003**	(€0.003)		

Condensed Statements of Comprehensive Income

	Group		Company	
	2010 €'000	2009 €'000	**2010 €'000**	2009 €'000
Profit for the year	**2,750**	451	**2,041**	263
Other comprehensive income:				
Revaluation of property, plant and equipment, net of deferred tax	**-**	-	**-**	42,409
Total comprehensive income for the year	**2,750**	451	**2,041**	42,672

Condensed Statements of Changes in Equity

	Share capital €'000	**Revaluation and other reserves** €'000	**Retained earnings** €'000	**Total equity** €'000
Group				
Balance at 1 February 2008	7,486	61,084	14,812	83,382
Comprehensive income				
Profit for the year	-	-	451	451
Other comprehensive income:				
Net transfers of fair value gains on investment property, net of deferred tax	-	(512)	512	-
Total comprehensive income	-	(512)	963	451
Transactions with owners				
Dividends relating to 2008 and 2009	-	-	(1,567)	(1,567)
Balance at 31 January 2009	**7,486**	**60,572**	**14,208**	**82,266**
Balance at 1 February 2009	7,486	60,572	14,208	82,266
Comprehensive income				
Profit for the year	-	-	2,750	2,750
Other comprehensive income:				
Capitalisation of reserves upon bonus issue of shares	1,514	(1,514)	-	-
Total comprehensive income	1,514	(1,514)	2,750	2,750
Transactions with owners				
Dividends relating to 2009 and 2010	-	-	(1,100)	(1,100)
Balance at 31 January 2010	**9,000**	**59,058**	**15,858**	**83,916**
Company				
Balance at 1 February 2008	7,486	12,056	18,407	37,949
Comprehensive income				
Profit for the year	-	-	263	263
Other comprehensive income:				
Revaluation of property, plant and equipment, net of deferred tax	-	42,409	-	42,409
Total comprehensive income	-	42,409	263	42,672
Transactions with owners				
Dividends relating to 2008 and 2009	-	-	(1,567)	(1,567)
Balance at 31 January 2009	**7,486**	**54,465**	**17,103**	**79,054**
Balance at 1 February 2009	7,486	54,465	17,103	79,054
Comprehensive income				
Profit for the year	-	-	2,041	2,041
Other comprehensive income:				
Capitalisation of reserves upon bonus issue of shares	1,514	(1,514)	-	-
Total comprehensive income	1,514	(1,514)	2,041	2,041
Transactions with owners				
Dividends relating to 2009 and 2010	-	-	(1,100)	(1,100)
Balance at 31 January 2010	**9,000**	**52,951**	**18,044**	**79,995**

Condensed Statements of Cash Flows

	Group		Company	
	2010 €'000	2009 €'000	**2010 €'000**	2009 €'000
Net cash from operating activities	**10,761**	3,433	**8,458**	3,012
Net cash used in investing activities	**(4,118)**	(1,392)	**(961)**	(497)
Net cash used in financing activities	**(4,499)**	(2,864)	**(4,140)**	(2,650)
Net movement in cash and cash equivalents	**2,144**	(823)	**3,357**	(135)
Cash and cash equivalents at beginning of year	**(9,084)**	(8,261)	**(5,614)**	(5,479)
Cash and cash equivalents at end of year	**(6,940)**	(9,084)	**(2,257)**	(5,614)

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