

COMPANY ANNOUNCEMENT

The following is a Company Announcement by Simonds Farsons Cisk plc pursuant to the Malta Financial Services Authority Listing Rules Chapter 5.

Quote

The Board of Directors of Simonds Farsons Cisk plc (the “Company”) has on Wednesday 20th April met and approved for publication the financial statements of the Company for the year ended 31st January 2011, 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 23rd June, 2011.

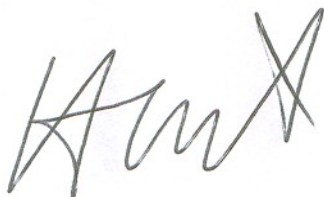
A Preliminary Statement of Annual Results for the year ended 31st January 2011 is attached herewith and is available to the public on website www.farsons.com.

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 € 1,600,000 that is € 0.0533 per each ordinary share of €0.30, to be paid by not later than 24th June, 2011.

An interim net dividend of € 400,000 that is € 0.0133 per ordinary share was approved at the Board Meeting held on 29th September, 2010 and distributed on 22nd October, 2010. Therefore the total net dividend to the ordinary shareholders for the year amounts to € 2,000,000 that is € 0.0667 per ordinary share.

The Board of Directors has established 24th May, 2011 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

20th April, 2011



Review of the business

The Farsons Group has registered a profit before taxation of €4,051,000 for the year ended 31 January 2011 – an increase of 30% on the profit before taxation from continuing operations of €3,126,000 achieved the previous year.

Group turnover increased from €65,111,000 to €67,354,000, an increase of 3.4%. Group operating profit increased from €4,914,000 to €6,300,000, an increase of 28%.

These improved results have been achieved as a result of:

1. increased international trading activities resulting in export sales;
2. increases in sales of beer and imported beverages on the local market;
3. lower costs of raw materials;
4. overhead cost containment;
5. improved productivity throughout our operations.

Group earnings before interest, taxation, depreciation and amortisation (EBITDA) amounted to €10,910,000, an increase of 7.4% over the previous result of €10,160,000. This improvement in earnings has helped our cash flow significantly. Group borrowings decreased from €38,484,000 on 31 January 2010 to €31,848,000 on 31 January 2011, a decrease of €6,636,000.

The group's statements of financial position remain healthy with a net asset base of €86 million. Shareholders funds finance 59% (2010: 57%) of the group's total assets. The gearing ratio stands at 27.1% (2010: 31.4%).

Construction began during the year on the new €14,000,000 brewhouse, laboratory and water treatment facilities. The project is expected to be completed by May 2012.

Outlook for financial year ending 31 January 2012

The new financial year has started in a background of uncertainty in the Mediterranean and the North African front.

The local economy will undoubtedly be influenced by events in the region, but at this stage it looks like consumer confidence and tourist arrivals are at normal levels.

The industry is being faced with inflationary pressures as a result of increases in the cost of malt, PET preforms and energy costs. In the very competitive scenario that we operate in, it is not possible to pass on these increases to consumers. Seeking areas of further cost curtailment therefore remains imperative.

Management is continually reviewing plans to address future production requirements. Investing in new technologies is essential to ensure that the group remains competitive.

The board of directors remains confident that notwithstanding the economic and geopolitical uncertainties, the group's business model remains robust so long as we are able to implement strategies that exploit our strengths.

Results and dividends

The directors declared a net interim dividend of €400,000 which was paid on 22 October 2010 to the ordinary shareholders, and will recommend the payment of a final dividend to the ordinary shareholders of €1,600,000 at the Annual General Meeting scheduled for 23 June 2011. The interim dividend was paid out of tax exempt profits. If approved at the Annual General Meeting, the final dividend will be paid on 24 June 2011 (out of tax exempt profits) to the shareholders who will be on the register of members of the company on 24 May 2011. As a result, total declared dividends relating to the financial year ending January 2011 would equate to €2,000,000 compared to €1,800,000 relating to the previous financial year.

Net dividends to the ordinary shareholders paid during the year ended 31 January 2011 amounted to €1,900,000 (2010: €1,100,000).

By order of the board

20 April 2011

Notes to the condensed financial statements

1. This statement is published pursuant to the Malta Financial Services Authority Listing Rules Chapter 5 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 2011, as approved by the board of directors on 20 April 2011. The accounting policies used in the preparation of the financial statements for the year ended 31 January 2011 are consistent with those used in the annual financial statements for the year ended 31 January 2010.

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 €0.125 (2010: €0.092) 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	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
ASSETS				
Non-current assets	116,751	116,162	103,272	104,745
Current assets	28,221	29,749	25,815	25,478
Non-current assets classified as held for sale	-	77	-	-
Total current assets	28,221	29,826	25,815	25,478
Total assets	144,972	145,988	129,087	130,223
EQUITY AND LIABILITIES				
Capital and reserves attributable to owners of the company	85,760	83,916	80,411	79,995
Non-current liabilities	36,744	28,106	30,344	20,244
Current liabilities	22,468	33,966	18,332	29,984
Total liabilities	59,212	62,072	48,676	50,228
Total equity and liabilities	144,972	145,988	129,087	130,223

Condensed Statements of Comprehensive Income

	Group		Company	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
Continuing operations:				
Revenue	67,354	65,111	39,962	38,760
Cost of sales	(41,802)	(40,520)	(21,885)	(22,425)
Gross profit	25,552	24,591	18,077	16,335
Selling and distribution costs	(8,990)	(9,177)	(7,068)	(7,180)
Administrative expenses	(10,262)	(10,500)	(5,541)	(5,659)
Operating profit	6,300	4,914	5,468	3,496
Impairment of amounts owed by subsidiary	-	-	-	(425)
Impairment of investment in subsidiary	-	-	(2,800)	-
Release of impairment provision on amounts owed by subsidiary	-	-	-	425
Investment (losses)/gains	(618)	63	1,599	155
Finance costs	(1,631)	(1,851)	(1,531)	(1,610)
Profit before tax	4,051	3,126	2,736	2,041
Tax expense	(307)	(454)	(420)	-
Profit for the year from continuing operations	3,744	2,672	2,316	2,041
Discontinued operations:				
Profit for the year from discontinued operations	-	78	-	-
Profit for the year	3,744	2,750	2,316	2,041
Earnings per share for profit during the year				
from continuing operations	€0.125	€0.089	-	-
from discontinued operations	-	€0.003	-	-

Condensed Statements of Changes in Equity

	Share capital	Revaluation and other reserves	Retained earnings	Total equity
	€'000	€'000	€'000	€'000
Group				
Balance at 1 February 2009	7,486	60,572	14,208	82,266
Comprehensive income				
Profit for the year	-	-	2,750	2,750
Total comprehensive income	-	-	2,750	2,750
Transactions with owners				
Capitalisation of reserves upon bonus issue of shares	1,514	(1,514)	-	-
Dividends relating to 2009 and 2010	-	-	(1,100)	(1,100)
Balance at 31 January 2010	9,000	59,058	15,858	83,916
Balance at 1 February 2010	9,000	59,058	15,858	83,916
Comprehensive income				
Profit for the year	-	-	3,744	3,744
Other comprehensive income:				
Net transfers of fair value losses on investment property, net of deferred tax	-	(637)	637	-
Total comprehensive income	-	(637)	4,381	3,744
Transactions with owners				
Dividends relating to 2010 and 2011	-	-	(1,900)	(1,900)
Balance at 31 January 2011	9,000	58,421	18,339	85,760
Company				
Balance at 1 February 2009	7,486	54,465	17,103	79,054
Comprehensive income				
Profit for the year	-	-	2,041	2,041
Total comprehensive income	-	-	2,041	2,041
Transactions with owners				
Capitalisation of reserves upon bonus issue of shares	1,514	(1,514)	-	-
Dividends relating to 2009 and 2010	-	-	(1,100)	(1,100)
Balance at 31 January 2010	9,000	52,951	18,044	79,995
Balance at 1 February 2010	9,000	52,951	18,044	79,995
Comprehensive income				
Profit for the year	-	-	2,316	2,316
Other comprehensive income:				
Net transfers of fair value gains on investment property, net of deferred tax	-	210	(210)	-
Total comprehensive income	-	210	2,106	2,316
Transactions with owners				
Dividends relating to 2010 and 2011	-	-	(1,900)	(1,900)
Balance at 31 January 2011	9,000	53,161	18,250	80,411

Condensed Statements of Cash Flows

	Group		Company	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
Net cash from operating activities	13,374	10,761	6,185	8,458
Net cash used in investing activities	(4,765)	(4,118)	(2,573)	(961)
Net cash used in financing activities	(5,253)	(4,499)	(3,610)	(4,140)
Net movement in cash and cash equivalents	3,356	2,144	2	3,357
Cash and cash equivalents at beginning of year	(6,940)	(9,084)	(2,257)	(5,614)
Cash and cash equivalents at end of year	(3,584)	(6,940)	(2,255)	(2,257)