



Simonds Farsons Cisk p.l.c.
The Brewery, Mriehel, BKR 3000, Malta
Phone: (+356) 238 14 114
Fax: (+356) 238 14 150
Website: <http://www.farsons.com>
Email: sfc@farsons.com
Registration Number: C 113

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 25th September 2013, the Board of Directors of Simonds Farsons Cisk p.l.c. approved the group's unaudited financial statements and half yearly Directors' report for the six month period ending 31st July 2013.

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 € 0.0333 per share on all ordinary shares. This dividend will be paid on Friday 18th October 2013 to the ordinary shareholders who will be on the Register as at the close of business on Friday 4th October 2013. This will amount to a total interim net dividend of € 1,000,000.

Unquote

ANTOINETTE CARUANA
Company Secretary

25th September 2013



Interim Directors' Report

TRADING PERFORMANCE

The board of directors is pleased to announce the Farsons group's interim results for the six months ending 31 July 2013.

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

Group turnover exceeded €40 million, an increase of 2.7% over last year, whilst the operating profit increased by 2.3 percentage points. Profit before tax exceeded €4 million, and the profit for the period after taxation stood at €3.8 million, representing a marginal improvement over the record performance of last year.

The following factors impacted the results for the period positively:

- Targeted efficiency gains from the investment in the new brewhouse and energy projects are being achieved;
- Group turnover improved across most of the core business segments;
- The first quarter results of the financial year were positively affected by the organised political meetings held in the run up to the general election. Such events helped generate increased consumption of beverages. In particular, both the beverage importation segment and the franchised food retailing establishments registered notable increases in turnover across the main brands;
- Increased export volumes and turnover;
- Another record tourist year helped sustain demand for our products from the on premise market place.

Nonetheless, the following had a negative impact on the same results:

- Gross margins remain under constant pressure as a result of acute market competition;
- Relatively lower than average evening temperatures were not conducive to high demand of carbonated soft drinks and waters in July;
- Loss of representation of key brands as a result of the consolidation by a foreign principal in the food importation segment.

The board of directors is satisfied with the steady overall performance of the business in the first six months under review.

OUTLOOK

Competitive forces in the market place remain acute, causing on-going pressures on volumes and margins. Efficiencies through investment and innovation, and growth through exports are imperative to the group's strategic vision. Much work remains to be done to fully realise this vision.

As announced by the Chairman in his statement in the last annual report, work is in progress on the consideration and study of a substantial investment in a new state of the art beer packaging hall designed to produce the requirements for the local market and added capacity to exploit export market opportunities. The board shall be evaluating this important and material investment towards the end of the current financial year.

In a company announcement issued on 20 June 2013, the board declared that it is committed to pursuing the possible options available to the group in developing the brewery façade into a Farsons Business Park. Work on this project is progressing well, and it is envisaged that further relevant development possibilities will be presented at the forthcoming Annual General Meeting.

DIVIDENDS

On 21 June 2013, following approval at the Annual General Meeting, the company paid a final dividend to the ordinary shareholders, out of tax exempt profits, of €2.1 million in respect of the financial year ending 31 January 2013.

The board of directors is recommending a net interim dividend of €1,000,000 (2012: €400,000) in respect of the financial year ending 31 January 2014, payable on 18 October 2013 to the ordinary shareholders who will be on the Register of Members of the company on 4 October 2013. The interim dividend will be paid out of tax exempt profits and is equivalent to €0.0333 (2012: €0.0133) per share.

This above average interim dividend is intended to make the dividend payments more balanced over the year, and should not be construed to mean that the Board will be recommending a higher aggregate (interim and final) dividend than last year.

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 2013, 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.

Luis Farrugia

Louis A. Farrugia – Chairman
25 September 2013

Condensed Consolidated Statement of Financial Position As at 31 July 2013

	GROUP	
	31 July 2013 (unaudited) €'000	31 January 2013 (audited) €'000
ASSETS		
Non-current assets	125,957	122,541
Current assets	36,059	28,990
Total assets	162,016	151,531
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the company	93,778	91,925
Non-current liabilities	37,696	37,427
Current liabilities	30,542	22,179
Total liabilities	68,238	59,606
Total equity and liabilities	162,016	151,531

Condensed Consolidated Income Statement Six months ended 31 July 2013

	GROUP	
	31 July 2013 (unaudited) €'000	31 July 2012 (unaudited) €'000
Revenue	40,665	39,582
Gross profit	15,347	14,966
Operating profit	4,846	4,736
Finance costs	(788)	(746)
Profit before tax	4,058	3,990
Tax expense	(238)	(211)
Profit for the period	3,820	3,779
Earnings per share	€0.127	€0.126

Condensed Consolidated Statement of Comprehensive Income Six months ending 31 July 2013

	GROUP	
	31 July 2013 (unaudited) €'000	31 July 2012 (unaudited) €'000
Profit for the period	3,820	3,779
Other comprehensive income:		
Cash flow hedges net of deferred tax	133	(99)
Other comprehensive income for the period	133	(99)
Total comprehensive income for the period	3,953	3,680

Condensed Statement of Changes in Equity Six months ending 31 July 2013

GROUP	Share capital €'000	Hedging reserve €'000	Revaluation and other reserves €'000	Retained earnings €'000	Total equity €'000
Period ended 31 July 2012					
Balance at 1 February 2012	9,000	(296)	58,421	21,061	88,186
Profit for the six months ended 31 July 2012	-	-	-	3,779	3,779
Cash flow hedges net of deferred tax	-	(99)	-	-	(99)
Dividends	-	-	-	(1,700)	(1,700)
Balance at 31 July 2012	9,000	(395)	58,421	23,140	90,166
Period ended 31 July 2013					
Balance at 1 February 2013	9,000	(426)	58,421	24,930	91,925
Profit for the six months ended 31 July 2013	-	-	-	3,820	3,820
Cash flow hedges net of deferred tax	-	133	-	-	133
Dividends	-	-	-	(2,100)	(2,100)
Balance at 31 July 2013	9,000	(293)	58,421	26,650	93,778

Condensed Consolidated Statement of Cash Flows Six months ending 31 July 2013

	GROUP	
	31 July 2013 (unaudited) €'000	31 July 2012 (unaudited) €'000
Net cash from operating activities	4,881	6,157
Net cash used in investing activities	(3,867)	(5,690)
Net cash used in financing activities	(2,738)	(2,575)
Net movement in cash and cash equivalents	(1,724)	(2,108)
Cash and cash equivalents at beginning of period	(1,505)	(3,041)
Cash and cash equivalents at end of period	(3,229)	(5,149)

Notes to the Condensed Consolidated Interim Financial Statements

1. 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.
2. 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 2013, 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.
3. 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 2013.
4. The group's operations consist of the brewing, production and sale of beer and branded 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. An analysis by business segment of the group's turnover and operating profit is set out below:

	Brewing, production & sale of branded beers & beverages	Importation & distribution of food & beverages	Operation of franchised food retailing establishments	Property management	Group €'000
	€'000	€'000	€'000	€'000	
Period ended 31 July 2013					
Turnover	23,551	13,897	5,377	486	43,311
Less: inter-divisional sales	(878)	(1,421)	-	(347)	(2,646)
	22,673	12,476	5,377	139	40,665
Segment results	4,113	1,115	364	45	5,637
Unallocated costs	-	-	-	-	(791)
Operating profit					4,846
Period ended 31 July 2012					
Turnover	23,394	13,343	4,968	573	42,278
Less: inter-divisional sales	(864)	(1,469)	-	(363)	(2,696)
	22,530	11,874	4,968	210	39,582
Segment result	4,164	1,080	265	83	5,592
Unallocated costs	-	-	-	-	(856)
Operating profit					4,736

5. 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.