

DIRECTORS' COMMENTARY

TRADING PERFORMANCE

The turnover of the Group for the six month period to 31 July 2001 increased by 2% to Lm11,598,000.

Operating profit for the period has decreased by Lm173,000 to Lm785,000 as a result of an exceptional increase in the provision for bad and doubtful debts of Lm216,000 as compared to Lm35,000 for the six months ended 31 July 2000. Consequently the Group reported a lower profit before tax of Lm469,000.

The retail trading environment continues to prove difficult and the Board of Directors does not envisage an improvement in the near future.

DIVIDENDS

During the period under review, the Company paid net dividends of Lm400,000 to the ordinary shareholders. These dividends are in accordance with a resolution approved at the last Annual General Meeting and have been paid out of tax exempt profits available to the Company as at 31 January 2001.

The dividend on the 6% (net) cumulative preference shares is due in December 2001.

The Board
26 September 2001



INTERIM REPORT **SIX MONTHLY**
2001

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNTS

Six months ended 31 July 2001

	Notes	Group		Company	
		31 July 2001 (unaudited) Lm'000	31 July 2000 (unaudited) Lm'000	31 July 2001 (unaudited) Lm'000	31 July 2000 (unaudited) Lm'000
Turnover	4	11,598	11,382	7,805	7,614
Gross profit		3,257	3,278	2,179	2,166
Operating profit	4	785	958	780	913
Finance costs - net		(258)	(278)	(221)	(231)
Share of losses and provisions in respect of Associated undertakings		(58)	(70)	(50)	-
Profit before tax		469	610	509	682
Tax on profit on ordinary activities		(108)	(240)	(108)	(241)
Profit for the six month period		361	370	401	441
Earnings per share	5	1c1	1c2	1c3	1c5

SIMONDS FARSONS CISK plc**CONDENSED CONSOLIDATED BALANCE SHEETS**

At 31 July 2001

	Group		Company	
	31 July 2001 (unaudited) Lm'000	31 January 2001 (audited) Lm'000	31 July 2001 (unaudited) Lm'000	31 January 2001 (audited) Lm'000
ASSETS				
Fixed assets	16,140	15,549	17,690	16,977
Current assets	15,179	12,384	10,785	9,002
Total assets	31,319	27,933	28,475	25,979
EQUITY AND LIABILITIES				
Capital and reserves	14,009	14,048	14,652	14,651
Minority interest	66	58	-	-
	14,075	14,106	14,652	14,651
Provisions for liabilities and charges	1,747	1,639	1,997	1,889
Creditors: Amounts falling due after more than one year	4,578	4,563	4,408	4,563
within one year	10,919	7,625	7,418	4,876
Total creditors	15,497	12,188	11,826	9,439
Total equity and liabilities	31,319	27,933	28,475	25,979

INTERIM REPORT **2001**

STATEMENTS OF CHANGES IN EQUITY

Six months ended 31 July 2001

	Share capital Lm'000	Share premium Lm'000	Other reserves Lm'000	Profit and loss account Lm'000	Total Lm'000
GROUP					
Balance at 1 February 2000	6,000	110	2,280	5,345	13,735
Profit for the six months ended 31 July 2000	-	-	-	370	370
Dividends paid	-	-	-	(360)	(360)
Balance at 31 July 2000	6,000	110	2,280	5,355	13,745
Balance at 1 February 2001	6,000	110	2,280	5,658	14,048
Profit for the six months ended 31 July 2001	-	-	-	361	361
Dividends paid	-	-	-	(400)	(400)
Balance at 31 July 2001	6,000	110	2,280	5,619	14,009
COMPANY					
Balance at 1 February 2000	6,000	110	2,280	5,849	14,239
Profit for the six months ended 31 July 2000	-	-	-	441	441
Dividends paid	-	-	-	(360)	(360)
Balance at 31 July 2000	6,000	110	2,280	5,930	14,320
Balance at 1 February 2001	6,000	110	2,280	6,261	14,651
Profit for the six months ended 31 July 2001	-	-	-	401	401
Dividends paid	-	-	-	(400)	(400)
Balance at 31 July 2001	6,000	110	2,280	6,262	14,652

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

Six months ended 31 July 2001

	Group		Company	
	31 July 2001	31 July 2000	31 July 2001	31 July 2000
	Lm'000	Lm'000	Lm'000	Lm'000
Net cash from/(used by) operating activities	1,007	(49)	1,321	372
Net cash used in investing activities	(1,875)	(813)	(2,001)	(1,174)
Net cash used in financing activities	(592)	(1,097)	(555)	(714)
Movement in cash and cash equivalents	(1,460)	(1,959)	(1,235)	(1,516)
Cash and cash equivalents at beginning of period	(3,015)	(1,591)	(1,818)	(575)
Cash and cash equivalents at end of period	(4,475)	(3,550)	(3,053)	(2,091)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. This report is being published in terms of Section 6.05.06(i) of the bye-laws of the Malta Stock Exchange.
2. The financial information being published has been extracted from the Simonds Farsons Cisk Group's unaudited interim financial statements for the six month period ended 31 July 2001. The comparative amounts reflect the position of the Company and of the Group as included in the audited financial statements for the year ended 31 January 2001 and the results for the period ended 31 July 2000.
3. These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', and are consistent with the accounting policies used in the preparation of the 2001 audited financial statements. The Group has since adopted International Accounting Standard 39 'Financial Instruments - Recognition and Measurement' and International Accounting Standard 40 'Investment Property'. These new International Accounting Standards have no material effect on the results and the financial position of the Group.
4. The Group's operations consist of the brewing, production and sale of beer and branded beverages, the importation and sale of beverages, including wines and spirits, and the operation of franchised food retailing establishments. These operations are carried out, primarily, on the local market and therefore segmental reporting is only shown on the basis of business segments.

	Group	
	2001 Lm'000	2000 Lm'000
Turnover		
Brewing, production and sale of beer and branded beverages	7,960	7,744
Importation and sale of beverages, including wines and spirits	2,066	1,881
Operation of food retailing establishments	1,572	1,757
	11,598	11,382
Operating profit		
Brewing, production and sale of beer and branded beverages	809	919
Importation and sale of beverages, including wines and spirits	101	118
Operation of food retailing establishments	(125)	(79)
	785	958

5. Earnings per share is based on the profit after tax attributable to the ordinary shareholders of Simonds Farsons Cisk plc divided by the weighted average number of ordinary shares in issue during the period and ranking for dividend.