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**COMPANY ANNOUNCEMENT  
FARSONS ANNOUNCES IMPROVED TURNOVER AND PROFIT  
FOR THE FIRST SIX MONTHS**

The Farsons Group has announced the Interim Financial Results for the first six months of the current financial year, which show that turnover reached Lm12,358,000 representing an increase of 5% when compared to the same period last year. An operating profit of Lm1,051,000 representing an increase of 34% was also registered.

Group profit after interest and share of losses of Associated undertakings increased from Lm469,000 to Lm581,000 an increase of 24%. Group interest has increased due to the consolidation of Galleria Management Limited and the investment by the parent company related to the 7UP franchise.

The profit attributable to shareholders for the six months amounted to Lm618,000 compared to Lm361,000 for the corresponding period last year. Earnings per ordinary share doubled from 1c1 to 2c2 when compared to the same period last year.

Commenting on these results, Group Chief Executive, Louis A. Farrugia said that “considering that these results were achieved despite a continuing difficult trading environment particularly in the hotel and catering industries, the Group cannot but feel satisfied that the measures it has taken to minimize the impact of adverse market conditions were bearing positive results. The improvement in turnover came from additional sales of carbonated beverages mainly as a direct consequence of the Group’s acquisition of the 7UP franchise and an increase in sales of imported beverages”. Mr. Farrugia stated that “the plans on which Management has been working over the last months, makes us cautiously optimistic about the rest of the financial year”.

Anthony J. Tabone  
Company Secretary

September 16, 2002



## DIRECTORS' COMMENTARY

### Trading Performance

The turnover of the Group for the six month trading period to 31 July 2002 increased from Lm11,748,000 to Lm12,358,000, an increase of 5%. This is due to an increase in sales of carbonated beverages, as a result of the acquisition of the 7UP franchise and to an improvement in the sales of imported beverages.

Group operating profit before interest increased from Lm785,000 to Lm1,051,000 whilst Group profit after interest and share of losses of associated undertakings increased from Lm469,000 to Lm581,000.

Group interest has increased due to the consolidation of the accounts of Galleria Management Limited and the investment by the parent company in the 7UP franchise.

The parent company continues to benefit from the tax incentives emanating from the Business Promotion Act, in particular investment allowances and the value added incentive scheme, resulting in a Group tax credit for the period of Lm37,000.

The profit attributable to shareholders for the six months amounted to Lm618,000 as compared to Lm361,000 for the corresponding period last year. These results have been achieved despite a continuing difficult trading environment particularly in the hotel and catering industries.

### Dividends

The Company has paid net dividends of Lm400,000 to the shareholders of the ordinary shares. These dividends have been paid out of tax exempt profits and are equivalent to 1c7 per share.

The dividend on the 6% (net) cumulative redeemable preference shares is to be paid out of tax exempt profits on the 22 October 2002 on which date the Company shall redeem the shares.

By order of the Board

16 September 2002

## CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNTS

Six months ended 31 July 2002

	Notes	Group		Company	
		31 July 2002 (unaudited) Lm'000	31 July 2001 (unaudited) Lm'000	31 July 2002 (unaudited) Lm'000	31 July 2001 (unaudited) Lm'000
<b>Turnover</b>	4	12,358	11,748	8,289	7,842
<b>Gross profit</b>		3,484	3,257	2,255	2,179
Operating profit	4	1,051	785	861	780
Interest		(381)	(258)	(256)	(221)
Share of losses and provisions in respect of Associated undertakings		(89)	(58)	(50)	(50)
<b>Profit before tax</b>		581	469	555	509
Tax on profit on ordinary activities		37	(108)	65	(108)
<b>Profit attributable to shareholders</b>		618	361	620	401
<b>Earnings per ordinary share</b>	5	2c2	1c1	2c2	1c3

## CONDENSED CONSOLIDATED BALANCE SHEETS

At 31 July 2002

	Group		Company	
	31 July 2002 (unaudited) Lm'000	31 January 2002 (audited) Lm'000	31 July 2002 (unaudited) Lm'000	31 January 2002 (audited) Lm'000
<b>ASSETS</b>				
Fixed assets	19,130	19,346	19,126	19,057
Current assets	16,541	13,668	12,218	10,793
<b>Total assets</b>	35,671	33,014	31,344	29,850
<b>EQUITY AND LIABILITIES</b>				
Capital and reserves	14,278	14,060	15,232	15,012
Minority interest	449	423	-	-
	14,727	14,483	15,232	15,012
Provisions for liabilities and charges	1,143	1,304	1,484	1,628
Creditors: Amounts falling due				
after more than one year	7,302	7,255	6,561	6,314
within one year	12,499	9,972	8,067	6,896
Total creditors	19,801	17,227	14,628	13,210
<b>Total equity and liabilities</b>	35,671	33,014	31,344	29,850



## STATEMENTS OF CHANGES IN EQUITY

Six months ended 31 July 2002

	Share capital Lm'000	Share premium Lm'000	Other reserves Lm'000	Profit and loss Lm'000	Total Lm'000
<b>GROUP</b>					
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	-	-	-	(400)	(400)
<b>Balance at 31 July 2001</b>	6,000	110	2,280	5,619	14,009
Balance at 1 February 2002	6,000	110	2,280	5,670	14,060
Profit for the six months ended 31 July 2002	-	-	-	618	618
Dividends	-	-	-	(400)	(400)
<b>Balance at 31 July 2002</b>	6,000	110	2,280	5,888	14,278
<b>COMPANY</b>					
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	-	-	-	(400)	(400)
<b>Balance at 31 July 2001</b>	6,000	110	2,280	6,262	14,652
Balance at 1 February 2002	6,000	110	2,280	6,622	15,012
Profit for the six months ended 31 July 2002	-	-	-	620	620
Dividends	-	-	-	(400)	(400)
<b>Balance at 31 July 2002</b>	6,000	110	2,280	6,842	15,232

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

Six months ended 31 July 2002

	Group		Company	
	31 July 2002 (unaudited) Lm'000	31 July 2001 (unaudited) Lm'000	31 July 2002 (unaudited) Lm'000	31 July 2001 (unaudited) Lm'000
Net cash from operating activities	1,307	1,007	908	1,321
Net cash used in investing activities	(1,136)	(1,875)	(1,197)	(2,001)
Net cash (outflows)/inflows from financing activities	(182)	(592)	293	(555)
<b>Movement in cash and cash equivalents</b>	(11)	(1,460)	4	(1,235)
Cash and cash equivalents at beginning of period	(4,048)	(3,015)	(2,661)	(1,818)
<b>Cash and cash equivalents at end of period</b>	(4,059)	(4,475)	(2,657)	(3,053)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

- This report is being published in terms of Section 6.05.06 (i) of the bye-laws of the Malta Stock Exchange.
- 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 2002. 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 2002 and the results for the period ended 31 July 2001.
- 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 2002 audited financial statements.
- 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, 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 as follows:

	Group	
	31 July 2002 Lm'000	31 July 2001 Lm'000
<b>Turnover</b>		
Brewing, production and sale of beer and branded beverages	8,478	8,100
Importation and sale of beverages	2,368	2,066
Operation of food retailing establishments	1,375	1,572
Property management	137	10
	12,358	11,748
<b>Operating profit</b>		
Brewing, production and sale of beer and branded beverages	911	799
Importation and sale of beverages	145	101
Operation of food retailing establishments	(107)	(125)
Property management	102	10
	1,051	785

- 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.
- Comparative financial information has been classified to conform with the current period's disclosure in these condensed financial statements.