

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 29 April 2015 met and approved for publication the financial statements of the Company for the year ended 31 January 2015, 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 25 June 2015.

A Preliminary Statement of Annual Results for the year ended 31 January 2015 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 €2,000,000, that is €0.0666 per ordinary share of €0.30, to be paid by not later than 26 June 2015.

An interim net dividend of €1,000,000 that is €0.0333 per ordinary share was approved at the Board Meeting held on 24 September 2014 and distributed to shareholders on 17 October 2014. Therefore, the total net dividend to the ordinary shareholders relating to the financial year ended 31 January 2015 amounts to €3,000,000 that is €0.10 per ordinary share (last year € 2,500,000).

The Board of Directors has established 27 May 2015 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

Antoinette Caruana
Company Secretary

29 April 2015

Simonds Farsons Cisk plc

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REVIEW OF BUSINESS

The board of directors is pleased to announce the Farsons group's results for the financial year ending 31 January 2015.

The group registered another record performance with a marginal increase in turnover from its core and continuing operations and a double-digit growth in profitability compared to the previous year.

Group turnover exceeded €79 million, an increase of 1% over last year. Operating profit increased by €1.3 million to reach €9.7 million, whilst profit before tax and discontinued operations, at €8.2 million, represents a growth of 20% (€1.4 million) over the record figure of last year.

The following factors impacted the results for the year in a positive manner:

- Further growth in the local economy
- Record tourists arrivals and expenditure
- A positive performance of key beverage brands
- New product launches
- Overhead cost containment and significant reductions in raw material prices

DISCONTINUED OPERATIONS

During the past financial year to date, the board has confirmed its intent to hive off the property interests from the other business activities, and eventually spin-off this segment into a separate and distinct public company. It is the board's opinion that, following the approval of the concept and design for the initial phases of

- Ongoing review of internal processes and technology to improve efficiency

The company continues to prepare for additional export opportunities that will arise following the commissioning of the new beer packaging hall in April 2016.

Food Chain registered an encouraging year of growth in turnover and profitability. Of particular note was the opening of a new Burger King drive-thru restaurant in July 2014.

The food importation arm continues to face challenges in the light of continued intense competition within the sector. An action plan is currently in place in order to improve the overall business performance.

The profit for the year after tax including discontinued operations amounted to €8 million, significantly higher than the €6.3 million reported for the previous financial year. The group's statement of financial position remains strong and the net asset base continued to improve and exceeded €100 million. EBITDA for the year amounted to €15.9 million compared to €14.2 million last year.

the development of the Farsons Business Park, it is the appropriate time to disclose the results and related assets and liabilities of this segment as a discontinued operation. In this respect, the assets relating to the property management segment are being classified as held for sale.

FAIR VALUE OF PROPERTY

Following independent valuations of the group's properties carried out by two architectural firms in 2007, the board of directors approved a surplus in the value of its properties that was then incorporated within the group's consolidated balance sheet, with the surplus, net of deferred tax, being credited to reserves.

A number of developments have since taken place, including the scheduling of the brewery façade by MEPA and the extensive and detailed studies

of the Farsons Business Park master plan. Financial feasibility studies have been carried out and the proposal for the development of the property is now close to finalisation. The board is of the opinion that a fair value downward adjustment of €5.2 million (net of deferred taxation) to the property values should be reflected in the books of accounts. This movement is being recorded under discontinued operations given that it is related to the property segment.

FARSONS BUSINESS PARK

It is the board's intention to make a separate company announcement

on this development before the forthcoming Annual General Meeting.

DEFERRED TAXATION

As reported within the interim report published on 24 September 2014, the manufacturing operation of the group has been availing itself of investment aid under the various investment tax credit schemes that were applicable until 30 June 2014. The company had an unrecognised deferred tax asset amounting to €15.5 million as at 31 January 2014. In view of the fact that the investment tax credit schemes have become more restrictive in

respect of large undertakings, the group has reviewed the extent to which the related deferred tax may be utilised in the foreseeable future. This assessment resulted in a further recognition of deferred tax credits on investment aid of €5.3 million. The company still retains an unrecognised deferred tax asset on unutilised investment tax credits amounting to a further €5.5 million as at the end of the financial year under review.

BUSINESS OUTLOOK

The market within which the group operates remains highly competitive with constant pressures on volumes and margins. Efficiency improvements through planned investment, product innovation, further application of technology, cost containment, review of internal processes and exports growth will continue to be areas of focus. This is in line with the group's strategic vision of growing the local and international business in order to establish the group as a regional player within the food and beverage sector.

The development of the new state-of-the-art €27 million beer packaging facility is progressing on schedule and is planned to be completed by April 2016. The completion of this investment shall strengthen the group further and enable it to penetrate the targeted overseas markets more aggressively.

Furthermore, the franchised food business shall expand further through the opening of two new restaurants by the end of the current financial year.

DIVIDENDS

The directors declared a net interim dividend of €1 million which was paid on 17 October 2014 to the ordinary shareholders, and will recommend the payment of a final dividend of €2 million at the Annual General Meeting scheduled for 25 June 2015. The interim dividend was paid out of tax exempt profits. If approved at the Annual General Meeting, the final dividend will be paid on 26 June 2015 (also out of tax exempt profits) to those shareholders included on the

register of members of the company on 27 May 2015. As a result, total declared dividends relating to the financial year ending 31 January 2015 shall equate to €3 million (2014: €2.5 million).

Retained profits carried forward at the reporting date amounted to €38.9 million (2014: €28.2 million) for the group and €36 million (2014: €26 million) for the company.

BY ORDER OF THE BOARD

29 April 2015

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 2015, as approved by the board of directors on 29 April 2015. The accounting policies used in the preparation of the financial statements for the year ended 31 January 2015 are consistent with those used in the annual financial statements for the year ended 31 January 2014.
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 and the operation of franchised food retailing establishments. The property segment is being disclosed as discontinued operations. These operations are carried out, primarily, on the local market.
4. Earnings per share at €0.27 (2014: €0.21) have been calculated by dividing the profit attributable to the equity shareholders by the weighted average number of ordinary shares in issue during the year and ranking for dividend.



FARSONS GROUP

Farsons

CONDENSED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	2015	2014	2015	2014
	€'000	€'000	€'000	€'000
ASSETS				
Non-current assets	83,975	121,593	83,946	107,380
Current assets	31,742	28,942	25,259	23,020
Non-current assets classified as held for sale	33,041	-	20,558	-
Total assets	148,758	150,535	129,763	130,400
EQUITY AND LIABILITIES				
Capital and reserves attributable to owners of the company	100,235	95,274	90,354	87,822
Non-current liabilities	25,184	36,326	25,184	30,830
Current liabilities	18,446	18,935	12,320	11,748
Liabilities directly attributable to non-current assets held for sale	4,893	-	1,905	-
Total liabilities	48,523	55,261	39,409	42,578
Total equity and liabilities	148,758	150,535	129,763	130,400

CONDENSED INCOME STATEMENTS

	Group		Company	
	2015	2014	2015	2014
	€'000	€'000	€'000	€'000
Revenue	79,206	78,337	44,189	43,247
Cost of sales	(49,705)	(50,670)	(22,653)	(23,441)
Gross profit	29,501	27,667	21,536	19,806
Selling and distribution costs	(9,821)	(9,500)	(7,256)	(7,140)
Administrative expenses	(9,609)	(9,750)	(5,990)	(5,883)
Other operating expenses	(376)	-	-	-
Operating profit	9,695	8,417	8,290	6,783
Investment gains	12	7	123	163
Finance costs	(1,472)	(1,549)	(1,458)	(1,467)
Profit before tax	8,235	6,875	6,955	5,479
Tax income/(expense)	5,222	(363)	5,665	-
Profit for the year from continuing operations	13,457	6,512	12,620	5,479
Discontinued operations:				
Loss for the year from discontinued operations	(5,448)	(187)	(7,040)	-
Profit for the year	8,009	6,325	5,580	5,479
Earnings per share for profit during the year	€0.27	€0.21		

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Group		Company	
	2015	2014	2015	2014
	€'000	€'000	€'000	€'000
Profit for the year	8,009	6,325	5,580	5,479
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss:				
Cash flow hedges net of deferred tax	(548)	124	(548)	124
Other comprehensive income for the year	(548)	124	(548)	124
Total comprehensive income for the year	7,461	6,449	5,032	5,603

CONDENSED STATEMENTS OF CASH FLOWS

	Group		Company	
	2015	2014	2015	2014
	€'000	€'000	€'000	€'000
Net cash generated from operating activities	15,643	11,108	12,442	10,484
Net cash used in investing activities	(7,413)	(5,258)	(6,382)	(4,901)
Net cash used in financing activities	(3,816)	(4,311)	(3,816)	(4,311)
Net movement in cash and cash equivalents	4,414	1,539	2,244	1,272
Cash and cash equivalents at beginning of year	34	(1,505)	619	(653)
Cash and cash equivalents at end of year	4,448	34	2,863	619

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Hedging reserve	Revaluation and other reserves	Retained earnings	Total equity
GROUP	€'000	€'000	€'000	€'000	€'000
Balance at 1 February 2013	9,000	(426)	58,421	24,930	91,925
Comprehensive income					
Profit for the year	-	-	-	6,325	6,325
Other comprehensive income:					
Cash flow hedges net of deferred tax	-	124	-	-	124
Total comprehensive income	-	124	-	6,325	6,449
Transactions with owners					
Dividends relating to 2013 and 2014	-	-	-	(3,100)	(3,100)
Balance at 31 January 2014	9,000	(302)	58,421	28,155	95,274
Balance at 1 February 2014	9,000	(302)	58,421	28,155	95,274

Comprehensive income					
Profit for the year	-	-	-	8,009	8,009
Other comprehensive income:					
Cash flow hedges net of deferred tax	-	(548)	-	-	(548)
Net transfers of fair value movements on investment property, net of deferred tax	-	-	(5,200)	5,200	-
Total comprehensive income	-	(548)	(5,200)	13,209	7,461
Transactions with owners					
Dividends relating to 2014 and 2015	-	-	-	(2,500)	(2,500)
Balance at 31 January 2015	9,000	(850)	53,221	38,864	100,235

COMPANY					
Balance at 1 February 2013	9,000	(426)	53,161	23,584	85,319
Comprehensive income					
Profit for the year	-	-	-	5,479	5,479
Other comprehensive income:					
Cash flow hedges net of deferred tax	-	124	-	-	124
Total comprehensive income	-	124	-	5,479	5,603
Transactions with owners					
Dividends relating to 2013 and 2014	-	-	-	(3,100)	(3,100)
Balance at 31 January 2014	9,000	(302)	53,161	25,963	87,822
Balance at 1 February 2014	9,000	(302)	53,161	25,963	87,822
Comprehensive income					
Profit for the year	-	-	-	5,580	5,580
Other comprehensive income:					
Cash flow hedges net of deferred tax	-	(548)	-	-	(548)
Net transfers of fair value movements on investment property, net of deferred tax	-	-	(7,040)	7,040	-
Total comprehensive income	-	(548)	(7,040)	12,620	5,032
Transactions with owners					
Dividends relating to 2014 and 2015	-	-	-	(2,500)	(2,500)
Balance at 31 January 2015	9,000	(850)	46,121	36,083	90,354

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