FARSONS GROUP
Farsons

SIMONDS FARSONS CISK plc

INTERIM REPORT 2012

Six months ended 31 July 2012

Interim Directors' Report

Trading Performance
The board of directors is pleased to submit the group's interim results for the six months ended 31 July 2012.

The group achieved an operating profit of €4.7 million, an improvement of €1.2 million (33%) over the operating profit for the comparable period last year. Group turnover increased by 10% to almost reach the €40 million mark (2011: €36 million). Profit after tax for the period amounted to €3.8 million, an increase of €1.2 million or 45% over the first six months of the previous financial year.

In spite of the persistent competitive pressures, the group has delivered a strong financial performance, largely attributable to:

- A strong performance of company-owned brands such as Cisk and Kinnie;
- Incremental growth coming from product innovation;
- Improved efficiencies at both operational and administration levels;
- Increased volumes through the beverage importation arm;
- Record tourist numbers particularly during the summer period and exceptional warm weather conditions conducive to higher beverage consumption;
- Continuous effort to contain overheads across the group.

Though the challenging international economic environment, particularly within the Eurozone, has slowed the company's export performance, results still remain encouraging.

The board of directors is satisfied with the group's performance and believes that the group's business model is well structured to continue to face today's market realities by ensuring a competitive response in the fast changing and dynamic economy. The continued transformation of the business model into an even more robust and resilient one will remain a priority. These results are critically important for the group to be able to adequately sustain further investments.

The immediate outlook for the forthcoming months is much dependent on international and local economic circumstances together with the sustainment of tourist numbers.

The recently inaugurated brew house investment will contribute further towards improving the company's brewing capabilities, production efficiency levels and overall competitive advantage.

The directors remain determined that innovation and export growth will continue to sustain a profitable business model and increased shareholder value going forward.

Dividends
During the period under review, the company paid to the ordinary shareholders a final dividend, out of tax exempt profits, of €1.7 million on 21 June 2012 in respect of the financial year ending 31 January 2012.

The board of directors is recommending a net interim dividend of €400,000 in respect of the financial year ending 31 January 2013, payable on 19 October 2012 to the ordinary shareholders on the register of members of the company on 5 October 2012. The interim dividend will be paid out of tax exempt profits and is equivalent to €0.0133 per share.

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 2012, 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.

Louis Farrugia

Louis A. Farrugia – Chairman
26 September 2012

Condensed Consolidated Statement of Financial Position As at 31 July 2012

	Group 31 July 2012 (unaudited) €'000	31 January 2012 (audited) €'000
Assets		
Non-current assets	**125,076**	119,664
Current assets	**36,534**	28,209
Total assets	**161,610**	147,873
Equity and Liabilities		
Capital and reserves attributable to owners of the company	**90,166**	88,186
Non-current liabilities	**38,644**	39,259
Current liabilities	**32,800**	20,428
Total liabilities	**71,444**	59,687
Total equity and liabilities	**161,610**	147,873

Condensed Consolidated Income Statement Six months ended 31 July 2012

	Group 31 July 2012 (unaudited) €'000	31 July 2011 (unaudited) €'000
Revenue	**39,582**	36,073
Gross profit	**14,966**	13,601
Operating profit	**4,736**	3,565
Finance costs	**(746)**	(784)
Profit before tax	**3,990**	2,781
Tax expense	**(211)**	(175)
Profit for the period	**3,779**	2,606
Earnings per share	**€0.126**	€0.087

Condensed Consolidated Statement of Comprehensive Income Six months ended 31 July 2012

	Group 31 July 2012 (unaudited) €'000	31 July 2011 (unaudited) €'000
Profit for the period	**3,779**	2,606
Other comprehensive income:		
Cash flow hedges net of deferred tax	**(99)**	–
Other comprehensive income for the period	**(99)**	–
Total comprehensive income for the period	**3,680**	2,606

Condensed Statement of Changes in Equity Six months ended 31 July 2012

	Share capital €'000	Hedging reserve €'000	Revaluation and other reserves €'000	Retained earnings €'000	Total equity €'000
Group					
Period ended 31 July 2011					
Balance at 1 February 2011	9,000	-	58,421	18,339	85,760
Profit for the six months ended 31 July 2011	-	-	-	2,606	2,606
Dividends	-	-	-	(1,600)	(1,600)
Balance at 31 July 2011	**9,000**	**-**	**58,421**	**19,345**	**86,766**
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**

Condensed Consolidated Statement of Cash Flows Six months ended 31 July 2012

	Group 31 July 2012 (unaudited) €'000	31 July 2011 (unaudited) €'000
Net cash from operating activities	**6,157**	4,471
Net cash used in investing activities	**(5,690)**	(3,423)
Net cash (used in)/from financing activities	**(2,575)**	974
Net movement in cash and cash equivalents	**(2,108)**	2,022
Cash and cash equivalents at beginning of period	**(3,041)**	(3,584)
Cash and cash equivalents at end of period	**(5,149)**	(1,562)

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 2012, 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 2012.

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 €'000	Importation, wholesale & retail of food & beverages, including wines & spirits €'000	Operation of franchised food retailing establishments €'000	Property management €'000	Group €'000
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 results	4,164	1,080	265	83	**5,592**
Unallocated costs					**(856)**
Operating profit					**4,736**
Period ended 31 July 2011					
Turnover	22,250	11,415	4,774	452	**38,891**
Less: inter-divisional sales	(726)	(1,792)	-	(300)	**(2,818)**
	21,524	9,623	4,774	152	**36,073**
Segment result	3,150	1,002	232	37	**4,421**
Unallocated costs					**(856)**
Operating profit					**3,565**

5. During the six months ended 31 July 2012, the principal group additions to property, plant and equipment related to the new brew house totalling €4.5 million. Moreover, related capital commitments as at reporting date amounted to €0.9 million.

6. 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.

FARSONS GROUP
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