



Simonds Farsons Cisk plc
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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 25th April 2012 met and approved for publication the financial statements of the Company for the year ended 31st January 2012, 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 20th June, 2012.

A Preliminary Statement of Annual Results for the year ended 31st January 2012 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 €1,700,000 that is € 0.0567 per ordinary share of €0.30, to be paid by not later than 21st June 2012.

An interim net dividend of €400,000 that is €0.0133 per ordinary share was approved at the Board Meeting held on 28th September 2011 and distributed on 21st October 2011. Therefore the total net dividend to the ordinary shareholders relating to the financial year ended 31st January 2012 amounts to €2,100,000 that is €0.07 per ordinary share.

The Board of Directors has established 22nd May 2012 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

25th April, 2012



Review of the business

The profit before tax registered by the Farsons group for the year ended 31 January 2012 amounts to €5,080,000, representing a significant increase of over 25% when compared to the profit before tax achieved during the previous financial year of €4,051,000.

Group turnover increased by 5% to reach €70,851,000, partially as a result of an increase in exports' turnover whilst the group's operating profit improved marginally to €6,394,000 from €6,300,000. Inflationary pressures in commodity prices, most notably malt and hops (the prime raw materials used to produce beer) as well as sugar, PET preforms and fuel oil, eroded margins. However, the group managed to effectively reduce marginally its selling, distribution and administrative cost ratio to turnover.

The group's statement of financial position remains strong and the net asset base continued to improve by €2,426,000 to reach €88,186,000. Shareholders' funds finance 59.6% (2011: 59.3%) of the group's total assets while EBITDA (earnings before interest, tax depreciation and amortisation) increased to €11,453,000, representing an improvement of 3% over the previous year.

Construction of the new state of the art €12,500,000 brewhouse is nearing completion and will be commissioned over the forthcoming summer months.

Outlook for financial year ending 31 January 2013

The group's business is highly dependent on local consumer confidence and the state of the tourism industry. Much therefore depends on the performance of our economy which is forecasted to grow modestly in the financial year ending January 2013.

The group's diversified businesses continue to face inflationary pressures, particularly resulting from increased fuel oil prices, directly impacting energy costs, together with continued increases in imported products and raw materials which are derived from agricultural commodities.

The board of directors remains confident that the group's robust business model can face these challenges.

Dividends and reserves

The directors declared a net interim dividend of €400,000, which was paid on 21 October 2011 to the ordinary shareholders, and will recommend the payment of a final dividend to the ordinary shareholders of €1,700,000 at the Annual General Meeting scheduled for 20 June 2012. The interim dividend was paid out of tax exempt profits. If approved at the Annual General Meeting, the final dividend will be paid on 21 June 2012 (out of tax exempt profits) to the shareholders who will be on the register of members of the company on 22 May 2012. As a result, total declared dividends relating to the financial year ending January 2012 would equate to €2,100,000 compared to €2,000,000 relating to the previous financial year.

Dividends to the ordinary shareholders paid during the year ended 31 January 2012 amounted to €2,000,000 (2011: €1,900,000).

Retained profits carried forward at the reporting date amounted to €21,061,000 (2011: €18,339,000) for the group and €20,564,000 (2011: €18,250,000) for the company.

By order of the board

25 April 2012

Condensed Statements of Financial Position

	Group		Company	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
ASSETS				
Non-current assets	119,664	116,706	105,507	103,272
Current assets	28,209	27,910	24,309	25,815
Total assets	147,873	144,616	129,816	129,087
EQUITY AND LIABILITIES				
Capital and reserves attributable to owners of the company	88,186	85,760	82,429	80,411
Non-current liabilities	39,259	36,744	33,795	30,344
Current liabilities	20,428	22,112	13,592	18,332
Total liabilities	59,687	58,856	47,387	48,676
Total equity and liabilities	147,873	144,616	129,816	129,087

Condensed Income Statements

	Group		Company	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Revenue	70,851	67,354	41,689	39,962
Cost of sales	(45,131)	(42,245)	(23,342)	(21,885)
Gross profit	25,720	25,109	18,347	18,077
Selling and distribution costs	(9,165)	(9,098)	(7,118)	(7,068)
Administrative expenses	(10,161)	(9,711)	(5,769)	(5,541)
Operating profit	6,394	6,300	5,460	5,468
Impairment of investment in subsidiary	-	-	-	(2,800)
Investment gains/(losses)	24	(618)	160	1,599
Finance costs	(1,338)	(1,631)	(1,306)	(1,531)
Profit before tax	5,080	4,051	4,314	2,736
Tax expense	(358)	(307)	-	(420)
Profit for the year	4,722	3,744	4,314	2,316
Earnings per share for profit during the year	€0.157	€0.125		

Condensed Statements of Comprehensive Income

	Group		Company	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Profit for the year	4,722	3,744	4,314	2,316
Other comprehensive income:				
Cash flow hedges net of deferred tax	(296)	-	(296)	-
Other comprehensive income for the year	(296)	-	(296)	-
Total comprehensive income for the year	4,426	3,744	4,018	2,316

Condensed Statements of Changes in Equity

	Share capital €'000	Hedging reserve €'000	Revaluation and other reserves €'000	Retained earnings €'000	Total equity €'000
Group					
Balance at 1 February 2010	9,000	-	59,058	15,858	83,916
Comprehensive income					
Profit for the year	-	-	-	3,744	3,744
Other comprehensive income:					
Net transfers of fair value losses on investment property, net of deferred tax	-	-	(637)	637	-
Total comprehensive income	-	-	(637)	4,381	3,744
Transactions with owners					
Dividends relating to 2010 and 2011	-	-	-	(1,900)	(1,900)
Balance at 31 January 2011	9,000	-	58,421	18,339	85,760
Balance at 1 February 2011	9,000	-	58,421	18,339	85,760
Comprehensive income					
Profit for the year	-	-	-	4,722	4,722
Other comprehensive income:					
Cash flow hedges net of deferred tax	-	(296)	-	-	(296)
Total comprehensive income	-	(296)	-	4,722	4,426
Transactions with owners					
Dividends relating to 2011 and 2012	-	-	-	(2,000)	(2,000)
Balance at 31 January 2012	9,000	(296)	58,421	21,061	88,186
Company					
Balance at 1 February 2010	9,000	-	52,951	18,044	79,995
Comprehensive income					
Profit for the year	-	-	-	2,316	2,316
Other comprehensive income:					
Net transfers of fair value losses on investment property, net of deferred tax	-	-	210	(210)	-
Total comprehensive income	-	-	210	2,106	2,316
Transactions with owners					
Dividends relating to 2010 and 2011	-	-	-	(1,900)	(1,900)
Balance at 31 January 2011	9,000	-	53,161	18,250	80,411
Balance at 1 February 2011	9,000	-	53,161	18,250	80,411
Comprehensive income					
Profit for the year	-	-	-	4,314	4,314
Other comprehensive income:					
Cash flow hedges net of deferred tax	-	(296)	-	-	(296)
Total comprehensive income	-	(296)	-	4,314	4,018
Transactions with owners					
Dividends relating to 2011 and 2012	-	-	-	(2,000)	(2,000)
Balance at 31 January 2012	9,000	(296)	53,161	20,564	82,429
Group					
2012 €'000		2011 €'000	2012 €'000	2011 €'000	
Net cash from operating activities	9,323	13,374	6,365	6,185	
Net cash used in investing activities	(8,682)	(4,765)	(7,018)	(2,573)	
Net cash (used in)/from financing activities	(98)	(5,253)	1,221	(3,610)	
Net movement in cash and cash equivalents	543	3,356	568	2	
Cash and cash equivalents at beginning of year	(3,584)	(6,940)	(2,255)	(2,257)	
Cash and cash equivalents at end of year	(3,041)	(3,584)	(1,687)	(2,255)	

Condensed Statements of Cash Flows

Notes to the Condensed Financial Statements

- 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.
- 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 2012, as approved by the board of directors on 25 April 2012. The accounting policies used in the preparation of the financial statements for the year ended 31 January 2012 are consistent with those used in the annual financial statements for the year ended 31 January 2011.
- 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, the operation of franchised food retailing establishments and property management. These operations are carried out, primarily, on the local market.
- Earnings per share at €0.157 (2011: €0.125) 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.