

### **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 24<sup>th</sup> April 2013 met and approved for publication the financial statements of the Company for the year ended 31<sup>st</sup> January 2013, 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 20<sup>th</sup> June, 2013.

A Preliminary Statement of Annual Results for the year ended 31<sup>st</sup> January 2013 is attached herewith and is available to the public on website [www.farsons.com](http://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 €2,100,000, that is €0.07 per ordinary share of €0.30, to be paid by not later than 21<sup>st</sup> June 2013.

An interim net dividend of €400,000 that is €0.0133 per ordinary share was approved at the Board Meeting held on 26<sup>th</sup> September 2012 and distributed on 19<sup>th</sup> October 2012. Therefore the total net dividend to the ordinary shareholders relating to the financial year ended 31<sup>st</sup> January 2013 amounts to €2,500,000, that is €0.0833 per ordinary share.

The Board of Directors has established 21<sup>st</sup> May 2013 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

24<sup>th</sup> April, 2013



### REVIEW OF THE BUSINESS

The group has registered a record performance during the financial year ending 31 January 2013, with profit before tax surpassing last year's comparative figure of €5,080,000 by 28% to reach €6,481,000.

Group turnover increased by 9% to reach €77,180,000, with increases being registered in all segments in which the group operates. In particular, the importation of food and beverages registered the highest growth in turnover, while the manufacturing operation registered the highest improvement in profitability. Whilst the gross profit for the group reached record levels at €28 million, exceeding last year by 10%, the group managed to contain its selling, distribution and administrative costs at 26% of its turnover compared to 27% attained during the previous financial year, despite a material increase in impairment provisions on receivables following a group-wide decision to adopt a more prudent approach.

Although competition remains intense, buoyant tourism, a prolonged hot summer and Euro Cup activities were all factors which helped boost demand. The performance of Cisk and Kinnie were instrumental to the increased turnover and profitability of the core segment. The excellence in quality coupled with focused marketing and sales initiatives continued to support the positive results from these brands.

The beverage importation division also posted an encouraging performance with notable increases in spirits and energy drinks. On the other hand, the food importation arm is going through a period of reorganisation and consolidation in the light of market realities, where the private label concept has become an acceptable alternative and has consolidated and expanded further.

The franchised foods retail establishments registered improved turnover and profitability with increased sales in all three franchises. Performance of the KFC brand surpassed expectations, and excelled both in terms of turnover and profitability.

The group's statement of financial position remains strong and the net asset base continued to improve by €3,739,000 to reach €91,925,000 (2012: €88,186,000). Shareholders' funds finance 61% (2012: 60%) of the group's total assets, while EBITDA (earnings before interest, tax, depreciation and amortisation) increased to €13,983,000, representing a marked improvement of 22% over the previous year.

### OUTLOOK FOR FINANCIAL YEAR ENDING 31 JANUARY 2014

The future outlook at Farsons is based on further growth, which will continue to be spearheaded through more innovation, along with added focus on the drive in export markets. The group's business also remains dependent on local consumer confidence and the state of the tourism industry.

The determined focus to reduce the group's energy consumption and water usage will remain a priority. Through energy saving investments, this will not only further strengthen competitiveness but also deliver environmental improvements beneficial to the common good.

The board remains determined to sustain the group's competitive advantage through continued change and investment, to ensure alignment to market developments, remaining well positioned to take on new challenges and opportunities. The recent completion of the investment in the new brewery, inaugurated in September 2012, is already rendering our beer production more competitive, this is also in line with our declared strategy of growth through the export markets.

The group has ambitions to continue to grow, exploit and develop all segments that offer potential and opportunity. With continued visionary foresight and the necessary strategic thinking, followed by the right decisions and successful implementation, the board is confident that it will face the challenges going forward with vigour and energy.

### DIVIDENDS AND RESERVES

The directors declared a net interim dividend of €400,000, which was paid on 19 October 2012 to the ordinary shareholders, and will recommend the payment of a final dividend to the ordinary shareholders of €2,100,000 at the Annual General Meeting scheduled for 20 June 2013. 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 2013 (also out of tax exempt profits) to the shareholders who will be on the register of members of the company on 21 May 2013. As a result, total declared dividends relating to the financial year ending January 2013 would equate to €2,500,000 increasing by €400,000 over the previous financial year.

Dividends to the ordinary shareholders paid during the year ended 31 January 2013 amounted to €2,100,000 (2012: €2,000,000).

Retained profits carried forward at the reporting date amounted to €24,930,000 (2012: €21,061,000) for the group and €23,584,000 (2012: €20,564,000) for the company.

By order of the board

24 April 2013

### Condensed Statements of Financial Position

|  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2013           | 2012           | 2013           | 2012           |
|  | €'000          | €'000          | €'000          | €'000          |
| <b>ASSETS</b>  |                |                |                |                |
| Non-current assets   | 122,541        | 119,664        | 107,578        | 104,093        |
| Current assets   | 28,990         | 28,209         | 24,092         | 25,723         |
| <b>Total assets</b>  | <b>151,531</b> | <b>147,873</b> | <b>131,670</b> | <b>129,816</b> |
| <b>EQUITY AND LIABILITIES</b>                              |                |                |                |                |
| Capital and reserves attributable to owners of the company | 91,925         | 88,186         | 85,319         | 82,429         |
| Non-current liabilities                                    | 37,427         | 39,259         | 31,931         | 33,795         |
| Current liabilities  | 22,179         | 20,428         | 14,420         | 13,592         |
| <b>Total liabilities</b>                                   | <b>59,606</b>  | <b>59,687</b>  | <b>46,351</b>  | <b>47,387</b>  |
| <b>Total equity and liabilities</b>                        | <b>151,531</b> | <b>147,873</b> | <b>131,670</b> | <b>129,816</b> |

### Condensed Income Statements

|  | GROUP         |               | COMPANY       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2013          | 2012          | 2013          | 2012          |
|  | €'000         | €'000         | €'000         | €'000         |
| <b>Revenue</b>                                       | <b>77,180</b> | <b>70,851</b> | <b>43,188</b> | <b>41,689</b> |
| Cost of sales  | (48,807)      | (45,099)      | (22,965)      | (23,310)      |
| <b>Gross profit</b>                                  | <b>28,373</b> | <b>25,752</b> | <b>20,223</b> | <b>18,379</b> |
| Selling and distribution costs                       | (10,445)      | (9,165)       | (8,136)       | (7,118)       |
| Administrative expenses                              | (9,952)       | (10,161)      | (5,628)       | (5,769)       |
| <b>Operating profit</b>                              | <b>7,976</b>  | <b>6,426</b>  | <b>6,459</b>  | <b>5,492</b>  |
| Investment gains                                     | 14            | 24            | 91            | 128           |
| Finance costs  | (1,509)       | (1,370)       | (1,430)       | (1,306)       |
| <b>Profit before tax</b>                             | <b>6,481</b>  | <b>5,080</b>  | <b>5,120</b>  | <b>4,314</b>  |
| Tax expense  | (512)         | (358)         | -             | -             |
| <b>Profit for the year</b>                           | <b>5,969</b>  | <b>4,722</b>  | <b>5,120</b>  | <b>4,314</b>  |
| <b>Earnings per share for profit during the year</b> | <b>€0.199</b> | <b>€0.157</b> |               |               |

### Condensed Statements of Comprehensive Income

|  | GROUP        |              | COMPANY      |              |
|--|--------------|--------------|--------------|--------------|
|  | 2013         | 2012         | 2013         | 2012         |
|  | €'000        | €'000        | €'000        | €'000        |
| <b>Profit for the year</b>                     | <b>5,969</b> | <b>4,722</b> | <b>5,120</b> | <b>4,314</b> |
| <b>Other comprehensive income:</b>             |              |              |              |              |
| Cash flow hedges net of deferred tax           | (130)        | (296)        | (130)        | (296)        |
| <b>Other comprehensive income for the year</b> | <b>(130)</b> | <b>(296)</b> | <b>(130)</b> | <b>(296)</b> |
| <b>Total comprehensive income for the year</b> | <b>5,839</b> | <b>4,426</b> | <b>4,990</b> | <b>4,018</b> |

### Condensed Statements of Changes in Equity

|                                      | Share capital<br>€'000 | Hedging<br>reserve<br>€'000 | Revaluation<br>and other<br>reserves<br>€'000 | Retained<br>earnings<br>€'000 | Total<br>equity<br>€'000 |
|--------------------------------------|------------------------|-----------------------------|---|-------------------------------|--------------------------|
|                                      |                        |                             |   |                               |                          |
| Balance at 1 February 2011           | 9,000                  | -                           | 58,421  | 18,339                        | 85,760                   |
| <b>Comprehensive income</b>          |                        |                             |   |                               |                          |
| Profit for the year                  | -                      | -                           | -   | 4,722                         | 4,722                    |
| Other comprehensive income:          |                        |                             |   |                               |                          |
| Cash flow hedges net of deferred tax | -                      | (296)                       | -   | -                             | (296)                    |
| <b>Total comprehensive income</b>    | <b>-</b>               | <b>(296)</b>                | <b>-</b>                                      | <b>4,722</b>                  | <b>4,426</b>             |
| <b>Transactions with owners</b>      |                        |                             |   |                               |                          |
| Dividends relating to 2011 and 2012  | -                      | -                           | -   | (2,000)                       | (2,000)                  |
| <b>Balance at 31 January 2012</b>    | <b>9,000</b>           | <b>(296)</b>                | <b>58,421</b>                                 | <b>21,061</b>                 | <b>88,186</b>            |
| Balance at 1 February 2012           | 9,000                  | (296)                       | 58,421  | 21,061                        | 88,186                   |
| <b>Comprehensive income</b>          |                        |                             |   |                               |                          |
| Profit for the year                  | -                      | -                           | -   | 5,969                         | 5,969                    |
| Other comprehensive income:          |                        |                             |   |                               |                          |
| Cash flow hedges net of deferred tax | -                      | (130)                       | -   | -                             | (130)                    |
| <b>Total comprehensive income</b>    | <b>-</b>               | <b>(130)</b>                | <b>-</b>                                      | <b>5,969</b>                  | <b>5,839</b>             |
| <b>Transactions with owners</b>      |                        |                             |   |                               |                          |
| Dividends relating to 2012 and 2013  | -                      | -                           | -   | (2,100)                       | (2,100)                  |
| <b>Balance at 31 January 2013</b>    | <b>9,000</b>           | <b>(426)</b>                | <b>58,421</b>                                 | <b>24,930</b>                 | <b>91,925</b>            |
| <b>COMPANY</b>                       |                        |                             |   |                               |                          |
| Balance at 1 February 2011           | 9,000                  | -                           | 53,161  | 18,250                        | 80,411                   |
| <b>Comprehensive income</b>          |                        |                             |   |                               |                          |
| Profit for the year                  | -                      | -                           | -   | 4,314                         | 4,314                    |
| Other comprehensive income:          |                        |                             |   |                               |                          |
| Cash flow hedges net of deferred tax | -                      | (296)                       | -   | -                             | (296)                    |
| <b>Total comprehensive income</b>    | <b>-</b>               | <b>(296)</b>                | <b>-</b>                                      | <b>4,314</b>                  | <b>4,018</b>             |
| <b>Transactions with owners</b>      |                        |                             |   |                               |                          |
| Dividends relating to 2011 and 2012  | -                      | -                           | -   | (2,000)                       | (2,000)                  |
| <b>Balance at 31 January 2012</b>    | <b>9,000</b>           | <b>(296)</b>                | <b>53,161</b>                                 | <b>20,564</b>                 | <b>82,429</b>            |
| Balance at 1 February 2012           | 9,000                  | (296)                       | 53,161  | 20,564                        | 82,429                   |
| <b>Comprehensive income</b>          |                        |                             |   |                               |                          |
| Profit for the year                  | -                      | -                           | -   | 5,120                         | 5,120                    |
| Other comprehensive income:          |                        |                             |   |                               |                          |
| Cash flow hedges net of deferred tax | -                      | (130)                       | -   | -                             | (130)                    |
| <b>Total comprehensive income</b>    | <b>-</b>               | <b>(130)</b>                | <b>-</b>                                      | <b>5,120</b>                  | <b>4,990</b>             |
| <b>Transactions with owners</b>      |                        |                             |   |                               |                          |
| Dividends relating to 2012 and 2013  | -                      | -                           | -   | (2,100)                       | (2,100)                  |
| <b>Balance at 31 January 2013</b>    | <b>9,000</b>           | <b>(426)</b>                | <b>53,161</b>                                 | <b>23,584</b>                 | <b>85,319</b>            |

### Condensed Statements of Cash Flows

|  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2013           | 2012           | 2013           | 2012           |
|  | €'000          | €'000          | €'000          | €'000          |
| Net cash from operating activities                     | 13,022         | 9,323          | 11,990         | 6,365          |
| Net cash used in investing activities                  | (7,636)        | (8,682)        | (7,106)        | (7,018)        |
| Net cash (used in)/generated from financing activities | (3,850)        | (98)           | (3,850)        | 1,221          |
| <b>Net movement in cash and cash equivalents</b>       | <b>1,536</b>   | <b>543</b>     | <b>1,034</b>   | <b>568</b>     |
| <b>Cash and cash equivalents at beginning of year</b>  | <b>(3,041)</b> | <b>(3,584)</b> | <b>(1,687)</b> | <b>(2,255)</b> |
| <b>Cash and cash equivalents at end of year</b>        | <b>(1,505)</b> | <b>(3,041)</b> | <b>(653)</b>   | <b>(1,687)</b> |

### 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 2013, as approved by the board of directors on 24 April 2013. The accounting policies used in the preparation of the financial statements for the year ended 31 January 2013 are consistent with those used in the annual financial statements for the year ended 31 January 2012.

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, the operation of franchised food retailing establishments and property management. These operations are carried out, primarily, on the local market.

4. Earnings per share at €0.199 (2012: €0.157) 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.