



BREWERS &amp; BOTTLES

PROPERTY MANAGEMENT

RESTAURANTS

BEVERAGE SERVICES

FOOD IMPORTERS

BEVERAGE IMPORTERS

BEVERAGES &amp; MORE

## Interim Directors' Report

### Trading Performance

The board of directors hereby submits the group's interim results for the six months ended 31 July 2010.

Group profit after tax for the period increased from €1.8 million to €2.2 million, representing a significant increase of 19%. Group turnover increased by 5% to reach €35 million (2009: €33 million).

These improved results were largely influenced by:

- increased volumes of beverages destined for the export market;
- increased sales of beers on the local market principally due to an improved tourist season;
- improved results of the importation of beverages segment, in particular through the representation of Red Bull;
- ongoing reductions in operating and administrative costs through continuous review of the ways of working;
- higher utility costs in particular affecting negatively the franchised food business; and
- impairment of assets within the property segment.

The board of directors is confident that further opportunities exist for improved profitability levels going forward.

### Dividends

During the period under review, the company paid to the ordinary shareholders a final dividend, out of tax exempt profits, of €1.5 million on 24 June 2010 in respect of the financial year ending 31 January 2010.

The board of directors is declaring a net interim dividend of €400,000 in respect of the financial year ending 31 January 2011, payable on 22 October 2010 to the ordinary shareholders who will be on the register of members of the company on 8 October 2010. The interim dividend will be paid out of tax exempt profits and is equivalent to €0.0133 per share.

By order of the board  
29 September 2010

### Statement pursuant to Listing Rule 9.44k.3 issued by the Listing Authority

I 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 2010, and of its financial performance and its 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 Rule 9.44k.2.



Bryan A. Gera – Chairman  
29 September 2010

### Condensed Consolidated Income Statement

	Group	
	31 July 2010 (unaudited) €'000	31 July 2009 (audited) €'000
<b>Continuing operations:</b>		
Revenue	35,081	33,499
Gross profit	13,494	12,967
Operating profit	3,164	2,816
Finance costs	(850)	(810)
Profit before tax	2,314	2,006
Tax expense	(157)	(169)
<b>Profit for the period from continuing operations</b>	<b>2,157</b>	<b>1,837</b>
<b>Discontinued operations:</b>		
Loss for the period from discontinued operations	-	(30)
<b>Profit for the period</b>	<b>2,157</b>	<b>1,807</b>
Earnings per share for profit/(loss) during the period	€0.072	€0.061
from continuing operations	-	(€0.001)
from discontinued operations		

### Condensed Consolidated Statement of Financial Position

	Group	
	31 July 2010 (unaudited) €'000	31 January 2010 (audited) €'000
<b>Assets</b>		
Non-current assets	115,491	116,162
Current assets	32,898	29,749
Non-current assets classified as held for sale	77	77
Total current assets	32,975	29,826
<b>Total assets</b>	<b>148,466</b>	<b>145,988</b>
<b>Equity and Liabilities</b>		
Capital and reserves attributable to owners of the company	84,573	83,916
Non-current liabilities	37,932	28,106
Current liabilities	25,961	33,966
Total liabilities	63,893	62,072
<b>Total equity and liabilities</b>	<b>148,466</b>	<b>145,988</b>

### Condensed Statement of Changes in Equity

Six months ended 31 July 2010

	Attributable to equity shareholders			
	Share capital €'000	Revaluation and other reserves €'000	Retained earnings €'000	Total €'000
<b>Group</b>				
<b>Period ended 31 July 2009</b>				
Balance at 1 February 2009	7,486	60,572	14,208	82,266
Capitalisation of reserves	1,514	(1,514)	-	-
Profit for the six months ended 31 July 2009	-	-	1,807	1,807
Dividends	-	-	(800)	(800)
<b>Balance at 31 July 2009</b>	<b>9,000</b>	<b>59,058</b>	<b>15,215</b>	<b>83,273</b>
<b>Period ended 31 July 2010</b>				
Balance at 1 February 2010	9,000	59,058	15,858	83,916
Profit for the six months ended 31 July 2010	-	-	2,157	2,157
Dividends	-	-	(1,500)	(1,500)
<b>Balance at 31 July 2010</b>	<b>9,000</b>	<b>59,058</b>	<b>16,515</b>	<b>84,573</b>

### Condensed Consolidated Statement of Cash Flow

Six months ended 31 July 2010

	Group	
	31 July 2010 (unaudited) €'000	31 July 2009 (unaudited) €'000
Net cash from operating activities	6,849	4,989
Net cash used in investing activities	(1,644)	(2,943)
Net cash used in financing activities	(35)	(2,758)
Net movement in cash and cash equivalents	5,170	(712)
Cash and cash equivalents at beginning of period	(6,940)	(9,084)
<b>Cash and cash equivalents at end of period</b>	<b>(1,770)</b>	<b>(9,796)</b>

### Notes to the Condensed Consolidated Interim Financial Statements

- This report is being published pursuant to the terms of Chapters 8 and 9 of the Malta Financial Services Authority Listing Rules and the Prevention of Financial Markets Abuse Act 2005.
- 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 2010, 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 9.44k.5, this interim report has not been audited or reviewed by the group's independent auditors.
- 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 2010.
- During the period under review, the development of the new brewhouse commenced. Of the €14 million project specific authorised capital expenditure, the group had contracted capital commitments totalling €7.6 million as at 31 July 2010.
- 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. 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
<b>Period ended 31 July 2010</b>					
Turnover	21,880	10,860	4,583	429	37,752
Less: inter-divisional sales	(499)	(1,877)	-	(295)	(2,671)
	21,381	8,983	4,583	134	35,081
Segment results	3,102	948	96	(257)	3,889
Unallocated costs					(725)
<b>Operating profit</b>					<b>3,164</b>
<b>Period ended 31 July 2009</b>					
Turnover	21,044	9,796	4,342	480	35,662
Less: inter-divisional sales	(705)	(1,149)	-	(309)	(2,163)
	20,339	8,647	4,342	171	33,499
Segment result	2,533	794	181	37	3,545
Unallocated costs					(729)
<b>Operating profit</b>					<b>2,816</b>

- 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.