

COMPANY ANNOUNCEMENT

The following is a Company Announcement by Simonds Farsons Cisk plc pursuant to the Malta Financial Services Authority Listing Rule 5.13.

Quote

Farsons Business Park and Property Interests

The Board of Directors of Simonds Farsons Cisk plc has approved the following company announcement.

The company wishes to announce that two applications were submitted today to the Malta Environment and Planning Authority (MEPA) effectively commencing the approval process for the development of the Farsons Business Park.

The Farsons Business Park

The concept and detailed design of the business park have now been sufficiently advanced to submit a full development application (FDA) to MEPA. As stated within the company announcement of 17th September 2014, the business park project is being designed by an international firm of architects, Ian Ritchie Architects Ltd, with the support of Maltese engineers, TBA Periti, and assisted by a multi-disciplinary team of local and international experts and consultants.

The driving philosophy is to convert, rehabilitate and re-use the listed Grade 2 old Mriehel brewery including, but not limited to, the old brewhouse, boardroom, entrance and façade. All of these components are listed given their high quality, mostly unaltered, and special interest interiors all of which will be sensitively and professionally restored in line with the values and vision of the company.

Great care has been taken to retain the integral and unique aesthetic quality of the building and the surrounding built environment paying special attention not to compromise the important historical sight-line between Valletta and Mdina.

To this end, the Farsons Business Park will be limited to five recessed storeys and seven low density office blocks all of which will be intersected by generous courtyards inspired by the traditional character of Maltese palaces. The courtyard gardens will provide a tranquil and inspiring place to work within and all office blocks will be connected to a multi-level carpark, as well as the old brewhouse through restored corridors and walkways which used to serve the old brewery.

Simonds Farsons Cisk plc

The Brewery, Mdina Road, Mriehel BKR 3000, Malta

The development aims to celebrate Maltese industrial heritage and to be the first local example of a listed 'industrial' building converted for modern day workspace and public reuse. The design seeks to reduce the environmental footprint to a minimum and set new green local standards for workspace environments through the application of new technologies for the cooling and heating of the proposed buildings.

It is envisaged that the project will commence in mid-2016 and will be developed in 3 phases, all of which will be completed by end 2020. The first phase will include the conversion and re-use of the old brewhouse which is scheduled for completion by mid-2018. Subsequent Grade A office blocks and amenities will be commissioned in phases by the year 2020. When completed, this project is expected to result in an investment of over €40 million by the group and will boast over 18,000 square metres of offices, more than 1,200 square metres of food and beverage areas and 800 square metres of a beer academy, visitors' attraction and also a unique 'Cisk Sky Bar'.

Furthermore, the project contemplates a multi-level carpark of over 700 car park spaces and 9,700 square metres of site infrastructure, including, gardens and soft landscaping and the removal of the site boundary wall so that the precincts of the project are accessible to the general public.

The company is also in discussion with the authorities and nearby stakeholders to propose ways and means on how to improve and regenerate the surrounding areas in Mriehel through the formation of a public private partnership structure. Discussions are continuing on how such a structure can be set up. With a substantial level of private investment currently planned for the wider area, the company believes that a longer term vision for Mriehel should be defined to improve the quality of the surrounding environment to further attract both local and international investment.

The Spin-off

Over the past months, the Board has firmed up its intent to review the internal structures within the group by hiving off a number of properties and eventually 'spin-off' part of the group's property interests from the core business activities (hereinafter referred to as the food and beverage business), into a separate and distinct property-focused public limited liability company.

The Board's objective is to ensure the best use of the group's substantial property portfolio, with a view to maximise shareholder value. Therefore, the Board believes that the food and beverage business should retain the following property assets of the group:

- (i) The land and buildings at Mriehel supporting the manufacturing and beverage importation operations,
- (ii) The iconic old brewhouse, which shall be used to celebrate the heritage and culture of the brewery and its brands within the social and economic fabric of Malta and its communities,
- (iii) Other identified properties that are currently being used or may be used in the future by the food and beverage business.

As a result, the properties that shall be hived off to the property company are as follows:

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- (a) The brewery façade,
- (b) 'Trident House' site at Marsa,
- (c) The properties housing the franchised food businesses,
- (d) Properties being leased out to third parties,
- (e) Any other property/properties that could offer a development opportunity.

The Board believes that the restructuring would bring with it a number of benefits. Firstly, it will separate the trading performance and values of the fast moving consumer businesses from that of the longer term property business. Secondly, it will enable, if thought desirable, new strategic partners and investors possibly with specific property development expertise, to participate into all or part of the property group. The objective is for these benefits to create enhanced value for the shareholders.

It is the intention of the board to issue a number of ordinary shares in the property company that would equate to the same number of ordinary shares in issue under Simonds Farsons Cisk plc. A dividend in specie would then be paid out to the current shareholders, and hence each shareholder would receive an equivalent number of shares in a newly listed company.

The Board further believes that the first half of 2017 would be the appropriate time to implement the restructuring of the corporate framework of the Farsons Group as identified above.

Funding

Currently, the Board is also looking at a number of funding options to ensure that both the food and beverage business and the property business will have adequate funding and appropriate levels of gearing, taking into account the substantial investment programme being envisaged in the food and beverage business and the Farsons Business Park. A company announcement will be issued once the preferred options are identified and concluded.

A presentation on the Farsons Business Park and the proposed restructuring will be delivered to shareholders during the forthcoming Annual General Meeting.

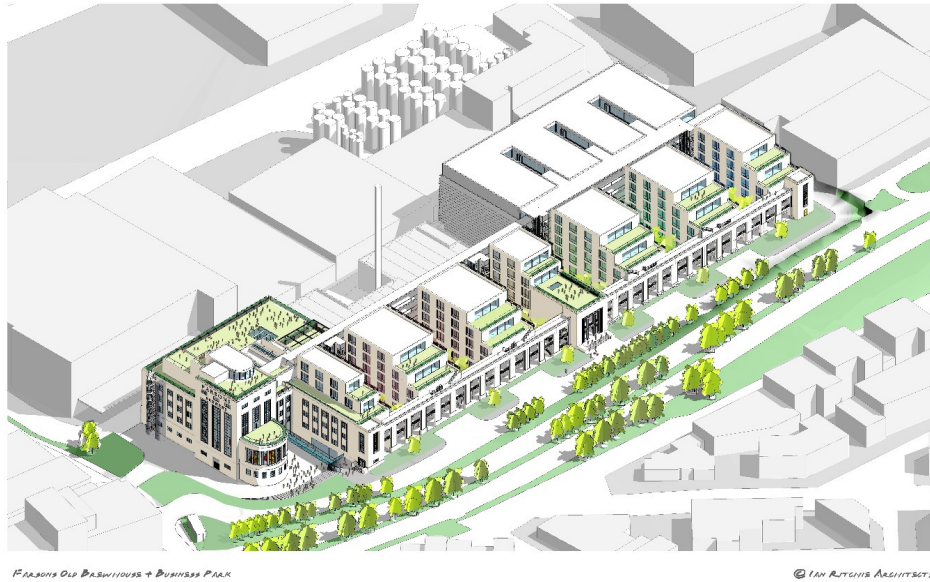


Figure 1 – Farsons old brew house and business park



Figure 2 – Section through old brew house showing spaces for mixed use

Unquote

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Company Secretary

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