REGISTRATION DOCUMENT

Dated 31 July 2017

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

by

FARSONS GROUP

Farsons

Simonds Farsons Cisk plc

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 113

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOSOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

APPROVED BY THE DIRECTORS OF SIMONDS FARSONS CISK PLC

Luis Farrugia	
Louis A. Farrugia	**Roderick Chalmers**

signing as Chairman and Director in their own capacity, as Directors of the Company and on behalf of each of Marcantonio Stagno d'Alcontres, Michael Farrugia, Dr Max Ganado, Marina Hogg, Marquis Marcus J Scicluna Marshall and Baroness Christiane Ramsay Pergola.

SPONSOR & MANAGER	*REGISTRAR*	*LEGAL COUNSEL*
RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	MALTA STOCK EXCHANGE plc	MAMO TCV ADVOCATES

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON SIMONDS FARSONS CISK PLC IN ITS CAPACITY AS ISSUER IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012 COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISERS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES: BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

PROSPECTIVE INVESTORS ARE ADVISED TO READ THE PROSPECTUS IN ITS ENTIRETY AND, IN PARTICULAR, THE SECTIONS ENTITLED "*RISK FACTORS*", FOR AN ASSESSMENT OF THE FACTORS THAT COULD AFFECT THE ISSUER'S FUTURE PERFORMANCE.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISERS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING *"ADVISERS TO THE ISSUER AND STATUTORY AUDITORS"* IN SECTION 4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER, AS THE CASE MAY BE, IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS.

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1. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings except where the context otherwise requires:

Act	the Companies Act (Cap. 386 of the laws of Malta);
Bonds	the €20,000,000 3.50% bonds 2027 to be issued by the Issuer pursuant to the Prospectus;
CAGR	compound annual growth rate which is worked out in accordance with the following formula: CAGR = [(Ending value/Beginning value) ^ (1/no. of years)] – 1;
Directors or **Board**	the directors of the Issuer whose names are set out under the heading *"Administrative, Management and Supervisory Bodies"*
Euro or **€**	the lawful currency of the Republic of Malta;
Farsons Group or **Group**	the Issuer (as parent company) and its Subsidiaries;
FY15	the financial year ended 31 January 2015;
FY16	the financial year ended 31 January 2016;
FY17	the financial year ended 31 January 2017;
Issuer, **SFC** or the **Company**	Simonds Farsons Cisk plc, a company registered under the laws of Malta with company registration number C 113 and having its registered office at The Brewery, Mdina Road, Mrieħel, Birkirkara, BKR 3000, Malta;
Listing Authority	the Board of Governors, acting as the Listing Authority under the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Listing Rules	the Listing Rules of the Listing Authority;
Malta Stock Exchange or **MSE**	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Memorandum and Articles	the Memorandum and Articles of Association of the Company drawn up in terms of the Act and registered at the Registry of Companies of the MFSA and "**Memorandum**" and "**Articles**" shall be construed accordingly;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Official List	the list prepared and published by the Malta Stock Exchange, containing information of all listed securities, together with such other information as the Malta Stock Exchange may consider appropriate to include therein;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary Note;
Registration Document	this document in its entirety;

Regulation

Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;

Securities Note

the securities note issued by the Issuer dated 31 July 2017, forming part of the Prospectus;

SFC Group

means the new SFC group after the restructuring takes place, and will comprise of the Issuer together with the following subsidiaries:

- Farsons Beverage Imports Company Limited registered under the laws of Malta with company registration number C 476;
- Quintano Foods Limited registered under the laws of Malta with company registration number C 33660;
- Food Chain Limited registered under the laws of Malta with company registration number C 753;
- Ecopure Limited registered under the laws of Malta with company registration number C 19492;
- Farsons Distribution Services Limited registered under the laws of Malta with company registration number C 34575;
- Galleria Management Limited registered under the laws of Malta with company registration number C 19528;
- Portanier Warehouses Limited registered under the laws of Malta with company registration number C 29563;
- Malta Deposit and Return System Limited registered under the laws of Malta with company registration number C 38304 – in liquidation; and
- FSG Company Limited registered under the laws of Malta with company registration number C 27784 – in liquidation.

Spin-Off

the distribution of a dividend in kind of the Company's entire shareholding in Trident;

Subsidiaries	each of • EcoPure Limited registered under the laws of Malta with company registration number C 19492; • Farsons Distribution Services Limited registered under the laws of Malta with company registration number C 34575; • Farsons Beverage Imports Company Limited registered under the laws of Malta with company registration number C 476; • Quintano Foods Limited registered under the laws of Malta with company registration number C 33660; • Food Chain Limited registered under the laws of Malta with company registration number C 753; • Trident Estates Limited registered under the laws of Malta with company registration number C 27157; • Portanier Warehouses Limited registered under the laws of Malta with company registration number C 29563; • Sliema Fort Company Limited registered under the laws of Malta with company registration number C 22415; • Galleria Management Limited registered under the laws of Malta with company registration number C 19528; • Mensija Catering Company Limited registered under the laws of Malta with company registration number C 5391; • Neptune Properties Limited registered under the laws of Malta with company registration number C 79214; • Trident Park Limited registered under the laws of Malta with company registration number C 79212; • Malta Deposit and Return System Limited registered under the laws of Malta with company registration number C 38304 – in liquidation; and • FSG Company Limited registered under the laws of Malta with company registration number C 27784 – in liquidation.
Summary Note	the summary note issued by the Issuer dated 31 July 2017, forming part of the Prospectus;
Trident	Trident Estates Limited (previously known as Trident Development Limited), a company registered under the laws of Malta with company registration number C 27157 and having its registered office at The Brewery, Mdina Road, Mrieħel, Birkirkara, BKR 3000, Malta; and

Trident Group Trident and its subsidiaries after the restructuring takes place, namely:

- Mensija Catering Company Limited registered under the laws of Malta with company registration number C 5391;
- Sliema Fort Company Limited registered under the laws of Malta with company registration number C 22415;
- Trident Park Limited registered under the laws of Malta with company registration number C 79212; and
- Neptune Properties Limited registered under the laws of Malta with company registration number C 79214.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:
a. words importing the singular shall include the plural and vice-versa;
b. words importing the masculine gender shall include the feminine gender and vice-versa;
c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS OF THE ISSUER'S DIRECTORS INCLUDE THOSE RISKS IDENTIFIED UNDER THIS SECTION 2 AND ELSEWHERE IN THE PROSPECTUS. IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED IN TERMS OF THE PROSPECTUS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER AND DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION (II) NOR SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances. Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions.

Accordingly, the Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved. All forward-looking statements contained in the Prospectus are made only as at the date hereof. The Issuer and its respective directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity, unless the Bonds are previously re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.

2.2 Risks relating to the Group and its Business

• Concentration and Dependence on the Maltese Market

The business activities of the Farsons Group are predominantly concentrated in and aimed at the Maltese market. Accordingly, the Group is highly susceptible to local economic trends, and negative economic factors and trends, particularly those influencing consumer demand, may have a negative impact on the business of the Group.

• Seasonality

The Group operates in markets which are highly seasonal with higher demand in summer being attributable to hotter temperatures and the increased number of tourist arrivals in Malta. A fall in the number of tourist arrivals in Malta and lower-than-average summer temperatures may both have a negative impact on the demand for the Group's products.

• Dependence on Export Markets

The Group's exports initiative is dependent for its success on the legal, fiscal, cultural and religious norms prevalent in overseas markets. Changes therein may influence the Group's profitability.

• Consumer Trends

The Group markets a collection of branded products which are easily recognisable by the customer. Maintaining the Group's competitive position depends on its continued ability to offer products that have a strong appeal to consumers. Patterns in consumer trends may change due to a variety of factors including changes in taste, social trends, travel and vacation patterns, weather effects and general economic conditions which could affect consumer spending and demand. Consumer trends are also impacted by the incidence of widespread disease in livestock and poultry either in Malta or abroad. The emergence of such a disease could also affect the demand for those Group products which contain ingredients linked to the disease. Consumer demand is also shaped by attitudes towards sugar consumption both locally and abroad. Such changes may consequently affect the profitability of the Group.

• Competition

The Group is exposed to substantial competition in all its business segments both locally and overseas. Increased competition, particularly in the parallel importation of beverages, and unanticipated actions by competitors or customers could lead to downward pressure on the prices of the Group's products and/or a decline in the Group's market share. This could have a negative impact on the Group's operating results and its ability to fulfil its obligations under the Bonds.

• Input Costs

Raw materials used in the production process of some of the Group's products are predominantly commodities that are subject to the price volatility on international markets caused by changes in the demand and supply for these products. The Group may be negatively affected by increases in such prices, if it is not able to pass on such prices to the consumer. Similarly, increased utility and personnel costs could have a material negative impact on the results of the Group.

• Personnel

The Group's growth is in part attributable to the efforts and abilities of the members of its executive management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's operational results are also heavily dependent on maintaining good relations with its workforce. A number of the Group's workforce in various operations is unionised. Any work stoppages or strikes could adversely affect the Group's ability to operate its businesses.

• Dependence on Plant, Equipment, Components and Machinery

The Group depends on key pieces of plant, equipment, components and machinery. If any such plant, equipment, component or machinery succumb to breakdown or cease to operate and a replacement is not readily available and/or there are operational difficulties in the supply chain, then the Group's production and ability to fulfil its contractual commitments would be adversely impacted, thereby having a material negative impact on the Group's business, financial condition, results of operations and prospects.

• Information Technology

The Group is dependent on a number of information technology systems for the smooth running of its production lines as well as in its administration. A significant breakdown in these computerised systems including but not limited to power losses, security breaches, computer viruses and vandalism or other illegal acts may affect the operations of the Group and consequently its profitability.

• Distribution and Franchise Relationships

The Group is highly dependent on its relationship with its distributors and franchisors. The Group's core business and the business of importation and sale of beverages including wines and spirits is dependent on the renewal of representation and distributorship agreements with the proprietors of the international brands that it represents. The relationship between the franchisor and the franchisee is a key ingredient in the ongoing success of Food Chain Limited which has operated Pizza Hut™, Burger King™ and KFC™ since the early nineties. Whilst the relationship between franchisor and franchisee remains a positive one, no assurances can be given that circumstances may not change negatively in the future.

This dependence could adversely affect the Issuer's operating results and growth strategy if it is unable to maintain the existing relationships or replace them with alternative relationships on equally favourable terms.

• Regulatory and Taxation

The Group's operations are subject to a significant degree of regulation. Changes in the law or regulations governing its products, in particular increases in indirect taxes, could impact negatively the Group's financial results if these are associated with increased costs to the Group. Furthermore, failure to maintain and/or obtain any necessary licences could have a negative impact on the Group's business and its operational results.

• Contamination, Complaints and Reputation Risk

The Group relies heavily on the reputation of its branded products. An event, or series of events, that materially damage/s the reputation of one or more of the Group's franchise brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business.

Contamination may lead to business interruption, product recalls or liability, each of which could have an adverse effect on the Group's business, reputation, prospects, financial condition and results of operations, especially in the case of its leading brands such as Cisk™ and Kinnie™. Although the Group may maintain insurance policies against these risks, it may not be able to enforce its rights in respect of these policies and, in the event contamination occurs, any amounts that the Group does recover may not be sufficient to offset any damage it may suffer.

Companies in the beverage and food sector are occasionally exposed to litigation relating to alcohol advertising, alcohol abuse problems or the health consequences from the misuse of alcohol, complaints or litigation from customers alleging food related illnesses, injuries suffered on the Group's premises or other food quality/health concerns. If such complaints/litigation result in fines or damage to the Group's reputation, the Group's business could also be impacted.

• Spin-Off

The shareholders of the Issuer have, at the annual general meeting held on 27 June 2017, approved the Spin-Off of Trident and its subsidiaries from the Company through the distribution of an interim dividend in kind of the Company's entire shareholding in Trident.

i. Reduction in the Company's fixed assets: should the Spin-Off materialise, a number of entities currently making up the Group will no longer form part of the Group, thereby reducing the fixed asset base of the Group which could impact the Company's ability to fulfil its obligations under the Bonds;

ii. Change in the nature of the Company's assets: should the Spin-Off materialise, a number of entities currently making up the Group will no longer form part of the Group thereby reducing the asset base of the Group. The nature of the assets that will no longer form part of the Group mainly relates to immovable property and therefore the diversity of the nature of assets will decrease altering the risk profile of the Company;

iii. Loss of income from the Trident Group: should the Spin-Off materialise, the Company will no longer receive income derived from dividends receivable from Trident;

iv. Lease Agreements: should the Spin-Off materialise, the Group will no longer hold title to a number of the properties used for its operating activities. Whilst the Group will ensure that a number of lease agreements are in place with companies forming part of the Trident Group in relation to such properties, said arrangement will give rise to counter-party risks should any company in the Trident Group not perform in line with its obligations under the lease agreements; and

v. Increase in the Company's level of financial gearing: should the Spin-Off materialise, the consequent reduction in equity would result in an increase in the Group's financial gearing.

• Financial Risk

The Group's activities potentially expose it to a variety of financial risks: market risk (including cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Issuer's financial performance.

i. Cash Flow and Fair Value Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates, comprising bank borrowings, expose the Group to cash flow interest rate risk. The Group's bank borrowings are subject to an interest rate that varies according to revisions made to the underlying reference rate.

ii. Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist principally of cash at banks and debtors. The Group's cash is placed with prime financial institutions. The Group has no concentration of credit risk that could materially impact on the sustainability of its operations. However, in common with similar business concerns, the failure of specific large customers could have a material impact on the Group's results.

iii. Liquidity and Funding

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally creditors and interest-bearing borrowings. The Group uses both the capital markets and banks to obtain debt finance for its operations. Changes in banking risk appetite caused by international financial turmoil may impact the willingness of banks to provide loans to companies. Also, changes in demand for debt instruments on capital markets could have an adverse impact on the Group's operations.

• Interest Rate

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on profitability. The Issuer is exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows. Bank loans expose the Issuer to cash flow interest rate risk. Changes in interest rates can have an adverse effect on the financial position and profitability of the Issuer.

• Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising from commercial transactions and recognised assets and liabilities, which are denominated in a currency that is different from the Group's functional currency. Although the majority of the Group's business transactions are in Euro, fluctuations in exchange rates of the euro against the functional currencies for the purchase or sale of transactions may adversely affect the results of the Group when translated into Euro. On specific transactions, the Group uses forward contracts to hedge its exposure to fluctuations in foreign currency exchange rates.

• Counterparty Risk

This risk arises from credit exposures to counterparties including amounts receivable from Group Companies. Failure on the part of counterparties to fulfil their obligations may impact the business of the Issuer. The Issuer does not hold any collateral as security in this respect.

• Potential Claims and Complaints

The Group's success in the market partially depends on its ability to maintain its image and reputation. However, in view of the nature of its business, the Group may be the subject of complaints or claims from customers alleging food-related illness, injuries suffered on the Group's premises, or other food quality or operational concerns. Adverse publicity resulting from such allegations may materially affect sales revenues generated by the Group's various business segments, regardless of whether such allegations are true or whether the Group is ultimately held liable. Furthermore, the proliferation of new methods of mass communication facilitated by the internet makes it easier for allegations to adversely affect the brand image and reputation or the reputation of the industry in general.

In addition, the Group may be subject to litigation. Litigation is expensive, time consuming and may divert management's attention away from the operation of the business. In addition, the Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims.

• Insurance Coverage Risk

Historically, the Group has maintained insurance at levels which it determines to be appropriate in the light of the cost of cover and the risk profiles of the business in which it operates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may, in some cases, not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

3. RESPONSIBILITY STATEMENT

This Registration Document includes information prepared in compliance with the Listing Rules of the Listing Authority for the purpose of providing investors with information with regard to the Issuer. Each and all of the Directors of the Issuer whose names appear under the heading *"Directors and Company Secretary"* in section 7.1 of this Registration Document, are the persons responsible for the information contained herein. To the best of the knowledge and belief of the Directors of the Issuer (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

4. ADVISERS TO THE ISSUER AND STATUTORY AUDITORS

The persons listed below have advised and assisted the Directors of the Issuer in the drafting and compilation of the Prospectus.

4.1 Advisers to the Issuer

Legal Counsel to the Issuer
Name: Mamo TCV Advocates
Address: 103, Palazzo Pietro Stiges, Strait Street, Valletta VLT 1436 – MALTA

Sponsor and Manager
Name: Rizzo, Farrugia & Co. (Stockbrokers) Limited
Address: Airways House, Third Floor, High Street, Sliema SLM 1549 – MALTA

Registrar
Name: Malta Stock Exchange plc
Address: Garrison Chapel, Castille Place, Valletta VLT 1063 – Malta

4.2 Statutory Auditors

Name: PricewaterhouseCoopers
Address: 78, Mill Street, Qormi QRM 3101 – MALTA

The annual statutory financial statements of the Issuer for the financial years ended 31 January 2015, 2016 and 2017 have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

5. INFORMATION ABOUT THE ISSUER

5.1 Information about the Issuer

Full Legal and Commercial

Name of the Issuer:	Simonds Farsons Cisk plc
Registered Address:	The Brewery, Mdina Road, Mrieħel, Birkirkara, BKR 3000, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 113
Date of Registration:	4 September 1965
Legal Form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone Numbers:	+356 2381 4291
Email:	sfc@farsons.com
Website:	www.farsons.com

5.2 History and Development of the Issuer

The origins of Simonds Farsons Cisk plc date back to 1928 when the first locally brewed beer, Farsons Pale Ale was launched in 1928 by L. Farrugia & Sons Limited a few months after the Company's Hamrun Brewery was completed. A year later, L. Farrugia & Sons merged with H & G Simonds, brewers from Reading in the UK who were engaged in the shipment of regular supplies of beer to the island since 1880. The new Company was called Simonds Farsons Limited.

Simonds Farsons Cisk Limited came into being in 1948 as the result of a merger between Simonds Farsons Limited and The Malta Export Brewery which was a competing brewery marketing its Cisk Pilsner beer in Malta and North Africa. Following this merger, it was decided to invest in a new brewery, and construction works started on a site at Mrieħel. Construction of the brewery was carried out under the direction of the Managing Director Mr Lewis V. Farrugia, an architect by profession. Mr Farrugia dedicated two years in developing a plan and project which, according to his experience, would meet the requirements of the market. The brewery was formally inaugurated in July 1950. A beer packaging hall was then commissioned in 1974, a state of the art fully automated brewing process plant that included an extensive tank farm facility, was inaugurated in 1990 and by 2008, the Company inaugurated a new soft drinks packaging hall incorporating plastic PET packaging facilities, a logistics centre and administrative offices in response to Malta's accession to the European Union and the resultant full liberalisation of the local carbonated soft drinks market. A new brewhouse was inaugurated in September 2012. This investment completed the last phase of the Master Plan that was initiated in the 1980's. In 2016, a new Beer Packaging Facility was commissioned. The new facilities introduced along the years enhanced Farsons' brewing capabilities and paved the way for new opportunities.

A year after the inauguration of the Mrieħel brewery, Simonds Farsons Cisk Limited diversified into the production of soft drinks and the next significant milestone was the development of Kinnie™, a bittersweet non-alcoholic drink made from oranges and aromatic herbs. Kinnie™, manufactured and marketed under its own trademark and label, was launched in 1952.

In 1978, the Company acquired the Malta Bottling Co. Ltd which held the franchise to manufacture and bottle Pepsi-Cola in Malta. PepsiCo International Limited appointed the Company the exclusive franchisee to produce, bottle, sell and distribute the 7Up™ brand in 2002.

EcoPure Limited was set up in 1995 to bottle and distribute drinking water in 18.9 litre and 11 litre bottles, as well as providing water coolers and dispensers for rental or purchasing.

During Mr Anthony Miceli-Farrugia's tenure, the Company diversified into the catering business through Express Catering Company Limited, operator of Wimpy™ restaurants chain, and the development of the Fortizza restaurant. The importation of wines and spirits was consolidated by the formation of a dedicated company, Wands Limited.

Mr Louis Anthony Farrugia, son of Lewis, was appointed Managing Director in 1980. Over a number of years, rights were acquired to operate the Pizza Hut™, Burger King™ and KFC™ franchises in Malta. The Group's fast food and casual dining business today encompasses fourteen outlets and is conducted through three subsidiaries.

The beverage importation business operated through Wands Limited was enhanced through the acquisition of Anthony Caruana & Sons Limited in 2000 and of the Guido Vella Cash & Carry three years later. All operations were merged into Farsons Beverage Imports Company Limited in 2009. This company is mainly engaged in the importation and distribution of wines, spirits and beers and operates Farsonsdirect, a retail outlet situated adjacent to the Farsons brewery, as well as its online retail website.

In 2004, the Group moved into the food importation sector through the acquisition of the business of Law Quintano & Co. Limited through Quintano Foods Limited. The company is engaged in the importation, marketing and distribution of branded food products. Trident (previously Trident Developments Limited) was established with the objective of owning, managing and developing the Group's substantial property interests.

With the onset of full liberalisation of the local soft drinks market, the Company invested in a technologically advanced PET soft drinks packaging plant and in a centralised logistics centre including modern automated warehousing facilities and an effective distribution set up and subsequently, a state of the art new Brewhouse which was inaugurated in 2012.

In 2016, a new beer packaging facility complete with its own warehouse complex came on train allowing increased efficiency and opening up a number of packaging solutions which were previously unavailable.

From a corporate perspective, in 1995 Simonds Farsons Cisk became the first private sector company to list its equity on the Malta Stock Exchange.

5.3 Key Financial Review

This section sets out highlights taken from the audited consolidated financial statements of the Issuer for each of the financial years ended 31 January 2015, 2016 and 2017. The said statements are available for inspection as set out under the heading *"Documents available for inspection"* in section 15 of this Registration Document.

There were no significant changes to the financial or trading position of the Issuer from that presented in its financial statements for the financial year ended 31 January 2017.

5.3.1 Consolidated Income Statement

Consolidated Income Statement	FY15	FY16	FY17
	€'million	€'million	€'million
Revenue	**79.2**	**86.0**	**88.1**
Cost of sales	(49.7)	(53.0)	(53.7)
Gross Profit	**29.5**	**33.0**	**34.4**
Selling & distribution costs	(9.8)	(10.2)	(10.7)
Administrative expenses	(9.6)	(11.1)	(10.8)
Other operating expenses	(0.4)	(0.2)	–
Operating Profit	**9.7**	**11.5**	**12.9**
Finance costs (net of finance income)	(1.5)	(1.4)	(1.5)
Profit before tax	**8.2**	**10.1**	**11.4**
Tax	5.2	0.9	0.5
Profit for the year from continuing operations	**13.4**	**11.0**	**11.9**
Profit/(loss) for the year from discontinued operations	(5.4)	0.2	0.2
Profit for the year	**8.0**	**11.2**	**12.1**

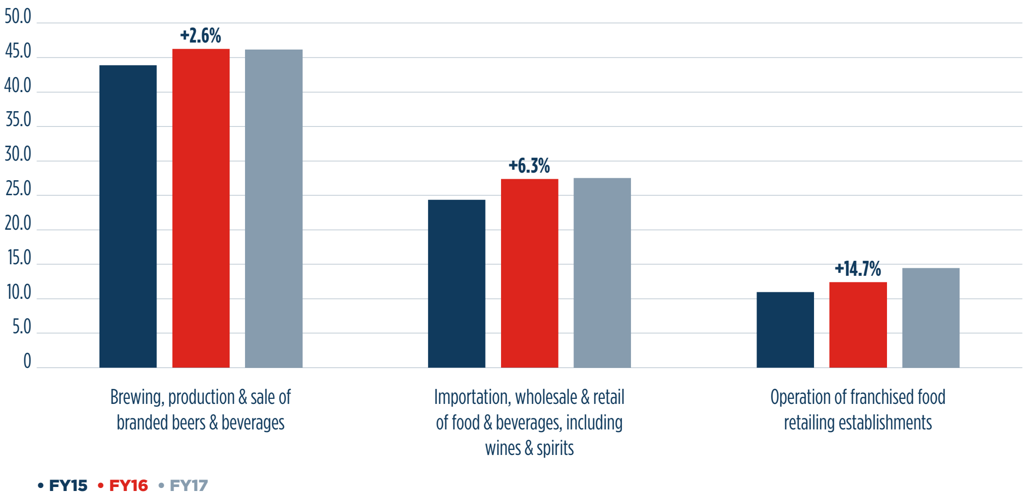
The audited financial statements for the periods under review include a categorisation of the Group's results between continuing and discontinued operations. The discontinued operations relate primarily to the Group's property management business segment which, as outlined further in section 5.4, is in the process of being separated from the Group's other business activities through the Spin-Off. The analysis shows that the discontinued operations had a significant impact on the results of FY15, with a net loss of €5.4 million recorded with respect to these operations, and a negligible overall impact in FY16 and FY17. The loss in FY15 arose primarily due to an impairment charge that had been recognised in relation to the Group's property portfolio.

The reported results also reflect net tax income being recognised throughout the period under review. This is mainly due to the recognition of deferred tax assets arising on unutilised tax credits available to the manufacturing arm of the Group. The application of investment tax credits schemes has become more restrictive in respect of large undertakings and this has led the Group to reassess the extent to which the related deferred tax may be utilised in the foreseeable future. This reassessment resulted in the recognition of further deferred tax assets on investment aid of €5.3 million in FY15, €1.1 million in FY16 and €1.4 million in FY17.

The Consolidated Income Statements indicate that the Group's profits before tax have increased from €8.2 million in FY15 to €11.4 million in FY17. The improvement in results reflects a combination of increased business levels as well as the implementation of production and operational efficiencies.

The Group's total revenue reached €88.1 million in FY17, up from €79.2 million in FY15, equivalent to a CAGR of 5.5% over the period. As illustrated by the table below, the Group experienced growth in revenues across all its principal business segments, including beverages (revenue CAGR of 2.6% in FY15 – FY17), food importation (revenue CAGR of 6.3% in FY15 – FY17) and franchise food outlets (revenue CAGR of 14.7% in FY15 – FY17).

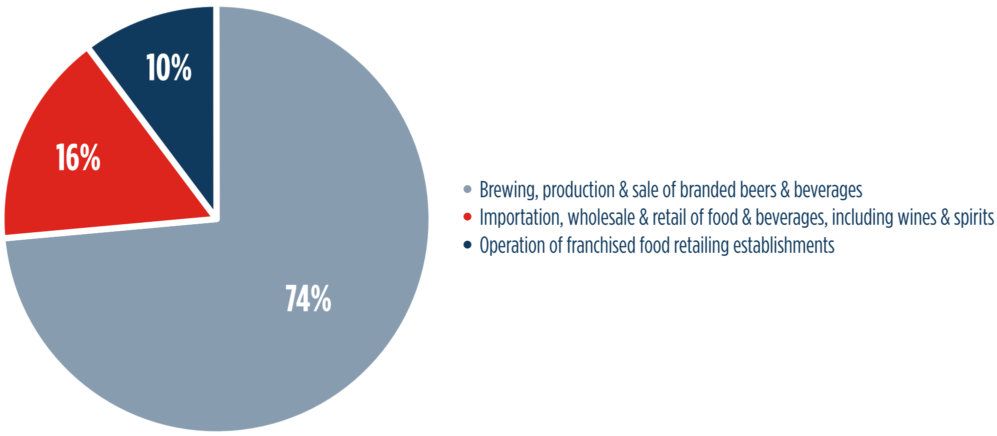
Analysis of revenue by business segment (FY15 – FY17)



The Group has invested significantly in its operational assets to improve efficiency and reduce production costs. Operating profit increased from €9.7 million in FY15 to €12.9 million in FY17, with the operating profit margin increasing from 12.2% to 14.6%. The marked increase in the Group's operating profit margin primarily reflects the improved efficiencies in production and operations across all business segments.

The chart below illustrates the composition of the Group's FY17 operating profit by business segment. The analysis highlights the relative importance of the beverage business to the Group, which segment accounted for 74% of the Group's operating profit in FY17.

Analysis of FY17 Operating Profit by Business Segment



5.3.2 Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income	FY15	FY16	FY17
	€'million	€'million	€'million
Profit for the year	**8.0**	**11.2**	**12.1**
Other comprehensive income:			
Items that will not be re-classified to profit or loss:			
Movement in deferred tax due to change in tax rates on immovable property	–	1.1	–
Revaluation surplus, net of deferred tax	–	–	4.7
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges, net of deferred tax	(0.5)	(0.1)	0.2
Total comprehensive income for the year	**7.5**	**12.2**	**17.0**

The principal items included in the Consolidated Statements of Comprehensive Income for the periods include the recognition of a revaluation surplus on the Group's property portfolio of €4.7 million recognised in FY17 and the effect of the change in tax rates on immovable property that resulted in the recognition of income of €1.1 million in FY16.

5.3.3 *Summary Consolidated Statement of Financial Position*

Consolidated Statement of Financial Position	FY15	FY16	FY17
	€'million	€'million	€'million
ASSETS			
Property, plant & equipment	80.2	90.0	110.9
Trade and other receivables	1.4	2.8	3.0
Other non-current assets	2.4	4.8	4.1
Total non-current assets	**84.0**	**97.6**	**118.0**
Inventories	11.1	12.3	14.6
Trade and other receivables	16.6	18.5	18.3
Other current assets	4.9	2.6	0.8
Total current assets	**32.6**	**33.4**	**33.7**
Non-current assets classified as held for sale	**33.0**	**31.6**	**31.2**
Total Assets	**149.6**	**162.6**	**182.9**
EQUITY & LIABILITIES			
Share capital	9.0	9.0	9.0
Reserves	91.2	100.5	114.3
Total equity	**100.2**	**109.5**	**123.3**
Borrowings	22.5	23.8	31.6
Other non-current liabilities	2.7	2.3	1.6
Total non-current liabilities	**25.2**	**26.1**	**33.2**
Borrowings	1.8	3.0	4.4
Trade and other payables	16.7	20.1	19.0
Other current liabilities	0.8	1.1	0.9
Total current liabilities	**19.3**	**24.2**	**24.3**
Liabilities directly attributable to non-current assets held for sale	4.9	2.8	2.1
	24.2	**27.0**	**26.4**
Total liabilities	**49.4**	**53.1**	**59.6**
Total Equity & Liabilities	**149.6**	**162.6**	**182.9**

The Group's Consolidated Statement of Financial Position as at FY17 indicates total assets of €182.9 million, an increase of €33.3 million (+22%) on the position reported in FY15. This increase reflects the significant investments made by the Group in this period, particularly with respect to an investment of circa €26.2 million in the new beer packaging hall, which is reflected in the increase in the carrying amount of property, plant & equipment from €80.2 million in FY15 to €110.9 million in FY17.

Other significant assets held by the Group include trade and other receivables of €21.3 million (FY15: €18.0 million) and inventory of €14.6 million (FY15: €11.1 million). The movement in these assets reflects the increase in the Group's level of business during this period.

The book value of the Group's equity increased by €23.1 million (+23%) to €123.3 million as at 31 January 2017. The Group has distributed total dividends of €8.7 million between FY15 and FY17, which is equivalent to 24% of the total comprehensive income recognised in the period.

The Group's total liabilities increased by €10.2 million (+22%) from €49 million as at FY15 to €59.6 million as at FY17. This increase primarily reflects an increase in the level of borrowings, which increased from €24 million in FY15 to €36 million in FY17 in line with bank facilities drawn down to finance the Group's capital investments in the period.

The table below illustrates the capital and indebtedness of the Group in the past three financial years. As at 31 January 2017, the Group reported net debt (which refers to the Group's total borrowings net of cash balances) of €35.2 million, which equates to a financial gearing level (worked out as net debt as a percentage of total funding) of 22.2%. The analysis indicates that in line with the increase in the overall level of borrowings, the Group's financial gearing has stepped up from 16.5% in FY15 to 22.2% in FY17.

Statement of Group's Indebtedness	FY15	FY16	FY17
	€'million	€'million	€'million
Bonds	14.8	14.8	15.0
Bank Loans	9.4	10.7	18.0
Bank Overdraft	0.1	1.3	2.1
Finance lease liabilities	–	–	0.9
Total Borrowings	**24.3**	**26.8**	**36.0**
Cash and Cash Equivalents	(4.5)	(2.4)	(0.8)
Net Debt	**19.8**	**24.4**	**35.2**
Total Equity	100.2	109.5	123.3
Total Funding	**120.0**	**133.9**	**158.5**
Financial Gearing (Net Debt: Total Funding)	***16.5%***	***18.2%***	***22.2%***

5.3.4 Summary Consolidated Cash Flow Statement

Consolidated Cash Flow Statement	FY15	FY16	FY17	Total FY15 – FY17
	€'million	€'million	€'million	€'million
Cash flows from operating activities				
Cash generated from operations	17.8	18.2	15.5	51.5
Net Interest payments	(1.5)	(1.3)	(1.5)	(4.3)
Income tax paid	(0.7)	(0.4)	(0.9)	(2.0)
Net cash generated from operating activities	**15.6**	**16.5**	**13.1**	**45.2**
Cash flows from investing activities				
Purchase of property, plant and equipment	(6.8)	(16.9)	(18.7)	(42.4)
Purchase of investment property and intangibles	(0.6)	(1.9)	(1.4)	(3.9)
Proceeds from disposal of assets	–	0.3	0.4	0.7
Institutional grants received	0.4	0.5	–	0.9
Net cash flows used in investing activities	**(7)**	**(18)**	**(19.7)**	**(44.7)**
Proceeds from non-current borrowings	–	3.1	9.1	12.1
Payments of current and non-current borrowings	(1.7)	(1.8)	(1.8)	(5.3)
Dividends paid	(2.5)	(3.0)	(3.2)	(8.7)
Net cash flows (used in)/from financing activities	**(4.2)**	**(1.7)**	**4.1**	**(1.8)**
Cash movement in the period	**4.4**	**(3.2)**	**(2.5)**	**(1.3)**
Beginning of Year Cash and Cash equivalents	–	4.4	1.2	
End of Year Cash and Cash equivalents	**4.4**	**1.2**	**(1.3)**	

The Group's Consolidated Cash Flow Statements indicate that the Group's operations have generated aggregate cash of €45.2 million in the 3-year period between FY15 and FY17. This cash generation has been applied towards the repayment of debt (€5.3 million) and payment of dividends (€8.7 million) with the balance (€31.3 million) re-invested into the business and applied towards the financing of the Group's capital investments during the said period. The cash flows analysis also indicates that the Group's total cash investment in the period amounted to €46.3 million, including €42.4 million relating to the acquisition of property, plant & equipment and €3.9 million relating to the acquisition of investment property and intangible assets.

5.4 The Spin-Off

At the annual general meeting held on the 27 June 2017, the Company's shareholders approved a resolution for the Group to proceed with the Spin-Off.

The Group has, over the years, acquired a significant base of real estate. The statement of financial position as at 31 January 2017 reports a total property holding of €104.8 million, which consists of €73.6 million classified as property, plant & equipment and €31.2 million as investment property held for sale. Although most of this real estate portfolio is utilised within the Group's core beverage and food operations, the portfolio also includes properties that offer scope for re-development given that they are currently under-utilised.

Over the past two decades, members of the Board and executive management of the Group have been heavily involved in developing and implementing a long-term capital expenditure programme that has been directed at transforming SFC in line with market and strategic exigencies. The continued investment in new production facilities and the resultant relocation of the operational facilities to the south of the Farsons' brewery, have gradually freed up a substantial area at the front of the brewery site in Mrieħel (referred to hereinafter as the "**Brewery Façade**"). Over the past few years, the Directors have been actively evaluating the viability of redeveloping the area occupied by the Brewery Façade into an office business complex with an accompanying car park and other amenities (hereinafter referred to as the "**Trident Park Project**").

Trident House, situated at 303, Qormi Road, Marsa, is another property that the Board believes offers significant development potential. The Group's food importation arm and the head office of the franchised foods business currently occupies approximately half of the footprint of this site, with the remaining part of the footprint currently vacant. Although a detailed study on the potential development of this site has yet to be undertaken, it is evident that redeveloping this site would significantly enhance the value that could be extracted from this asset.

The development of under-utilised real estate, particularly the Brewery Façade and Trident House, is essential to unlock the full value of these sites and continue to extract maximum value for the shareholders from the extensive property portfolio owned by the Group.

The development of properties such as the Brewery Façade and Trident House constitute major real estate projects, and the implementation of such projects requires appropriate expertise and undivided and effective management focus. Furthermore, the potential scale of these projects means that they will require significant capital investment. The financing of such projects could therefore impinge on the Group's debt service capacity and hence potentially affect its ability to finance continuing investment in its core beverage and food operations.

For these reasons, it has been resolved to separate a portion of the Group's property portfolio into a new structure, which will be totally separate from the shareholding in its core beverage and food operations.

Trident, which, together with its subsidiaries, already owns a substantial portion of the properties that have been identified for inclusion in the scope of the Spin-Off, is used as the vehicle for implementing the proposed separation. To this effect, in the past few months, the Group commenced the restructuring process through which individual properties and shareholdings in subsidiaries will be transferred to/from Trident in order to reflect the proposed allocation of properties as outlined in section 5.4.1. The process of transferring titles to individual properties to/from Trident will be completed by the date of the Spin-Off, which is planned to be implemented in the last quarter of 2017.

5.4.1 Properties to be included as part of the scope of the Spin-Off

The Group has carried out a detailed analysis of its real estate portfolio to identify the specific properties that will be included within the scope of the proposed restructuring.

The properties that will be included within the scope of the Spin-Off are set out below:

Properties for redevelopment	**Properties used by the Group's franchised food operations**	**Properties rented to third parties**
Brewery Façade, Mdina Road, Mrieħel	Pizza Hut, Bisazza Street, Sliema	Scotsman Pub, St George's Road, St Julian's
Trident House, Qormi Road, Marsa	Pizza Hut, South Street, Valletta	Fresco's, Tower Road, Sliema
	Burger King, Wilga Street, Paceville	Sardinella, St George's Road, St Julian's
	KFC, Msida Road, Gzira	Sliema Point Battery (Il-Fortizza), Tower Road, Sliema
	Pizza Hut, St George's Road, St Julian's	

The properties above include those identified for re-development, such as the Brewery Façade, as well as other properties that are either used by the Group's franchised food operation or that are being rented out to third parties. The aggregate valuation of the properties as at 25 May 2017 is of €31.2 million.

The ownership of other properties that currently support (or which may in the future be required to support) the Group's manufacturing and importation operations, is retained by SFC. This will ensure that the SFC preserves a substantial asset base that will support the operations and provide adequate cover on existing liabilities, as well as a platform for raising finance as and when required.

SFC will also retain ownership of the listed Grade 2 Farsons' old brewhouse situated in Mdina Road, Mrieħel and will therefore undertake the conversion, rehabilitation and re-utilisation of this property, which development is expected to commence later this year. The project will include the conversion of approximately 7,000 square metres of industrial space, including a visitor centre experience with supporting food and other retail outlets, flexible workspace and additional amenities with all components remaining mostly unaltered and the special interest interiors professionally restored. This development will be an important milestone in the continued development of SFC's brand identity and the protection of the Group's industrial heritage. For these reasons, the Directors believe that ownership and control of the project should be retained by SFC.

5.5 Pro forma financial information

This section of the Registration Document sets out an illustration of the financial implications of the restructuring and eventual Spin-Off on the consolidated results and financial position of the SFC Group. The illustration is based on extracts from the pro forma consolidated income statement and consolidated statement of financial position of the Group for the financial year ended 31 January 2017, which are set out in Annex I to the Registration Document. The pro forma statements assume that the Spin-Off was hypothetically implemented on 1 February 2016. The pro forma financial information has been prepared for illustrative purposes only. It addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results.

5.5.1 Illustrating the effect of the Spin-Off on the Group's operating results

The table below sets out a comparison between the Group's consolidated results for the year ended 31 January 2017 and the pro forma results that would have resulted assuming the Spin-Off had been implemented on 1 February 2016.

Statement illustrating the effect of the Spin-Off on the Consolidated Statement of Comprehensive Income of the SFC Group	31 January 2017 Actual	31 January 2017 Pro forma	Change (+/-)
	€'million	€'million	€'million
Revenue	**88.4**	**88.1**	**(0.3)**
Cost of sales	(53.9)	(54.3)	(0.4)
Gross Profit	**34.5**	**33.8**	**(0.7)**
Selling & distribution costs	(10.7)	(10.7)	-
Administrative expenses	(10.9)	(10.9)	-
Operating Profit	**12.9**	**12.2**	**(0.7)**
Gain on re-measurement of investment property	0.9	0.2	(0.7)
Finance costs	(1.5)	(1.5)	-
Profit before tax	**12.3**	**10.9**	**(1.4)**
Tax	(0.2)	0.2	0.4
Profit for the year	**12.1**	**11.1**	**(1.0)**
Other comprehensive income	4.9	1.3	(3.6)
Total comprehensive income for the year	**17.0**	**12.4**	**(4.6)**

Note: The 31 January 2017 actuals in the table above include the results of both continued and discontinued operations as extracted from the audited financial statements of SFC. This is illustrated further in Annex I to the Registration Document.

The pro forma comparison indicates that the Spin-Off would have resulted in a reduction of €4.6 million in the Group's consolidated comprehensive income for the year from the reported result of €17.0 million. The pro forma reduction in comprehensive income of €3.6 million reflects the gain of €4.1 million arising from changes in the fair value of those properties that are being transferred to Trident as part of the scope of the Spin-Off, net of the related deferred tax. Excluding this adjustment, the pro forma effect of the Spin-Off on the Group's reported results in FY17 is of €0.5 million as follows:

Analysis of pro forma reduction in comprehensive income		
	€'million	€'million
Pro forma reduction in comprehensive income		4.6
Increase in fair value of properties included as part of the scope of the Spin Off	4.8	
Deferred tax effect of movements in fair value	(0.7)	
Net effect of movement in fair value of properties		(4.1)
Pro forma reduction in the Group's profits arising from other adjustments		**0.5**

The pro forma reduction in the profits of €0.5 million is a more appropriate illustration of the impact of the Spin-Off on the SFC Group's profitability. The pro forma reduction in profits can be explained by the following broad movements:

i. The rental charge paid by the SFC Group on the properties owned by the Trident Group. This charge, which will amount to €0.7 million as per revised lease agreements effective 1 February 2017, will no longer be eliminated upon the consolidation of the results of the SFC Group;

ii. The loss of rental income received from third parties on the properties owned by the Trident Group, which amounted to €0.3 million in FY17;

iii. The reduction in Group's operating costs on account of ground rent currently incurred on properties owned by the Trident Group (€0.2 million in FY17) and operating expenses relating to the Trident Group (€0.1 million in FY16); and

iv. The related tax effect of items i, ii and iii above, calculated at the standard corporate tax rate of 35% and resulting in a pro forma reduction of €0.2 million in the Group's corporate tax expense.

5.5.2 Illustrating the effect of the Spin-Off on the Group's financial position

The table below sets out a comparison between the Group's consolidated statement of financial position as at 31 January 2017 and the pro forma position that would have resulted assuming the Spin-Off had been implemented on 1 February 2016.

Statement illustrating the effect of the Spin Off on the Consolidated Statement of Financial Position of the Group	31 January 2017 Actual	31 January 2017 Pro forma	Change (+/-)
	€'million	€'million	€'million
ASSETS			
Property, plant & equipment	110.9	110.9	–
Investment property	31.2	–	(31.2)
Deferred tax asset	3.5	3.5	–
Other non-current assets	3.6	3.6	–
Total non-current assets	**149.2**	**118.0**	**(31.2)**
Cash & cash equivalents	0.8	0.8	–
Other current assets	32.9	32.9	–
Total current assets	**33.7**	**33.7**	–
Total Assets	**182.9**	**151.7**	**(31.2)**
EQUITY & LIABILITIES			
Share capital	9.0	9.0	–
Reserves	114.3	78.2	(36.1)
Total equity	**123.3**	**87.2**	**(36.1)**
Deferred tax liabilities	1.8	–	(1.8)
Borrowings	31.6	31.6	–
Other non-current liabilities	1.9	1.6	(0.3)
Total non-current liabilities	**35.3**	**33.2**	**(2.1)**
Current tax liabilities	0.6	0.6	–
Borrowings	4.4	11.3	6.9
Other current liabilities	19.4	19.4	–
Total current liabilities	**24.4**	**31.3**	**6.9**
Total liabilities	**59.7**	**64.5**	**4.8**
Total equity & liabilities	**182.9**	**151.7**	**(31.3)**

Note: The 31 January 2017 actuals in the table above include the reclassification of balance, which in the audited financial statements and in the financial information set out in section 5.3 are disclosed as non-current assets held for resale and liabilities relating to non-current assets held for resale. The reclassification of amounts is illustrated further in Annex I to the Registration Document.

The comparison indicates that the Spin-Off would have reduced the SFC Group's total assets by €31.3 million, from €182.9 million to €151.7 million. The principal movement underlying this reduction relates to the decrease in the carrying amount of the Group's investment property (€31.2 million) on account of the properties owned by the Trident Group that will no longer be reflected in the SFC Group's consolidated statement of financial position, once the Spin-Off is implemented.

The comparison also indicates a net increase of €4.8 million in SFC Group's total liabilities, from €59.7 million to €64.5 million. This net movement reflects an increase of €6.9 million in the Group's total borrowings required for the €6.5 million cash contribution which the SFC Group will be injecting into the Trident Group prior to the Spin-Off. The other principal movement relates to a reduction of €1.8 million in the deferred taxation asset on account of the liability that is recognised in relation to the properties owned by the Trident Group. This provision will no longer be reflected in the SFC Group's consolidated statement of financial position.

In terms of the SFC Group's total shareholders' equity, the comparison indicates a reduction of €36.1 million from €123.3 million to €87.2 million.

5.5.3 Illustrating the effect of the Spin-Off on the Company's Key Financial Indicators

The table below sets out the effect of the Spin-Off on some of the Group's key financial indicators in terms of profitability, return on investment, debt service and capital structure:

Statement illustrating the effect of the Spin Off on Key Financial Indicators for the Group as at 31 January 2017

	31 January 2017 Actual	31 January 2017 Pro forma
Profit Margins		
Gross Profit Margin (gross profit as a % of revenue)	39.0%	38.3%
Operating Profit Margin (operating profit as a % of revenue)	14.6%	13.8%
Net Profit Margin (profit for the year as a % of revenue)	13.7%	12.6%
Return on Investment		
Return on Assets (operating profit as a % of total assets)	7.0%	8.0%
Return on Equity (profit for the year as a % of total equity)	9.8%	12.7%
Debt Service and Capital Structure		
Total Liabilities as a % of Total Assets	32.6%	42.5%
Borrowings as a % of Total Equity and Borrowings	22.6%	33.0%
Borrowings (net of cash) as a % of Total Equity and Borrowings (net of cash)	22.2%	32.6%
Interest cover (operating profit: finance costs)	8.8x	8.3x
Borrowings: operating profit	2.8x	3.5x
Borrowings (net of cash): operating profit	2.7x	3.5x

The comparison illustrates that the Spin-Off would result in a reduction in the SFC Group's operating profits (with operating profit margin contracting from 14.6% to 13.8%) but an improvement in the overall return on investment.

The pro forma workings highlight that the Group's return on assets would increase from 7.0% to 8.0% whilst return on equity would step up from 9.8% to 12.7%. These improvements are a reflection of the fact that the pro forma reduction in total assets is arising on assets (the Trident Group's property portfolio) that are generating a lower rate of return than the other operating assets employed in the Group's core operations.

The comparison also illustrates that the reduction in equity resulting from the Spin-Off would result in an increase in the Company's financial gearing, with borrowings (net of cash) expressed as a percentage of total equity and borrowings (net of cash), increasing from 22.2% to 32.6%. Furthermore, the Spin-Off would result in a reduction in the level of debt service cover, with the Group's interest cover decreasing from 8.8 times to 8.3 times. The above analysis, however, also highlights that had the Spin-Off been implemented during the past financial year, the Group would have still reported healthy levels of profitability margins, return on investment and financial gearing and a comfortable level of interest cover.

5.6 Investments

The following are the investments which have either commenced or which the Company is committed to undertake in the near future. The Company intends to fund these investments through committed bank facilities in place and any balance available from the Bond proceeds.

- **Beer and soft drinks kegging plant, including a water bottling line**

The investment in a new plant and production lines will improve the processes for packaging beer and soft drink kegs as well as the bottling of the 19 litre water package by end of year 2017. This project is envisaged to open up opportunities for new products, including the facility to fill one-way kegs, and increase efficiencies in labour and utilities resulting from the automation and higher speeds that come with the newer technology.

The cost of this investment is expected to be in the region of €3.8 million.

- **Logistics Warehouse extension**

The extension of the logistics centre relates to the construction of an extension to the warehouse at the rear of the Logistics Centre to increase storage capacity. Excavations have started in January 2016 and construction is expected to be completed by the end of the current financial year and is anticipated to cost €4.1 million.

- **Container Un/Loading Bays**

The investment in the beer packaging hall called for an increase in storage capacity and loading facilities for which the Company invested in the construction of a warehouse. However, in order for the logistics operation to operate efficiently and reduce handling costs and other inefficiencies, a transit area is required for the unloading of imported materials and the loading of the finished product for export. This transit area will include three container loading bay systems, which will be built according to the latest technologies and will include an array of safety and security features that are compliant with modern required standards. This investment is expected to be completed by August 2017.

The projected investment for this extension is expected to not exceed €0.9 million.

- **Truck Depot**

This project, expected to require an investment by the Company of €0.7 million, complements and builds on the current investments undertaken in the Logistics Centre.

The new truck depot is being built on 3,000m^2 of land that was recently acquired by SFC. By the end of 2017, the extended yard can comfortably house 74 trucks and 3 trailers.

- **Offices to house the administrative functions of Farsons**

SFC shall be re-locating the offices of the executive, marketing, finance and administration staff in one building by the third quarter of 2017. This will allow for a more contemporary and effective working environment in line with established international standards for such premises. The new offices are expected to cost around €5.5 million.

- **Chapel and Canteen refurbishment**

The Canteen and Chapel need to be relocated to enable the requirements of Trident Park. A budget of €500,000 is approved, with the project expected to be completed by the end of 2017.

5.7 Business Overview

Over the years, the Farsons Group has established a solid reputation for quality products and nurtured a growing base of loyal customers. The operations of the Company consist of the brewing, production and sale of beer and branded beverages and, in the opinion of the Directors, the range of products and packages offered by the Company is sufficiently varied as to enable it to offer a strong beverage portfolio both to the consumer and to the trade. Each brand is promoted locally to varying degrees and great efforts are made to build and to protect product loyalty.

The Group's main activities may be split into the following categories:

- **Brewing, production and sale of branded beers and beverages segment**

The business of brewing, production and sale of beer and branded beverages is the core business of the Group, and comprises the activities of Simonds Farsons Cisk plc, Farsons Distribution Services Limited and EcoPure Limited. Apart from its own range of beers and soft drinks developed in-house, SFC represents Budweiser™, Carlsberg™, Skol™, Pepsi™, 7UP™, Mirinda™, Britvic™ and Like Cola™, as exclusive packagers for Malta.

- **Importation, wholesale and retail of food and beverages, including wines & spirits segment**

This segment has shown significant growth over the last few years, particularly following the acquisition of the business of Quintano Foods and comprises Farsons Beverage Imports Company Limited and Quintano Foods Limited. The Group represents some world-renowned beer brands including Becks™, Guinness™, John Smith™, and Corona Extra™, ciders including Strongbow™, Woodpecker™ and Bulmers™ together with branded spirits such as Campari™, Ballantine's™, Jim Beam™, Whyte & Mackay™, Cointreau™, Molinari™, Absolut Vodka™, Remy Martin™, Jagermeister™, Vladivar™, Pernod™, BOLS™, Beefeater™, Chivas Regal™, Havana Club™ and Aperol™ together with a large range of Italian, French and new-world wines such as Jacob's Creek™, Ruffino™, Robert Mondavi™ and Bolla™ amongst others. Red Bull™, Monin™, Kimbo™, Perrier™ and Vittel™ are also represented through this segment. The recent representation of Red Bull™ has further strengthened the number of brands being represented. Quintano Foods represent the renowned Danone™, Quaker™, Walkers™, Tropicana™ and Trevalli™ amongst other prestigious brands.

- **Operation of franchised food retailing establishments segment**

The catering business of the Farsons Group comprises the franchise operations conducted through KFC™, Pizza Hut™ and Burger King™. These operations consist of fourteen franchised restaurants.

- **Property management segment**

This segment was established so as to enable the Group to achieve better utilisation of its investment property holdings. Trident and its subsidiary companies own a number of properties that are primarily used within the Group, in particular, the food retailing establishments and the food importation arm. Other properties are also leased to third parties. The shareholders of the Issuer have, at the annual general meeting held on the 27 June 2017, approved the spin-off of Trident and its subsidiaries from the Company through the distribution of an interim dividend in kind of the Company's entire shareholding in Trident. Further information on the Spin-Off is included in section 5.4 entitled *"Spin-Off"*.

Throughout its extensive history SFC has successfully nurtured franchise relationships, expanded in the beverage and on-premise market sector and has invested through its subsidiary companies in areas of business that create synergies with the main elements of its core business. The business of the subsidiary companies listed below include the sale of branded beverages, including wines and spirits and the operation of franchised food retailing establishments and property management.

- **EcoPure Limited** (C 19492) manages the distribution of drinking water in 19-litre and 10-litre bottles, as well as providing coolers and dispensers for rental or purchasing.

- **Farsons Distribution Services Limited** (C 34575) is not engaged in any operation but has a number of employees registered in its name.

- **Farsons Beverage Imports Company Limited** (C 476) operates as an importer and distributor of wines, spirits and beers and operates a retail operation through Farsonsdirect cash and carry outlet in Mrieħel and farsonsdirect.com, a retail outlet situated adjacent to the Farsons Brewery as well as its online retail website.

- **Quintano Foods Limited** (C 33660) centres its business on the importation, marketing and distribution of branded food products.

- **Food Chain Limited** (C 753) is engaged in the fast food and casual dining business.

- **Portanier Warehouses Limited** (C 29563) holds the title to property in Qormi.

- **Galleria Management Limited** (C 19528) is currently in a non-trading position.

- **Trident Estates Limited** (C 27157) is engaged in the ownership, management and development of selected Group property.

- **Mensija Catering Company Limited** (C 5391) holds the title to property in St Julian's which are leased out to Food Chain Limited.

- **Neptune Properties Limited** (C 79214) which shall be entrusted with the ownership, development and subsequent operation of land in Qormi Road, Marsa.

- **Trident Park Limited** (C 79212) shall be engaged with the ownership, development and subsequent operation of the Brewery façade in Mdina Road, Mrieħel.

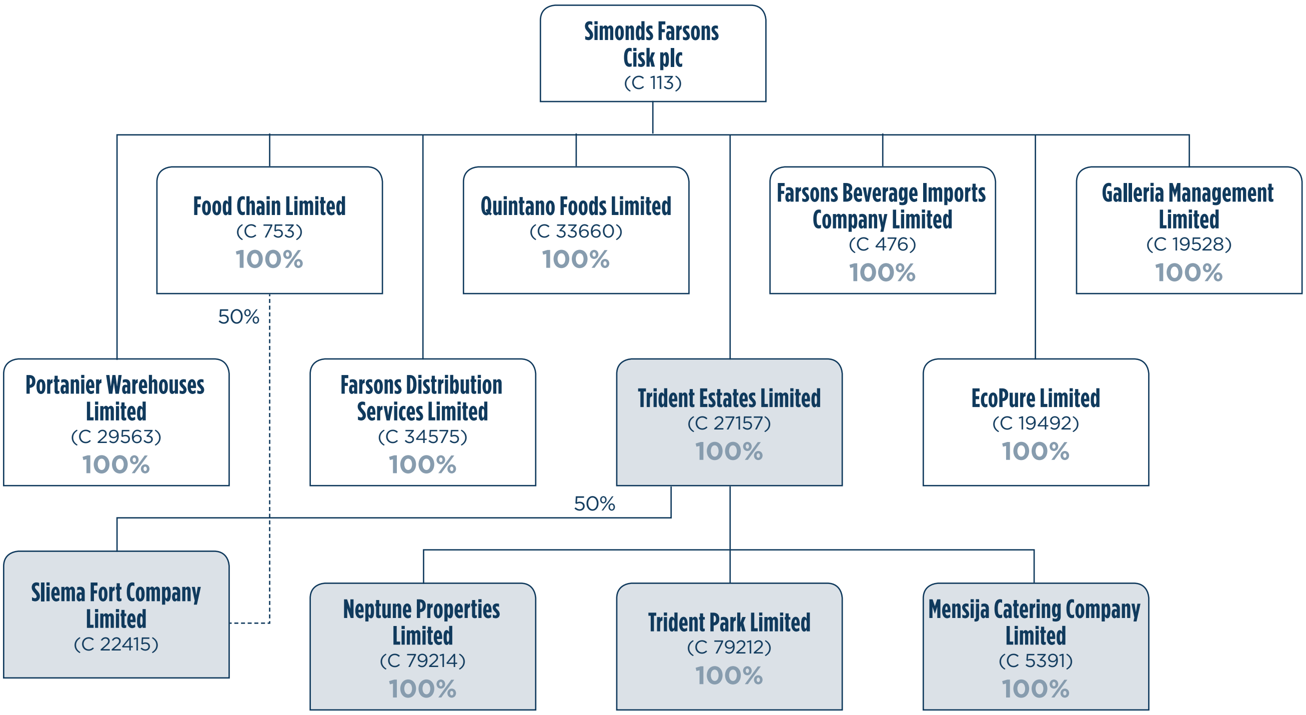
- **Sliema Fort Company Limited** (C 22415) holds the title to property in Sliema which is leased out to third parties.

The following companies are currently in liquidation:
Malta Deposit and Return System Limited (C 38304)
FSG Company Limited (C 27784)

5.7.1 Principal Markets

The Issuer mainly operates in and from Malta although it looks at maintaining a strong focus on innovating and internationalizing its business further. This twin approach continues to form the basis of the Company's growth strategy in the exports market as a potential for future growth. A number of new markets have already been penetrated with the Issuer's own range of branded beer Cisk™, its Farsons Classic Brews™ and carbonated soft drinks including Kinnie™. Apart from the Italian market, the Issuer managed to penetrate the United Kingdom, Japan, China, South Korea, Germany, Poland, Canada, United States and Australia while prospects for business opportunities through the Libyan market subsist.

5.8 Organisational Structure of the Group



In liquidation: Malta Deposit and Return System Limited (C38304)
FSG Company Limited (C27784)

The shaded companies form part of the Trident Group and will no longer form part of the SFC Group following the Spin-Off.

6. TREND INFORMATION

The Group's business is highly dependent on the performance of the local economy and, to a limited extent, also geopolitical issues within the Mediterranean region and possibly beyond. Locally, influencing factors include consumer confidence and spending, private consumption and the tourism industry. Other non-economic factors including one-off events, whether sports, entertainment or other, and weather conditions also impact, with a varying degree, the Group's overall performance.

The Group has consistently registered improved turnover and profitability, resulting in improved earnings before interest, tax, depreciation and amortisation (EBITDA):

	Jan-17	Jan-16	Jan-15	Jan-14	Jan-13
Turnover (€'000)	**88,414**	86,370	79,503	78,629	77,180
% increase	**2%**	9%	1%	2%	
Profit attributable to ordinary shareholders (€'000)	**12,132**	11,223	8,009	6,325	5,969
% increase	**8%**	40%	27%	6%	
EBITDA (€'000)	**19,262**	17,383	15,601	14,036	12,871
% increase	**11%**	11%	11%	9%	

Over the years, several factors contributed to the attainment of these results, including:
- Growth in sales of the beer portfolio particularly within the Group's own brands;
- Increase in sales of the imported beverages portfolio;
- Savings originating from costs of raw materials;
- Overhead costs containment;
- Improved productivity and efficiency parameters;
- New targeted product launches in line with consumer and market trends; and
- Review of internal processes and the increased application of information technology.

The Board of Directors remains determined to sustain the Group's competitive advantage through continued investment and innovation while ensuring that the Group is adequately resourced to take on new challenges and exploit new market opportunities.

Efficiency improvements through planned investment, innovation, further application of latest technology, cost containment, review of internal processes and exports growth remain areas of priority for the Group. This is in line with the Group's strategic vision of developing the local and international business for the Group to evolve further into a relevant regional player within the food and beverage sector.

In recent years, the Group has invested heavily in its operations and renovated its brewing, soft drinks and beer packaging facilities together with its warehousing and logistics operations. Such investments are also aimed, amongst others, at reducing the Group's energy consumption and water usage in order to enhance its competitiveness while safeguarding the environment.

The main investments of the Group over the last 10 years included:

2008 – The new soft drinks packaging hall and logistics centre

2008 was a landmark in the history of the Farsons Group. Following the liberalisation of the soft drinks market at the end of 2007, the glass bottles have been fast replaced by the more convenient PET bottles and cans. This major packaging revolution has brought about new challenges to the company and an investment of €24 million to build a new soft drinks packaging hall and the provision of modern warehousing facilities and a renewed truck fleet was completed in February 2008. This investment ensured the provision of a high standard product in a more efficient manner.

2012 – Brewhouse, laboratory and water treatment facilities

The inauguration of the new €12.5 million Brewhouse took place in September 2012. This new Brewhouse is an iconic building of a notable architectural design that builds on the legacy of the past Farsons breweries. At the same time, it is a testament of the Group's "green" credentials, being environmentally friendly, allowing for the optimal use of energy and waste. The Brewhouse investment completes the last phase of the Master Plan that was initiated in the 1980's. As a result of the implementation of this Master Plan, the Group was able to respond well to challenges of a rapidly changing and more competitive market, and added capacity for the increased export market opportunities.

2016 – Beer packaging facility

The new state of the art beer packaging facility enabled the Group to produce and pack beer and soft drinks in exportable packages, at competitive prices and embark on its vision of establishing itself as a regional player within the beverage sector. This €27 million investment was commissioned in April 2016. It consists of three floors – a packaging hall and two floors of packaging materials stores. The packaging hall has been designed to offer the best European standards in working environment and health and safety standards. With a total footprint of 4,500 square metres, the new facility has the capacity to package bottles and cans at impressive speeds.

The other investments planned for 2017, which include the beer and soft drinks kegging plant (including a water-bottling line). The container un/loading bays, the Truck Depot, the canteen and chapel refurbishment and the new offices to house the administrative functions of Farsons have been explained in greater detail in section 5.6 entitled *"Investments"*.

Segmental Trends

The Group's own brands, particularly the Cisk™ and Kinnie™ portfolios, contribute significantly to the positive performance of the Group. Nonetheless, market conditions and trends within the soft drinks sector are not expected to change in the medium term as the market continues to evolve towards increased focus on wider consumer health issues that, paired with a faster-paced lifestyle, is causing constant shifts in consumer tastes and trends. Given this scenario, while there is limited scope for growth within the soft drinks market that remains under pressure, we also believe that, in equal measure, this also presents the Group with other market opportunities that are being carefully evaluated.

In line with international trends, the craft beers segment is also growing in market share. Within this context, the Group has aligned its product portfolio through innovation and further development of its own beer portfolio, also particularly in view of the Group's export growth strategy and ambitions.

The beverage importation division has also posted encouraging performance with notable revenue growth registered across its diverse portfolio together with increased profitability.

The food importation arm has gone through a period of re-organisation and consolidation in the light of fast evolving market dynamics, where the private label concept has become a reality and is consolidating further. This prompted the need for new strategies where targeted measures have been implemented to address the performance of this segment.

The franchised foods business is dependent on ongoing plans for refurbishment projects for existing establishments while also opening new outlets. Identifying outlets in strategically located positions is key to this segments' success and work in this respect is currently well underway.

There has been no material adverse change in the prospects of the Issuer since the date of publication of its latest audited financial statements.

The future outlook at Farsons is based on further and consistent growth, which will continue to be spearheaded through ongoing innovation, along with a determined drive on the export business.

The Company is also in the process of separating the fast-moving consumer food and beverage business from the property interests of the Group by way of the Spin-Off transaction. This transaction will involve the distribution in kind to shareholders of the designated property assets on a pro-rata basis to their shareholding in SFC. Accordingly, immediately upon Spin-off, shareholders in SFC will receive the equivalent proportion of shares in the spun-off property entity. Additional detail on the Spin-Off is included in section 5.4 entitled *"Spin-Off"*.

The Board has ambitions for growth, while exploiting new market opportunities and developing all the Group's segments. With continued visionary foresight and the necessary strategic thinking, followed by effective decision-making and the successful delivery of all business plans, the Board is confident that the Group is adequately positioned to offer the required resilience while being able to respond effectively and proactively to an evolving and increasing complex market dynamics.

7. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

7.1 Directors and Company Secretary

Louis A. Farrugia (ID 199451M) – Chairman

Marcantonio Stagno d'Alcontres (Italian Passport No. P 1876615) – Vice Chairman (Independent)

Roderick Chalmers (ID 708847M) – Non-Executive Director (Independent)

Michael Farrugia (ID 298980M) – Executive Director

Dr Max Ganado (ID 468959M) – Non-Executive Director (Independent)

Marina Hogg (ID 547559M) – Non-Executive Director (Independent)

Marquis Marcus John Scicluna Marshall (ID 617564M) – Non-Executive Director (Independent)

Baroness Christiane Ramsay Pergola (British Passport No. 700332224) – Non-Executive Director (Independent)

The Company Secretary is Ms Antoinette Caruana (ID 215062M).

The business address of each of the Directors and the Company Secretary is the registered office of the Issuer.

7.1.1 Curriculum Vitae of Directors

Mr Louis A. Farrugia

Mr Louis A. Farrugia was appointed Managing Director of Simonds Farsons Cisk plc in 1980 and Group Chief Executive in 2001 and served in this role until 2011. During his tenure as CEO, the Group grew into a diverse food and beverage business well placed to take on the challenges of competing in the single European market and beyond.

In June 2011 he was appointed Chairman of the Board.

He is a Fellow Member of the Institute of Chartered Accountants in the UK and is also Chairman of the Multigas and Farrugia Investments Groups. Mr Farrugia was the founding President of the Foundation of Human Resources and past President of the Malta Chamber of Commerce. In January 2010, he was appointed Chairman of the Malta Tourism Authority and in May 2011 he resigned this post to be appointed non-executive chairman of Air Malta plc, a position he held until April 2013.

In 2004, he received an Order of Merit (MOM) in recognition of his contribution on a national level to industry and enterprise in Malta.

He was also awarded Ufficiale dell'Ordine Al Merito della Repubblica Italiana on 15 January 2013, for his voluntary involvement in initiatives outside his direct line of business.

Mr Marcantonio Stagno d'Alcontres

Mr Marcantonio Stagno d'Alcontres is a senior banker with more than 30 years of international banking experience. He joined Banco di Sicilia in 1976 and had spells in London and Singapore before moving to Arab Bank plc, Amman, later Europe Arab Bank plc, as Executive Country Manager for Italy, a position held till 2009 when he was appointed adviser to the Prime Minister's Office for the Economic Development of Italy's Southern Regions. Mr Stagno D'Alcontres holds a degree in Business Management from Messina University and a Masters in International Finance from the Manchester Business School. He was appointed to the Board of Simonds Farsons Cisk plc in 2002 and is currently its Vice Chairman.

Mr Roderick Chalmers

Mr Roderick Chalmers is a chartered accountant by profession, specialising in the financial services sector. Between 1972 and 1983 he practiced in Malta as a partner with the offices of Coopers and Lybrand, before moving to Hong Kong in 1984. He was a partner with Coopers and Lybrand, (later PricewaterhouseCoopers), Hong Kong between 1984 and 2000.

He was appointed to the International Board of Directors of Coopers & Lybrand between 1996 and 1998 and was also a member of the PwC Global Management Board. Upon retirement from the firm, Mr Chalmers pursued a full-time MA degree at Edinburgh University.

He was appointed by the Government of Hong Kong to act as a non-executive director of the Securities and Futures Commission (the regulator of the Stock and Futures exchanges) between 1992 and 1999. He was also a member of the Takeovers and Mergers Panel and was appointed by the Financial Secretary of Hong Kong to sit on the Banking Advisory Committee.

Between 2004 and 2012 he was appointed chairman of Bank of Valletta plc and a director of Middlesea Insurance plc and MSV Life plc. He is currently a non-executive director of Gasan Group Limited, Gasan Zammit Motors Limited and Alfred Gera & Sons Limited.

Mr Chalmers has been a non-executive Director of Simonds Farsons Cisk plc since 2006.

Mr Michael Farrugia

Mr Michael Farrugia joined the Group in 2006 succeeding in various roles prior to his appointment as Chief Business Development Officer. He was elected a Director of Simonds Farsons Cisk plc in 2011. Mr Farrugia is a director on Farsons Beverage Imports Company Ltd and chairs its board and serves as a trustee on the Board of the Farsons Foundation.

Completing secondary and higher education in the United Kingdom, Mr Farrugia graduated from Edinburgh University with a master's degree in History and followed up his studies with a postgraduate diploma in Journalism from the London School of Journalism and a Master of Business Administration (MBA) from Warwick University.

Dr Max Ganado

Dr Max Ganado has practised law for over 30 years. Starting as a maritime lawyer, dealing with all aspects of shipping including ship finance, he became a partner of Ganado Advocates, one of Malta's foremost law practices, in 1986. He moved on to develop the financial services practices of the firm. He has been heavily involved in the drafting of new legislation required for the development of Malta as a centre for shipping, financial services, securitisation and aviation.

He has lectured on investment funds, trusts and voluntary organisations for the last few years at the University of Malta and regularly participates in international conferences. He has written extensively on subjects of his specialisation.

He is currently the senior partner at GANADO Advocates. Dr Ganado has been a Director of the Company for the past fourteen years.

Ms Marina Hogg

Ms Marina Hogg's early career spanned postings with the Grand Hotel Verdala and subsequently with Simonds Farsons Cisk plc. In 1980, she moved to the United Kingdom where she worked for James Buchanan & Company Limited, distillers of Black & White whisky. Ms Hogg is an executive director of Hogg Capital Investments Limited and has led the company's investment administration team since 1995, as well as being responsible for the daily operations of all of its related business units. She has been a Director of Simonds Farsons Cisk plc since 2008 and is a member of the Audit Committee and of the Remuneration Committee of the Board.

Marquis Marcus John Scicluna Marshall

Marquis Marcus Scicluna Marshall is a director of Sciclunas Estates Limited and co-administrator of the Estate of Marquis J. Scicluna. He started his career with Simonds Farsons Cisk plc in January 1998, holding managerial posts in different departments within the Brewery for a period of ten years. Marquis Scicluna Marshall has been a Director on the Board of the Company for the past nineteen years.

Baroness Christiane Ramsay Pergola

Starting her career in the airline industry, Baroness Ramsay Scicluna was based in Rome and worked for Air Italia. She subsequently set up a successful dance school in Rome prior to moving to Malta. Early in 2007, the Baroness began her own company that focused on the renovation, restoration and redevelopment. Baroness Ramsay Pergola joined the Board of Simonds Farsons Cisk plc in 2015.

Ms Antoinette Caruana

Ms Antoinette Caruana is the company secretary and Group HR Manager of the Farsons Group. She has specialized in change management, HRM and has also been actively involved in local industrial relations. She has held a number of positions in the private sector including the posts of Chief HR Officer of Lufthansa Technik Malta and General Manager HR of the Brandstatter Group.

She was Chief Executive of the newly incorporated government agency, Heritage Malta between 2003 and 2006. Antoinette has consulted with various local organizations and lectured at the Faculty of Economics, Management and Accountancy, University of Malta. She served as director of the Central Bank of Malta between 2008 and 2013, and serves as employers' representative on the Industrial Tribunal, was a trustee of the Richmond Foundation and a director of the Foundation for Human Resources Development.

7.1.2 Directors' Service Contracts

The chairman has an indefinite service contract which is periodically reviewed by the rest of the Board. A fixed salary is payable. However, at the beginning of each financial year, the Board of Directors establishes a number of objectives, the achievement of which may cause a performance bonus to be considered. Except for the chairman and for Mr Michael Farrugia, no other Director is employed or has a service contract with the Issuer or any of its subsidiaries.

7.1.3 Aggregate Emoluments of Directors

The maximum annual aggregate emoluments that may be paid to the directors is approved by the shareholders in the Annual General Meeting in terms of Article 81(i) of the Issuer's Articles. This amount was fixed at an aggregate sum of €750,000 per annum at the 69th Annual General Meeting held on the 28 June 2016.

7.1.4 Loans to Directors

There are no outstanding loans provided by the Issuer or any of its subsidiaries to any of the directors.

7.1.5 Removal of Directors

In terms of the Articles, directors are appointed in one of two ways, such method of appointment being relevant for the corresponding method of removal.

Article 95 of the Articles provides that every shareholder owning twelve and half percent (12.5%) of the ordinary issued share capital of the Company or more shall be entitled to appoint one director for each and every twelve and half percent (12.5%) of the ordinary share capital owned by such shareholder and such shareholder may remove, withdraw or replace such director at any time.

Article 96 of the Articles provides that all shares not utilised for appointing directors as per Article 95 of the Articles (including remaining fractions) shall be entitled to fill the remaining unfilled posts of directors at the annual general meeting of the Company.

In terms of Article 98 of the Articles, except for the managing director, all directors appointed under the provisions of Article 95 of the Articles shall retire from office at least once every three years whereas all directors elected under the provisions of Article 96 of the Articles shall retire from office at the first annual general meeting of the Company following their election.

In terms of Article 140 of the Act, a company may remove a director before the expiration of his period of office by a resolution taken at a general meeting of the company and passed by a member or members having the right to attend and vote, holding in the aggregate shares entitling the holder or holders thereof to more than fifty per cent of the voting rights attached to shares represented and entitled to vote at the meeting.

7.1.6 Powers of Directors

The Directors are vested with the management of the Issuer, and their powers of management and administration primarily emanate directly from the Memorandum and Articles and from local legislation. The Directors are empowered to act on behalf of the Company and therefore have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of Article 84 of the Articles, the business of the Company shall be managed by the directors, who may exercise all such powers of the Company as are not, by the Act or by the Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to the provisions of the Act and the Articles.

The Directors have the power to exercise all the powers of the Company to give or award pensions, annuities, gratuities and superannuation or other allowances in terms of Article 85 of the Articles and may make such arrangements as they think fit for the management and transaction of the Company's affairs and may establish local boards or agencies for managing any of the affairs of the Company in terms of Article 86 of the Articles.

In terms of Article 81(1) of the Articles, the maximum annual aggregate emoluments of all Directors in any one financial year shall be such amount as may from time to time be determined by the shareholders in the Company's general meeting. However, the directors have the power to determine how the maximum annual aggregate emoluments set by the general meeting is to be divided between them.

A director may not vote at meetings of the Board on any proposal, issue, arrangement or contract in which they have a direct or indirect interest, however, they are not precluded from attending such meeting and shall be counted toward the quorum.

7.1.7 *Interests of Directors*

The below represents the ordinary shares held by the Directors of the Issuer whose names appear under the heading *"Directors and Company Secretary"* in section 7.1 of this Registration Document as at 30 June 2017:

Louis A. Farrugia:	30,223
Michael Farrugia:	5,552
Marina Hogg:	12,698
Baroness Christiane Ramsay Pergola:	10,941
Marquis Marcus John Scicluna Marshall:	5,857
Marcantonio Stagno d'Alcontres:	2,858

Mr Marcantonio Stagno d'Alcontres and Ms Marina Hogg have a beneficial interest in M.S.M. Investments Limited. Mr Louis A. Farrugia has a beneficial interest represented by 1 share in Farrugia Investments Limited. Mr Louis A. Farrugia and Mr Michael Farrugia respectively have a beneficial interest in 25% and in 12.5% of the shares in Farrugia Holdings Limited which holds the rest of the shares in Farrugia Investments Limited apart from directly holding 42,916 shares in the Issuer. Marquis Marcus John Scicluna Marshall and Baroness Christiane Ramsay Pergola have a beneficial in Sciclunas Estates Limited.

7.2 Management Structure

Senior managers of the Issuer

Norman Aquilina (ID 504662M) – Group Chief Executive

John Bonello Ghio (ID 377572M) – Group Head of Food Business

Chris Borg Cardona (ID 527371M) – Head of Logistics

Antoinette Caruana (ID 215062M) – Company Secretary and Group Human Resources Manager

Stefania Calleja (ID 264869M) – Head of Sales and Customer Relations

Eugenio Caruana (ID 326364M) – Chief Operations Officer Designate

Dr Christopher Ciantar (ID 236171M) – Chief Operations Officer – Trident Estates Limited

Michael Farrugia (ID 298980M) – Chief Business Development Officer

Philip Farrugia (ID 455671M) – Head of IT and Business Services

Ray Sciberras (ID 609857M) – Chief Operations Officer

Pierre Stafrace (ID 451661M) – General Manager – Farsons Beverage Imports Company Limited

Anne Marie Tabone (ID 118467M) – Chief Financial Officer Designate

Susan Weenink Camilleri (ID 505161M) – Head of Marketing and Communications

Charles Xuereb (ID 19970G) – Chief Financial Officer and Chief Executive Officer Designate – Trident Estates Limited

7.3 Potential Conflict of Interest

The directors' interests in the share capital of the Company as at 31 January 2017 and 30 June 2017 are disclosed in the shareholder information section of the Annual Report for YE 2017 and section 7.1.7 entitled "Interests of Directors" respectively.

The Directors are strongly aware of their responsibility to act at all times in the interest of the Company and its shareholders as a whole and of their obligation to avoid conflicts of interest. The latter may, and do arise on specific matters.

As at the date of this Prospectus the Company has entered into a number of transactions which were considered by the Company to be related party transactions since the parties had directors and/or shareholders in common. The extent of these related party transactions is disclosed in the section dealing with related party transactions in the Annual Report for YE 2017. In the ordinary course of business, the Company has entered into contracts with Gasan Group Limited, of which Mr Roderick Chalmers is a director, and Multigas Limited, of which Mr Louis A. Farrugia is the chairman.

Furthermore, certain directors are also directors of other companies which may give rise to a conflict with the Company:

Ms Marina Hogg is a director of Hogg Capital Investments Limited. In this respect, Ms Marina Hogg declares that she will not provide any investment advice in respect of the Bonds.

The manner in which the Directors are appointed is provided in section 13.6 entitled "Appointment, Removal, Retirement and Rotation of Directors".

Other than the above private interests and conflicts of interest, the Issuer is not aware of any other facts and circumstances which may give rise to conflicts of interest or potential conflicts of interest.

7.3.1 How the Issuer manages Conflict of Interests

7.3.1.1 Disclosure by Directors

In terms of Article 88 of the Articles, a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Company shall declare the nature of his interest at a meeting of the Directors pursuant to the provisions of the Act. Furthermore, a Director who has declared his interest according to law in any matter being discussed by the Board may not vote on the matter.

A director having a continuing material interest that conflicts with the interests of the Company is obliged to take effective steps to eliminate the grounds for conflict and when unsuccessful, should consider resigning. On joining the board and regularly thereafter, the directors are informed of their obligations on dealing in securities of the Company within the parameters of law, including the Listing Rules.

7.3.1.2 The Related Party Transactions Committee

The Company has implemented safeguards with respect to transactions and arrangements with related parties to ensure that such transactions and agreements are entered into at arm's length and on a normal, commercial basis. These safeguards are intended to prevent a related party from taking advantage of its position and also to prevent any perception that it may have done so. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The Board has set up a Related Party Transactions Committee presided over by Dr Max Ganado who is an independent non-executive Director. This committee deals with and reports to the Board on all transactions with related parties. In the case of any director who is a related party with respect to a particular transaction, such director does not participate in the committee's deliberation and decision on the transaction concerned. Control mechanisms related to the reporting of related party transactions are in place to ensure that information is vetted and collated on a timely basis, before reporting to the Related Party Transactions Committee for independent and final review of the transactions concerned.

8. BOARD PRACTICES

8.1 Audit Committee

The Audit Committee's primary objective is to protect the interests of the Company's shareholders and assist the directors in conducting their role effectively so that the Company's decision making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.

The Audit Committee is composed of Mr Roderick Chalmers (Chairman), Ms Marina Hogg and Marquis Marcus John Scicluna Marshall, all being non-executive directors. The majority of the directors on the Audit Committee are independent and, in the opinion of the board, are free from any significant business, family or other relationship with the Company, its shareholders or its management that would create a conflict of interest such as to impair their judgement. Roderick Chalmers is a professional qualified accountant with competence in matters relating to accounting and auditing. The Audit Committee as a whole has extensive experience in matters relating to the Company's area of operations, and therefore has the relevant competence required under Listing Rule 5.118.

The Audit Committee also approves and reviews the internal audit plan prior to the commencement of every financial year. The Audit Committee oversees the conduct of the internal and external audits and acts to facilitate communication between the board, management, the external auditors and the Group Internal Auditor.

During the year ended 31 January 2017, the Audit Committee held four meetings. Audit Committee meetings are held mainly to discuss formal reports remitted by the Group Internal Auditor but also to consider the external auditors' audit plan, the six-monthly financial results and the annual financial statements.

The Group Internal Auditor, who also acts as secretary to the Audit Committee, is present at Audit Committee meetings. The external auditors are invited to attend specific meetings of the Audit Committee, and are also entitled to convene a meeting of the committee if they consider that it is necessary. The Chairman of the Group Executive Board and the Chief Finance Officer are also invited to attend Audit Committee meetings. Members of management may be asked to attend specific meetings at the discretion of the Audit Committee. Apart from these formal meetings, the Audit Committee Chairman and the Group Internal Auditor meet informally on a regular basis to discuss ongoing issues.

8.2 Internal Audit

A group internal audit department has an independent status within the group. In fact, the Group Internal Auditor reports directly to the Audit Committee and has right of direct access to the chairman of the committee at all times. The Group Internal Auditor works on the basis of an audit plan which focuses on areas of greatest risk as determined by a risk management approach. The audit plan is approved by the Audit Committee at the beginning of the financial year, and subsequent revisions to this plan in view of any ad hoc assignments arising throughout the year would have to be approved by the Audit Committee chairman.

8.3 Nominations Committee

The Nomination Committee, chaired by the Chairman is entrusted with leading the process for board appointments and to make recommendations to it. Any proposal for the appointment of a director whether by the three major shareholders or by the general meeting of shareholders should be accompanied by a recommendation from the Board, based on the advice of the Nomination Committee.

Every shareholder owning twelve and a half percent (12.5%) ordinary issued share capital or more, is entitled to appoint and replace a director for each and every twelve and a half percent (12.5%) of such shares, and the remaining ordinary shares not so utilised are entitled to fill the remaining unfilled posts of directors. Thus, each of the three major shareholders who are named and whose holdings are listed in section 11 of this Registration Document, normally each appoint two directors for a total of six, the remaining two directors then being elected by the general public shareholders. Accordingly, no individual or small group of individuals will be in a position to dominate the Board.

8.4 Remuneration Committee

The Remuneration Committee is presided over by the chairman of the Company and its other members include Roderick Chalmers, Marquis Marcus John Scicluna Marshall, Marcantonio Stagno d'Alcontres and Marina Hogg. Its terms of reference are to review from time to time and to report and make recommendations on the non-executive directors' remuneration generally as well as the conditions of service of the chairman, group chief executive and senior management. In the case of the chairman or of any remuneration to an individual director for extra services, the interested director concerned including the chairman, apart from not voting in terms of the SFC statute, does not attend the meeting during the discussion at committee or board level and decisions are therefore taken in his/her absence.

8.5 Compliance with Corporate Governance Requirements

The Issuer is subject to, and declares its support of the Code of Principles of Good Corporate Governance contained in Appendix 5.1 of the Listing Rules (the "**Code**") and undertakes to continue complying with the Code by taking such steps which may be considered necessary or conducive for the purposes of adopting the provisions of the Code in so far as they are considered complimentary to the size, nature and operations of the Issuer.

As at the date hereof, the Board considers the Company to be compliant with the Code save as provided below:

Principle 4 (Code provision 4.2.7): This Code provision recommends "the development of a succession policy for the future composition of the board of directors and particularly the executive component thereof, for which the chairman should hold key responsibility".

In the context of the appointment of directors being a matter reserved exclusively to SFC's shareholders (except where the need arises to fill a casual vacancy) and on the basis of the directors' non-executive role, the Company does not consider it feasible to have in place such a succession policy. However, the recommendation to have in place such a policy will be kept under review. An active succession policy is however in place for senior executive positions in the Company including that of the Group Chief Executive.

Principle 8 (Code provision 8.A.1): This Code provision recommends that "the board of directors should establish a Remuneration Committee composed of non-executive directors with no personal financial interest other than as shareholders in the Company, one of whom shall be independent and shall chair the Committee".

The Company discloses that whereas the majority of members on the Remuneration Committee is made up of non-executive directors, the Chairman does not participate in discussions over matters in which he may have a conflict of interest.

8.6 Declarations

None of the Directors, members of the board committees or members of management referred to in section 7 of this Registration Document have, in the last five years:

i. been the subject of any convictions in relation to fraudulent offences;

ii. been associated with bankruptcies, receiverships or liquidations in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;

iii. been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or

iv. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

9. HISTORICAL FINANCIAL INFORMATION

The financial statements of the Company and of the Group for the three financial years ended 31 January 2015, 31 January 2016 and 31 January 2017 as audited by PricewaterhouseCoopers are available for inspection as set out in section 15 of this Registration Document.

Save for the restructuring as detailed in section 5.4 of this Registration Document, there were no further significant changes to the financial or trading position of the Group since the end of the financial period to which the last audited financial statements relate.

10. LITIGATION

Save for what is stated below, neither the Issuer nor any member of the Group is engaged in, or so far as the Issuer or any member of the Group is aware, has pending or threatened, any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this Prospectus, a significant effect on the Issuer's or the Group's financial position or profitability.

1. Ports Limited v Trident Developments Limited and Food Chain (Holdings) Limited (1008/2006AF). In these proceedings, plaintiff company is asking the court to declare that the ownership of part of the building presently housing Burger King™, Paceville is the property of plaintiff company. This case is still pending.

2. Trident Developments Limited v Cordina Joseph (16/2006LSO). In these proceedings, plaintiff company is asking the court to declare that a piece of land (situated adjacent to Wands Buildings in Qormi Road, Marsa) is owned by plaintiff company. The case was decided at first instance in favour of plaintiff company and is now pending appeal, for which no date has been set. Pending appeal, plaintiff company has reclaimed possession (not ownership) of the same land in question after different proceedings between the same parties were decided in favour of plaintiff company on appeal.

3. In 2014, the Company was informed by the Office for Competition within the Malta Competition and Consumer Affairs Authority that a complainant had alleged that some catering establishments in Malta have an exclusive arrangement with the Company with respect to beer, and this was hindering the complainant from effectively selling its own products. The Office for Competition opened an investigation in terms of the Competition Act (Cap. 379 of the laws of Malta). The Company has categorically and unreservedly rejected all allegations. The investigation is pending. Should the Office for Competition find against the Company, in terms of the Competition Act, the Company could be liable to a fine of up to 10% of its turnover in the preceding business year. However, the Office of Competition cannot currently impose fines on undertakings due to the constitutional court judgment in *Federation of Estate Agents vs Director General (Competition) et* (application number 87/2013/2), which declared competition proceedings to be in breach of the Constitution.

11. MAJOR SHAREHOLDERS

The following shareholders hold more than 10% of the Company's issued ordinary shares, thereby regarded as substantial shareholders in terms of the Listing Rules:

	No. of Shares	*%*
M.S.M. Investments Limited	7,948,862	26.50
Farrugia Investments Limited	7,948,862	26.50
Sciclunas Estates Limited	7,896,164	26.32

In terms of the Company's Articles, every shareholder owning twelve and a half per cent (12.5%) of the ordinary issued share capital of the Company or more shall be entitled to appoint one director for each and every twelve and a half per cent (12.5%) of the ordinary share capital owned by such shareholder and such shareholder may remove, withdraw or replace such director at any time. Thus, each of the three major shareholders listed above, normally each appoint two directors for a total of six, the remaining two directors then being elected by the general public shareholders. Accordingly, no individual or small group of individuals will be in a position to dominate the board.

To the best of the Issuer's knowledge, there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of the Issuer.

12. MATERIAL CONTRACTS

There are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the Bonds issued pursuant to the Securities Note.

13. ADDITIONAL INFORMATION

13.1 Share Capital of the Issuer

As at the date of this Prospectus, the authorised share capital of the Issuer is thirty million Euro (€30,000,000) divided into thirty million (30,000,000) ordinary shares having a nominal value of thirty Euro cents (€0.30) each and twenty-one million (21,000,000) preference shares having a nominal value of one Euro (€1.00) each.

The issued share capital of the Issuer is nine million Euro (€9,000,000) divided into thirty million (30,000,000) ordinary shares having a nominal value of thirty Euro cents (€0.30) each fully paid up.

The shares of the Company are listed on the Malta Stock Exchange.

There is no capital of the Company which is currently under option.

13.2 Memorandum and Articles of Association of the Issuer

The Memorandum and Articles, parts of which are described in this section 13, are registered with the Registry of Companies and are available for inspection during the lifetime of this Prospectus at the registered office of the Issuer and at the Registrar of Companies of the MFSA.

13.3 Objects

The principal objects for which the Company is established are:

i. to carry on the business of brewers, maltsters, distillers, vintners, mineral and aerated water manufacturers, wine and spirit merchants; to produce, manufacture, blend and package all kinds of beer, ale, stout and lager as well as any other alcoholic and non-alcoholic beverages, fruit squashes, fruit juices, cordials and table waters by any process of manufacture in Malta and elsewhere; and to import, export, sell, distribute and otherwise deal either wholesale or retail in such goods as well as in any syrups, juices, essences, concentrates and any other raw materials, substances, goods and things capable of being used in any of the Company's business in Malta and elsewhere;

ii. to manufacture in Malta and elsewhere, bottles, crates, crown corks, stoppers, printed matter, cartons, cans and any other packaging container and accessory required for the manufacture or to enhance the appearance of the said goods; and to import, export, sell, distribute and otherwise deal in such goods, as well as in any raw materials required for the manufacture of such goods;

iii. to purchase, take on lease, exchange or acquire by any other title any property moveable or immoveable or any interest therein, plant, machinery, furniture and fittings, whether permanent fixtures or otherwise, patents, patent rights, concessions, licences, rights and privileges which the Company may think necessary or convenient for the purpose of its business or any of them and to sell, lease, let or hire, develop and dispose of such property in whole or in part or otherwise turn the same to the advantage of the Company;

iv. to expand, develop and diversify the business of the Company in such manner as the Board of Directors may deem necessary and opportune, and for such purpose to carry out such further research and experiments both in Malta and abroad, to engage such persons or bodies of persons and to expend such monies as may be considered reasonably necessary for the purpose of the foregoing.

13.4 Shares

No increase to the authorised share capital of the Company may occur unless agreed to by a number of shareholders entitled to vote on such resolution who are present in person or by proxy and whose combined holdings represent at least seventy five percent (75%) of the issued share capital of the Company eligible to vote on the said resolution and prior approval has been obtained from the Listing Authority.

In terms of Article 6(1) of the Articles, any increase in the issued share capital of the Company (including the issue of preference shares) is to be decided upon by an ordinary resolution of the general meeting, although the Company may, by means of an ordinary resolution of the general meeting and for a maximum period of five years, renewable for further periods of five years each, authorise the directors to issue shares up to the authorised share capital of the Company.

In terms of Article 7(1) of the Articles, whenever shares in the Company are proposed to be allotted for consideration in cash, such shares shall be offered on a pre-emptive basis to shareholders in proportion to the share capital held by them, provided that for a particular allotment as aforesaid, the right of pre-emption may be restricted or withdrawn by extraordinary resolution of the general meeting, in which case the Board shall be required to present to that general meeting a written report indicating the reasons for restriction or withdrawal of the right of pre-emption and justifying the proposed issue price.

The Company shall not, without the prior approval of the Company by means of an ordinary resolution of the general meeting, issue shares for consideration other than in cash if such would dilute the holding of a Substantial Shareholder (as defined in the Listing Rules) in the Company (Article 7(2) of the Articles).

Directors are not allowed to participate in an issue of shares unless so authorised by the shareholders in a general meeting although they are not barred from participating in an issue which is open to the public (Article 7(5) of the Articles).

13.5 Voting Rights

All ordinary shares rank *pari passu* in all respects. Each share confers the right to one (1) vote at general meetings of the Company. Preference shareholders have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending general meetings of the Company, but shall not have the right to vote except in the following instances:

i. in respect of a resolution which has the effect of reducing the capital of the Company;

ii. in respect of a resolution for the winding up of the Company;

iii. in respect of a resolution which has the effect of directly affecting the rights and privileges of the holders of preference shares; and

iv. when the dividend on preference shares is in arrears for more than six (6) months.

13.6 Appointment, Removal, Retirement and Rotation of Directors

In terms of Article 93 of the Articles, the affairs of the Company shall be managed and administered by a board of directors composed of not more than eight (8) directors who shall be natural persons and who shall be appointed or elected by the holders of the ordinary shares.

In terms of Article 95 of the Articles, every shareholder owning twelve and half percent (12.5%) of the ordinary issued share capital of the Company or more shall be entitled to appoint one director for each and every twelve and half percent (12.5%) of the ordinary share capital owned by such shareholder and such shareholder may remove, withdraw or replace such director at any time. Any remaining fractions will be disregarded in the appointment of the said directors but may be used in the election of further directors as provided in the Articles.

In terms of Article 96 of the Articles, all shares not utilised for appointing directors as per Article 95 of the Articles (including remaining fractions) shall be entitled to fill the remaining unfilled posts of directors at the annual general meeting of the Company which shall be conducted as follows:

i. one vote will pertain to each share entitled to vote at this election

ii. the voting shall be conducted and supervised by a commission composed of the company secretary, the legal advisers and a representative of the auditors. The commission will establish the procedures to be applied in the election. When the number of persons standing for election equals the number of vacancies which are to be filled, they shall be declared elected; and

iii. the person obtaining the highest number of votes will be declared elected to fill the vacancies available.

In terms of Article 98 of the Articles, except for the managing director, all directors appointed under the provisions of Article 95 of the Articles shall retire from office at least once every three years whereas all directors elected under the provisions of Article 96 of the Articles shall retire from office at the first annual general meeting of the Company following their election. In terms of Article 99 of the Articles, a retiring elected director shall be eligible for re-election. A retired appointed director shall be eligible for re-appointment.

In terms of Article 140 of the Act, a company may remove a director before the expiration of his period of office by a resolution taken at a general meeting of the company and passed by a member or members having the right to attend and vote, holding in the aggregate shares entitling the holder or holders thereof to more than fifty per cent of the voting rights attached to shares represented and entitled to vote at the meeting.

13.7 Powers of Directors

The Directors are vested with the management of the Issuer, and their powers of management and administration primarily emanate directly from the Memorandum and Articles and from local legislation. The Directors are empowered to act on behalf of the Company and therefore have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of Article 84 of the Articles, the business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Act or by the Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to the provisions of the Act and the Articles.

The Directors have the power to exercise all the powers of the Company to give or award pensions, annuities, gratuities and superannuation or other allowances in terms of Article 85 of the Articles and may make such arrangements as they think fit for the management and transaction of the Company's affairs and may establish local boards or agencies for managing any of the affairs of the Company in terms of Article 86 of the Articles.

In terms of Article 81(1) of the Articles, the maximum annual aggregate emoluments of all Directors in any one financial year shall be such amount as may from time to time be determined by the shareholders in the Company's general meeting. However, the Directors have the power to determine how the maximum annual aggregate emoluments set by the general meeting is to be divided between them.

A Director may not vote at meetings of the Board on any proposal, issue, arrangement or contract in which they have a direct or indirect interest, however they are not precluded from attending such meeting and shall be counted toward the quorum.

14. THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Financial Analysis Summary reproduced in Annex III of the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 31 July 2017 has been included in Annex III of the Securities Note in the form and context in which it appears with the authorisation of Rizzo, Farrugia & Co. (Stockbrokers) Ltd. of Airways House, Third Floor, High Street, Sliema SLM 1549, Malta, which has given, and has not withdrawn, its consent to the inclusion of said report herein. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. does not have any beneficial interest in the Issuer. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

15. DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Registration Document the following documents (or copies thereof) shall be available for inspection at the registered address of the Issuer:

a. Memorandum and Articles of Association of the Issuer;

b. Audited financial statements of the Company and the Group for the years ended 31 January 2015, 2016 and 2017;

c. The Accountant's Report drawn up by PricewaterhouseCoopers dated 6 June 2017 on the pro forma information contained in this Prospectus; and

d. Pro forma accounting statements of the Group for the years ended 31 January 2017.

The Issuer's financial statements referred to in (b) above are also available on the Issuer's website: **www.farsons.com**.

ANNEX I: PRO FORMA FINANCIAL INFORMATION FOR THE SFC GROUP

1. Basis of preparation

The Directors are proposing the payment of a dividend in kind to its Shareholders by way of a distribution of the Company's shares in Trident Estates Limited (the "Spin-Off"). In connection with the Spin-Off, the Group has commenced a restructuring process through which individual properties and shareholdings in subsidiaries are being transferred to/from Trident (the "Restructuring") in order to reflect the proposed allocation of properties as outlined in Section 5.4 of this Registration Document.

This pro forma financial information has been prepared for illustrative purposes only, to provide information about the effect of the Spin-Off and the Restructuring transactions on the financial results and position of the SFC Group.

The pro forma financial information for the SFC Group comprises a pro forma Income Statement for the year ended 31 January 2017 and a pro forma Statement of Financial Position as at 31 January 2017. The pro forma financial information is prepared on the assumption that the Spin-Off and the Restructuring would have been completed as of 1 February 2016 (i.e. the beginning of the financial year).

The pro forma financial information has been prepared using the actual results for the SFC Group for the financial year ended 31 January 2017 and superimposing the transactions outlined in Section 2 below 'Pro forma adjustments'.

Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the SFC Group's actual financial position or results. The pro forma financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of SFC Group in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs). The pro forma financial information has been compiled on the basis of the accounting policies adopted by the SFC Group taking into account the requirements of building block 20.2 of Annex I and Annex II of EC Regulation 809/2004.

2. Pro forma adjustments

The following is a description of the pro forma adjustments made to the actual results and financial position of the SFC Group for the financial year ended 31 January 2017:

1. Being reversal of assets and liabilities that, further to the Spin-Off, will be transferred to Trident Group and therefore no longer reflected in the consolidated financial position of the SFC Group;

2. Being cash injection of €6.5 million in Trident , which will be carried out through a share issue prior to the Spin-Off;

3. Being reversal of revenue received from third parties in relation to properties that are included within the scope of the Spin-Off;

4. Being reversal of annual ground rent paid in relation to properties that are included within the scope of the Spin-Off;

5. Being reversal of annual operating expenses relating to subsidiaries that are included within the scope of the Spin-Off;

6. Being rental expenses that will be incurred by the SFC Group in relation to properties, which are used in its operations and that are included within the scope of the Spin-Off;

7. Being reversal of movement in fair value recognised on properties that are included as part of scope of the Spin-Off; and

8. Being tax impact of adjustments (3) to (6) at the standard corporate tax rate of 35%.

ANNEX I (continued)

3. Pro forma financial information

Simonds Farsons Cisk plc
Consolidated Statement of Financial Position

	Audited Consolidated Financial Position as at 31 January 2017											
	Continuing Operations	Discontinuing Operations	Overall	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	Pro forma Consolidated Financial Position
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
ASSETS												
Non current assets												
Property, plant & equipment	110,889	13	**110,902**	(13)	–	–	–	–	–	–	–	**110,889**
Intangible assets	616	–	**616**	–	–	–	–	–	–	–	–	**616**
Investment property	–	31,169	**31,169**	(26,323)	–	–	–	–	–	(4,846)	–	**–**
Investment in jointly controlled entity	–	12	**12**	–	–	–	–	–	–	–	–	**12**
Deferred tax assets	3,486	–	**3,486**	–	–	–	–	–	–	–	–	**3,486**
Trade and other receivables	3,002	–	**3,002**	–	–	–	–	–	–	–	–	**3,002**
Total non-current assets	**117,993**	**31,194**	**149,187**	**(26,336)**	**–**	**–**	**–**	**–**	**–**	**(4,846)**	**–**	**118,005**
Current assets												
Inventories	14,569	–	**14,569**	–	–	–	–	–	–	–	–	**14,569**
Trade and other receivables	18,316	37	**18,353**	(45)	–	–	–	–	–	–	–	**18,308**
Current tax assets	29	15	**44**	(15)	–	–	–	–	–	–	–	**29**
Cash and cash equivalents	768	20	**788**	(20)	–	–	–	–	–	–	–	**768**
Total current assets	**33,682**	**72**	**33,754**	**(80)**	**–**	–	–	–	–	–	–	**33,674**
Non-current assets classified as held for sale	31,266	(31,266)	**–**	–	–	–	–	–	–	–	–	**–**
	64,948	**(31,194)**	**33,754**	**(80)**	–	–	–	–	–	–	–	**33,674**
Total Assets	**182,941**	**–**	**182,941**	**(26,416)**	**–**	**–**	**–**	**–**	**–**	**(4,846)**	**–**	**151,679**

ANNEX I (continued)

3. Pro forma financial information (continued)

Simonds Farsons Cisk plc
Consolidated Statement of Financial Position

	Audited Consolidated Financial Position as at 31 January 2017											
	Continuing Operations	Discontinuing Operations	Overall	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	Pro forma Consolidated Financial Position
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
EQUITY & LIABILITIES												
Share capital	9,000	–	**9,000**	–	–	–	–	–	–	–	–	**9,000**
Reserves	114,271	–	**114,271**	(24,990)	(6,500)	(306)	207	65	(667)	(4,135)	245	**78,190**
Total equity	**123,271**	**–**	**123,271**	**(24,990)**	**(6,500)**	**(306)**	**207**	**65**	**(667)**	**(4,135)**	**245**	**87,190**
Deferred tax liability	–	1,825	**1,825**	(1,114)	–	–	–	–	–	(711)	–	**–**
Trade & other payables	905	284	**1,189**	(284)	–	–	–	–	–	–	–	**905**
Derivative financial instruments	750	–	**750**	–	–	–	–	–	–	–	–	**750**
Borrowings	31,581	–	**31,581**	–	–	–	–	–	–	–	–	**31,581**
Total non-current liabilities	**33,236**	**2,109**	**35,345**	**(1,398)**	–	–	–	–	–	**(711)**	–	**33,236**
Provisions for other liabilities & charges	36	–	**36**	–	–	–	–	–	–	–	–	**36**
Trade & other payables	18,974	–	**18,974**	–	–	–	–	–	–	–	–	**18,974**
Current tax liabilities	570	28	**598**	(28)	–	–	–	–	–	–	–	**570**
Derivative financial instruments	335	–	**335**	–	–	–	–	–	–	–	–	**335**
Borrowings	4,382	–	**4,382**	–	6,500	306	(207)	(65)	667	–	(245)	**11,338**
Total current liabilities	**24,297**	**28**	**24,325**	**(28)**	**6,500**	**306**	**(207)**	**(65)**	**667**	**–**	**(245)**	**31,253**
Liabilities directly attributable to non-current assets held for sale	2,137	(2,137)	**–**	–	–	–	–	–	–	–	–	**–**
	26,434	**(2,109)**	**24,325**	**(28)**	**6,500**	**306**	**(207)**	**(65)**	**667**	**–**	**(245)**	**31,253**
Total liabilities	**59,670**	**–**	**59,670**	**(1,426)**	**6,500**	**306**	**(207)**	**(65)**	**667**	**(711)**	**(245)**	**64,489**
Total equity & liabilities	**182,941**	**–**	**182,941**	**(26,416)**	**–**	**–**	**–**	**–**	**–**	**(4,846)**	**–**	**151,679**

ANNEX I (continued)

3. Pro forma financial information (continued)

Simonds Farsons Cisk plc
Consolidated Income Statement

	Audited Consolidated Results for the											
	Continuing Operations	Discontinuing Operations	Overall	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	Pro forma Consolidated Results
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	88,119	295	**88,414**	–	–	(295)	–	–	–	–	–	**88,119**
Cost of sales	(53,683)	(207)	**(53,890)**	–	–	–	207	–	(667)	–	–	**(54,350)**
Gross Profit	**34,436**	**88**	**34,524**	**–**	**–**	**(295)**	**207**	**–**	**(667)**	**–**	**–**	**33,769**
Selling & distribution costs	(10,712)	–	**(10,712)**	–	–	–	–	–	–	–	–	**(10,712)**
Administrative expenses	(10,851)	(65)	**(10,916)**	–	–	–	–	65	–	–	–	**(10,851)**
Other operating expenses	(21)	–	**(21)**	–	–	–	–	–	–	–	–	**(21)**
Operating Profit	**12,852**	**23**	**12,875**	**–**	**–**	**(295)**	**207**	**65**	**(667)**	**–**	**–**	**12,185**
Gain on re-measurement of assets held for sale	–	928	**928**	–	–	–	–	–	–	(774)	–	**154**
Finance income	5	11	**16**	–	–	(11)	–	–	–	–	–	**5**
Finance costs	(1,470)	–	**(1,470)**	–	–	–	–	–	–	–	–	**(1,470)**
Profit before tax	**11,387**	**962**	**12,349**	**–**	**–**	**(306)**	**207**	**65**	**(667)**	**(774)**	**–**	**10,874**
Tax	471	(688)	**(217)**	–	–	–	–	–	–	212	245	**240**
Profit for the year	**11,858**	**274**	**12,132**	**–**	**–**	**(306)**	**207**	**65**	**(667)**	**(562)**	**245**	**11,114**
Other comprehensive income	**–**	**–**	**4,880**	–	–	–	–	–	–	(3,572)	–	**1,308**
Total comprehensive income for the year	**–**	**–**	**17,012**	**–**	**–**	**(306)**	**207**	**65**	**(667)**	**(4,134)**	**245**	**12,422**

ANNEX II: INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION FOR THE SFC GROUP

pwc

The Directors
Simonds Farsons Cisk plc
The Brewery
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6 June 2017

Independent accountant's assurance report on the compilation of pro forma financial information

To the board of directors of Simonds Farsons Cisk plc

Report on the compilation of pro forma financial information

We have completed our assurance engagement to report on the compilation of pro forma financial information of Simonds Farsons Cisk plc (the "SFC Group"), as prepared by the directors of the SFC Group ("the Directors"). The pro forma financial information consists of the SFC Group's pro forma consolidated statement of financial position as at 31 January 2017 and the SFC Group's pro forma consolidated income statement for the period ended 31 January 2017, and the related notes, as set out in Annex I of SFC Group's Registration Document dated 31 July 2017. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex II to Commission Regulation (EC) 809/2004 ("the Regulation") and described in the 'Basis of preparation' included in Annex I of SFC Group's Registration Document dated 31 July 2017 ("the Applicable Criteria").

The pro forma financial information has been compiled by the Directors to illustrate the impact of the Spin-Off as set out in the notes to Annex I of SFC Group's Registration Document dated 31 July 2017, on SFC Group's financial position as at 31 January 2017 and its financial performance for the year then ended.

The pro forma financial information for the SFC Group has been prepared on the assumption that the Spin-Off had taken place on 1 February 2016. As part of this process, information about SFC Group's financial position and performance has been extracted by the Directors from SFC Group's financial statements, for the period ended 31 January 2017, on which an audit report has been published.

Directors' responsibility for the pro forma financial information

The Directors are responsible for compiling the pro forma financial information on the basis of the Applicable Criteria.

Our responsibilities

Our responsibility is to express an opinion, as required by item 7 of Annex II to the Regulation, about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of SFC Group's accounting policies as described in the latest annual report and the basis of preparation set out in Annex I of SFC Group's Registration Document dated 31 July 2017, and accordingly on the basis of the Applicable Criteria.

pwc

Independent accountant's assurance report on the compilation of pro forma financial information

To the board of directors of Simonds Farsons Cisk plc

Basis of opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420 – Assurance engagements to report on the compilation of pro forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at and for the period ended 31 January 2017 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the accountant's judgment, having regard to the accountant's understanding of the nature of the SFC Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:
a. the pro forma financial information has been properly compiled on the basis stated; and
b. such basis is consistent with the accounting policies of the SFC Group.

Simon Flynn
Partner

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