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Premier Capital p.l.c.

Interim Financial Report (Unaudited)

For the period 1 January 2015 to 30 June 2015

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The directors present their interim report, together with the unaudited interim condensed financial statements of the company and its subsidiaries (the “group”) (the “condensed interim financial statements”) for the period from 1 January 2015 to 30 June 2015.

Principal activities

The group is engaged in the operations of McDonald's restaurants in Malta, Greece, Latvia, Estonia, and Lithuania. The company acts as an investment company and service provider to its subsidiary undertakings.

Business review

The group

During the first six months of 2015, the group focused its strategies on developing the business in the markets in which it operates. The group firmly believes that there is a significant business expansion opportunity in all the five markets within which it operates, both in terms of growth in sales of existing and even new restaurants.

2015 saw the opening of the 11th restaurant in Lithuania, with an in-store restaurant in Panorama in Vilnius, and the opening of the 21st restaurant in Greece, an in-store restaurant located in the One Salonica shopping complex in Thessaloniki. The group now operates a total of 61 restaurants across the 5 territories.

During the period under review, the group registered an operating profit of €230,379 (June 2014 – Profit of €252,250) on revenues of €48,940,223 (June 2014 (restated) - €47,308,368).

After accounting for the investment income and finance costs, the group registered a loss before tax of €945,538 (June 2014 (restated) – loss of €969,298).

Notwithstanding the challenges the group is facing in the markets in which it operates, the group registered an improvement of €203,087 in EBITDA, reporting an EBITDA of €3,320,351 when compared to an EBITDA of €3,117,264 for the period ended June 2014. The first half of the year were positive for Greece which reported a positive EBITDA of €47,747, an improvement over the negative EBITDA of €311,583 reported for the same period in 2014.

The group's net assets for the period under review amounted to €15,925,924 compared to €17,009,454 as at 31 December 2014.

The company

During the period under review, the company registered an operating loss of €459,777 (June 2014 – loss of €272,727). After accounting for investment income and finance costs, the company registered a pre-tax loss of €1,089,320 (June 2014 (restated)– loss of €1,046,539). The net assets of the company as at June 2015 amounted to €16,593,266 compared to €17,632,598 as at 31 December 2014.

The published figures have been extracted from the unaudited management financial statements for the six months ended 30 June 2015 and its comparative period in 2014.

This report is being published in terms of the Listing Rule 5.75 issued by the Malta Financial Services Authority, and has been prepared in accordance with the applicable listing Rules and International Accounting Standard 34 - Interim Financial Reporting. The financial statements published in this half yearly report have been condensed in accordance with the requirements of IAS 34. In terms of the Listing Rule 5.75.5, the Directors are stating that these condensed interim financial statements have not been audited or reviewed by the company's independent auditors.

Approved by the Board of Directors on 31 August 2015 and signed on its behalf by:



Mr Melo Hili
Chairman



Mr Victor Tedesco
Director

Premier Capital p.l.c.

Condensed Statements of Profit or Loss and Other Comprehensive Income

Period ended 30 June 2015



	Group		Company	
	1 January to 30 June 2015 Unaudited €	1 January to 30 June 2014 Unaudited €	1 January to 30 June 2015 Unaudited €	1 January to 30 June 2014 Unaudited €
Revenue	48,940,223	47,308,368	-	-
Cost of sales	(42,275,844)	(41,052,514)	-	-
Gross profit	6,664,379	6,255,854	-	-
Other operating income	-	7,669	564,006	823,674
Selling expenses	(2,521,871)	(2,403,069)	-	-
Administrative expenses	(3,912,129)	(3,608,204)	(1,023,783)	(1,096,401)
Operating profit / (loss)	230,379	252,250	(459,777)	(272,727)
Other expenses	(17,509)	24,904	-	-
Investment income	35,642	16,128	278,732	236,731
Finance costs	(1,194,050)	(1,262,580)	(908,275)	(1,010,543)
Loss before tax	(945,538)	(969,298)	(1,089,320)	(1,046,539)
Tax	164,108	152,889	352,088	363,257
Loss for the period	(781,430)	(816,409)	(737,232)	(683,282)
Other Comprehensive Income Items that may be reclassified subsequently to profit or loss				
Gain on available-for-sale investments	62,900	65,763	62,900	65,763
Total comprehensive loss for the period	(718,530)	(750,646)	(674,332)	(617,519)
Attributable to:				
Owners of the company	(781,430)	(816,321)		
Non-controlling interests who are also owners of the company	-	(88)		
	(781,430)	(816,409)		

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Condensed Statements of Financial Position

at 30 June 2015



	Group		Company	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Notes	Unaudited	Audited	Unaudited	Audited
	€	€	€	€
ASSETS AND LIABILITIES				
Non-current assets				
Goodwill	16,591,999	16,591,999	-	-
Intangible assets	8,700,158	8,824,358	7,687,574	8,016,379
Property, plant and equipment	29,376,714	29,406,230	18,378	43,335
Other financial assets	1,007,945	581,321	1,007,945	581,321
Available-for-sale investments	1,430,121	1,267,221	1,430,121	1,267,221
Investment in subsidiaries	-	-	19,425,781	19,425,781
Loans and receivables	104,865	-	17,174,867	17,420,002
Deferred tax assets	2,310,738	2,014,535	1,726,654	1,479,177
Prepayment	1,546,519	1,523,470	-	-
Total non-current assets	61,069,059	60,209,134	48,471,320	48,233,216
Current assets				
Inventories	3,227,180	2,939,469	-	-
Available-for-sale investments	-	523,750	-	-
Loans and receivables	255,570	242,859	2,298,634	2,343,835
Trade and other receivables	4 1,125,440	1,382,811	1,103,300	762,956
Current tax asset	547,000	879,032	161,804	718,422
Cash and cash equivalents	3,673,543	3,801,085	158,880	572,435
Total current assets	8,828,733	9,769,006	3,722,618	4,397,648
TOTAL ASSETS	69,897,792	69,978,140	52,193,938	52,630,864
Current liabilities				
Trade and other payables	5 12,284,100	12,964,172	585,421	1,474,489
Other financial liabilities	111,080	347,246	363,758	537,037
Bank loans and overdrafts	3,882,458	3,157,516	-	-
Current tax liabilities	530,616	259,881	-	-
Total current liabilities	16,808,254	16,728,815	949,179	2,011,526
Non - Current liabilities				
Bank loans	9,525,724	8,516,733	-	-
Debt securities in issue	24,365,939	24,336,986	24,365,939	24,336,986
Other financial liabilities	104,104	104,104	7,714,246	5,964,245
Deferred tax liability	3,167,847	3,282,048	2,571,308	2,685,509
Total non current liabilities	37,163,614	36,239,871	34,651,493	32,986,740
Total liabilities	53,971,868	52,968,686	35,600,672	34,998,266
Net assets	15,925,924	17,009,454	16,593,266	17,632,598

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Condensed Statements of Financial Position (Continued)

at 30 June 2015



	Group		Company	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Notes	Unaudited	Audited	Unaudited	Audited
	€	€	€	€
EQUITY				
Share capital	13,574,700	13,574,700	13,574,700	13,574,700
Exchange translation reserves	11,725	11,725	-	-
Fair value reserve	256,056	193,156	256,056	193,156
Other equity	(605,787)	(771,527)	212,351	212,351
Retained earnings	2,689,230	4,001,400	2,550,159	3,652,391
	<u>15,925,924</u>	<u>17,009,454</u>	<u>16,593,266</u>	<u>17,632,598</u>

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Condensed Statements of Changes in Equity

for the period ended 30 June 2015



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Group	Share capital	Exchange translation reserve	Fair value reserve	Other equity	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total
	€	€	€	€	€	€	€	€
Balance at 1 January 2014	13,574,700	11,725	2,567	(1,355,187)	3,486,860	15,720,665	449,661	16,170,326
Loss for the period	-	-	-	-	(816,321)	(816,321)	(88)	(816,409)
Other comprehensive income	-	-	65,763	-	-	65,763	-	65,763
Total comprehensive income for the period	-	-	65,763	-	(816,321)	(750,558)	(88)	(750,646)
Balance at 30 June 2014	13,574,700	11,725	68,330	(1,355,187)	2,670,539	14,970,107	449,573	15,419,680
Balance at 1 January 2015	13,574,700	11,725	193,156	(771,527)	4,001,400	17,009,454	-	17,009,454
Dividends	-	-	-	-	(365,000)	(365,000)	-	(365,000)
Loss for the period	-	-	-	-	(781,430)	(781,430)	-	(781,430)
Other comprehensive income	-	-	62,900	-	-	62,900	-	62,900
Total comprehensive loss for the period	-	-	62,900	-	(781,430)	(718,530)	-	(718,530)
Movement in legal reserve	-	-	-	165,740	(165,740)	-	-	-
Balance at 30 June 2015	13,574,700	11,725	256,056	(605,787)	2,689,230	15,925,924	-	15,925,924

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Condensed Statements of Changes in Equity (Continued)

for the period ended 30 June 2015



Company

	Share capital €	Fair value reserve €	Other equity €	Retained Earnings €	Total €
Balance at 1 January 2014	13,574,700	2,567	212,351	3,821,601	17,611,219
Loss for the period	-	-	-	(683,282)	(683,282)
Other comprehensive income	-	65,763	-	-	65,763
Total comprehensive loss for the period	-	65,763	-	(683,282)	(617,519)
Balance at 30 June 2014	13,574,700	68,330	212,351	3,138,319	16,993,700
Balance at 1 January 2015	13,574,700	193,156	212,351	3,652,391	17,632,598
Dividends	-	-	-	(365,000)	(365,000)
Loss for the period	-	-	-	(737,232)	(737,232)
Other comprehensive income	-	62,900	-	-	62,900
Total comprehensive loss for the period	-	62,900	-	(737,232)	(674,332)
Balance at 30 June 2015	13,574,700	256,056	212,351	2,550,159	16,593,266

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Condensed Statements of Cash Flows

for the period ended 30 June 2015



	Group		Company	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	Unaudited	Unaudited	Unaudited	Unaudited
	€	€	€	€
Net cash flows from operating activities	1,808,099	2,267,237	(2,311,029)	(1,265,923)
Net cash flows from investing activities	(2,825,621)	(3,691,363)	2,741,427	(195)
Net cash flows from financing activities	401,388	(886,278)	(843,953)	885,001
Net movement in cash and cash equivalents	(616,134)	(2,310,404)	(413,555)	(381,117)
Cash and cash equivalents at the beginning of the year	2,831,069	4,436,149	572,435	820,464
Cash and cash equivalents at the end of the period/year	2,214,935	2,125,745	158,880	439,347

1. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2015 have been extracted from the unaudited management accounts of the Group and the Company and have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting.

The Group has reclassified certain amounts in prior year unaudited figures included within revenue, cost of sales, selling and administrative expenses, finance costs and investment income since this presentation is considered to be more appropriate. The Company has also reclassified certain amounts in prior year investment income unaudited figures.

2. Significant accounting policies

The condensed interim financial statements have been prepared under the historic cost convention, except for financial instruments at fair value through profit or loss and available-for-sale financial assets which are stated at their fair values. The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the group's and company's annual financial statements for the year ended 31 December 2014.

3. Segmental reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Revenue reported below represents revenue generated from external customers. There were no intersegment sales in the year. The group's reportable segments under IFRS 8 are direct sales attributable to each country where it operates as a Mc Donald's development licensee.

Throughout the period, the group operated in five principal geographical areas – Malta (country of domicile), Estonia, Greece, Latvia, and Lithuania.

Measurement of operating segment profit or loss, assets and liabilities

Segment profit represents the profit earned by each segment after allocation of central administration costs and finance costs based on services and finance provided. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the group's accounting policies.

Premier Capital p.l.c.

Notes to the Condensed Interim Financial Statements (Continued)

for the period ended 30 June 2015



3. Segmental reporting (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to consolidated totals are reported below:

Group

	1 January to 30 June 2015 Unaudited €	1 January to 30 June 2014 Unaudited €
Total profit for reportable segment	467,361	318,173
Elimination of inter segment profits	(4,239)	(54,239)
Unallocated amounts:		
Other unallocated amounts	<u>(1,408,660)</u>	<u>(1,233,232)</u>
	<u>(945,538)</u>	<u>(969,298)</u>
Net assets		
	30 June 2015 Unaudited €	31 December 2014 Audited €
Net assets for reportable segments	38,120,787	34,397,577
Elimination of receivables and payables	(38,723,155)	(23,597,677)
Unallocated amounts		
Intangible assets	7,687,574	8,016,379
Loans and receivables	19,473,501	19,763,837
Goodwill	16,591,999	16,591,999
Bank loans	(11,949,573)	(10,704,233)
Debt securities in issue	(24,365,939)	(24,336,986)
Other unallocated amounts	<u>9,090,730</u>	<u>(3,121,442)</u>
	<u>15,925,924</u>	<u>17,009,454</u>

Premier Capital p.l.c.

Notes to the Condensed Interim Financial Statements (Continued)

for the period ended 30 June 2015



3. Segmental reporting (continued)

The group's revenue and results from continuing operations from external customers and information about its net assets by reportable segment are detailed below:

	Estonia		Greece		Latvia		Lithuania		Malta		Total		Unallocated		Eliminations and adjustments		Consolidated	
	2015	€	2015	€	2015	€	2015	€	2015	€	2015	€	2015	€	2015	€	2015	€
Revenue	8,203,920	€	10,794,011	€	17,529,629	€	8,444,260	€	10,378,369	€	55,350,189	€	-	€	(6,409,966)	€	48,940,223	€
Profit/(loss) before tax	574,563	€	(805,394)	€	(26,279)	€	845,774	€	(121,303)	€	467,361	€	(1,408,660)	€	(4,239)	€	(945,538)	€
Depreciation and amortisation	432,373	€	781,902	€	505,572	€	335,792	€	717,155	€	2,772,794	€	334,688	€	-	€	3,107,482	€
Segment net assets	6,488,227	€	3,264,745	€	17,656,853	€	5,035,500	€	5,675,462	€	38,120,787	€	16,528,292	€	(38,723,155)	€	15,925,924	€
Income tax credit/(expense)	-	€	-	€	-	€	(126,866)	€	(61,114)	€	(187,980)	€	352,088	€	-	€	164,108	€

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Notes to the Condensed Interim Financial Statements (Continued)

for the period ended 30 June 2015



3. Segmental reporting (continued)

	Estonia		Greece		Latvia		Lithuania		Malta		Total		Unallocated		Eliminations and adjustments		Consolidated	
	2014	€	2014	€	2014	€	2014	€	2014	€	2014	€	2014	€	2014	€	2014	€
Revenue	8,316,370	€	8,780,671	€	17,350,640	€	7,820,912	€	10,790,785	€	53,059,379	€	-	€	(5,751,010)	€	47,308,368	€
Profit/(loss) before tax	441,077	€	(1,011,953)	€	155,474	€	751,772	€	(18,197)	€	318,173	€	(1,233,232)	€	(54,239)	€	(969,298)	€
Depreciation and amortisation	422,000	€	609,430	€	515,266	€	329,404	€	613,968	€	2,490,068	€	350,042	€	-	€	2,840,110	€
Segment net assets	6,913,660	€	2,355,822	€	15,032,157	€	5,916,587	€	4,179,351	€	34,397,577	€	6,209,554	€	(23,597,677)	€	17,009,454	€
Income tax credit/(expense)	(2,758)	€	-	€	(23,321)	€	(112,766)	€	(71,523)	€	(210,368)	€	363,257	€	-	€	152,889	€

4. Trade and other receivables

The balance of trade and other receivables is made up as follows:

	Group		Company	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	Unaudited	Audited	Unaudited	Audited
	€	€	€	€
Trade receivables	94,397	90,707	-	-
Other receivables	231,504	435,451	54,365	35,385
Amounts due from related companies	-	19,798	959,701	651,306
Prepayments and accrued income	799,539	836,855	89,234	76,265
	1,125,440	1,382,811	1,103,300	762,956

5. Trade and other payables

The balance of trade and other payables is made up as follows:

	Group		Company	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	Unaudited	Audited	Unaudited	Audited
	€	€	€	€
Trade payables	4,619,948	5,694,489	3,060	24,119
Other payables	424,536	1,063,086	11,164	17,012
Social security liabilities	839,178	1,044,714	-	-
VAT and other liabilities	1,600,166	1,349,018	-	-
Amounts due to related companies	-	87,889	-	-
Accruals and deferred income	4,800,272	3,724,976	571,197	1,433,358
	12,284,100	12,964,172	585,421	1,474,489

6. Related party transactions

During the course of the year, the group and the company entered into transactions with related parties, as set out below.

Group

	2015			2014		
	Related party activity	Total activity	%	Related party activity	Total activity	%
	Unaudited	Unaudited		Unaudited	Unaudited	
	€	€		€	€	
Other operating income:						
Related party transactions with:						
Other related parties	-	-	0%	-	7,669	0%
Administrative Expenses:						
Related party transactions with:						
Other related parties	609,643	3,912,129	16%	454,377	3,608,204	13%
Finance Costs:						
Related party transactions with:						
Other related parties	-	1,194,050	0%	6,247	1,262,580	0%

Company

	2015			2014		
	Related party activity	Total activity	%	Related party activity	Total activity	%
	Unaudited	Unaudited		Unaudited	Unaudited	
	€	€		€	€	
Other operating income:						
Related party transactions with:						
Other related parties	-	564,006	0%	-	823,674	0%
Administrative Expenses:						
Related party transactions with:						
Other related parties	252,970	1,023,783	25%	56,067	1,096,401	5%
Finance Costs:						
Related party transactions with:						
Other related parties	-	908,275	0%	6,247	1,010,543	1%

7. Events after the end of the reporting period

There were no significant events after the end of the reporting period.

Premier Capital p.l.c.

Statement Pursuant to Listing Rules 5.75.3 issued by the Listing Authority

for the period ended 30 June 2015



We confirm that to the best of our knowledge:

- (a) the condensed interim financial statements give a true and fair view of the financial position of Premier Capital p.l.c. (the “company”) and its subsidiaries (the “group”) as at 30 June 2015, and the financial performance and cash flows of the company and the group for the six-month period then ended, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 – Interim Financial Reporting); and
- (b) the interim Directors’ report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Approved by the Board of Directors on 31 August 2015 and signed on its behalf by:

Mr Melo Hili
Chairman

Mr Victor Tedesco
Director