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**Premier Capital p.l.c.**

Interim Financial Report (Unaudited)

For the period 1 January 2016 to 30 June 2016

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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 2016 to 30 June 2016.

### **Principal activities**

The group is engaged in the operations of McDonald's restaurants in Malta, Greece, Latvia, Estonia, and Lithuania. On 22 January 2016, the group acquired the operations of McDonald's restaurants in Romania.

The company acts as an investment company and service provider to its subsidiary undertakings.

### **Business review**

#### **The group**

At the beginning of the year, the group acquired the business operating McDonald's restaurants in Romania. This acquisition added 67 restaurants to the group portfolio increasing the total number of restaurants to 130 in January 2016.

During the first six months of 2016, 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 six markets within which it operates, both in terms of growth in sales of existing and even new restaurants.

2016 saw the opening of the 23<sup>rd</sup> restaurant in Greece, a seasonal restaurant located on the island of Santorini, and the opening of the Bugibba restaurant in Malta after relocating it to a prime location. The group now operates a total of 132 restaurants across the six territories.

During the period under review, the group registered an operating profit of *Eur*5,824,454 (June 2015 – Profit of *Eur*212,870) on revenues of *Eur*103,229,548 (June 2015 - *Eur*45,722,290).

After accounting for the investment income and finance costs, the group registered a profit before tax of *Eur*4,050,714 (June 2015 – loss of *Eur*945,538).

In the first six months of 2016, the group registered an EBITDA of *Eur*11,467,783 when compared to an EBITDA of *Eur*3,320,351 for the period ended June 2015.

The group's net assets for the period under review amounted to *Eur*41,220,761 compared to *Eur*17,739,081 as at 31 December 2015.

# Premier Capital p.l.c.

Interim Directors' Report Pursuant to Listing Rules 5.75.2 (Continued)

Period ended 30 June 2016

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## The company

During the period under review, the company registered an operating loss of *Eur*502,130 (June 2015 – loss of *Eur*459,777). After accounting for investment income and finance costs, the company registered a pre-tax loss of *Eur*710,105 (June 2015 - loss of *Eur*1,089,320).

The net assets of the company as at 30 June 2016 amounted to *Eur*34,170,675 compared to *Eur*15,445,210 as at 31 December 2015.

The published figures have been extracted from the unaudited management financial statements for the half-year ended 30 June 2016 and its comparative period in 2015.

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 29 August 2016 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 2016



	<b>Group</b>		<b>Company</b>	
	<b>1 January to 30 June 2016</b>	<b>1 January to 30 June 2015</b>	<b>1 January to 30 June 2016</b>	<b>1 January to 30 June 2015</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Revenue	<b>103,229,548</b>	45,722,290	-	-
Cost of sales	<b>(83,137,110)</b>	(39,057,911)	-	-
<b>Gross profit</b>	<b>20,092,438</b>	6,664,379	-	-
Other operating income	-	-	<b>741,006</b>	564,006
Selling expenses	<b>(6,069,169)</b>	(2,521,871)	-	-
Administrative expenses	<b>(8,198,815)</b>	(3,929,638)	<b>(1,243,136)</b>	(1,023,783)
<b>Operating profit / (loss)</b>	<b>5,824,454</b>	212,870	<b>(502,130)</b>	(459,777)
Investment income	<b>41,966</b>	35,642	<b>990,496</b>	278,732
Finance costs	<b>(1,815,706)</b>	(1,194,050)	<b>(1,198,471)</b>	(908,275)
<b>Profit / (Loss) before tax</b>	<b>4,050,714</b>	(945,538)	<b>(710,105)</b>	(1,089,320)
Tax credit / (expense)	<b>(1,305,381)</b>	164,108	<b>246,190</b>	352,088
<b>Profit / (Loss) for the period</b>	<b>2,745,333</b>	(781,430)	<b>(463,915)</b>	(737,232)
<b>Other Comprehensive Income Items that may be reclassified subsequently to profit or loss</b>				
Gain on available-for-sale investments	<b>89,380</b>	62,900	<b>89,380</b>	62,900
<b>Total comprehensive income / (loss) for the period</b>	<b>2,834,713</b>	(718,530)	<b>(374,535)</b>	(674,332)
<b>Attributable to:</b>				
Owners of the company	<b>2,267,830</b>	(781,430)	-	-
Non-controlling interests	<b>477,503</b>	-	-	-
	<b>2,745,333</b>	(781,430)	-	-

# Premier Capital p.l.c.

## Condensed Statements of Financial Position

at 30 June 2016



		Group		Company	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	
Notes	Unaudited	Audited	Unaudited	Audited	
	€	€	€	€	
<b>ASSETS AND LIABILITIES</b>					
<b>Non-current assets</b>					
Goodwill	5 27,255,455	16,591,999	-	-	
Intangible assets	6 11,103,577	8,492,282	7,036,718	7,358,768	
Property, plant and equipment	7 71,838,925	30,681,504	34,922	15,961	
Other financial assets	1,311,494	1,281,095	1,311,494	1,281,095	
Available-for-sale investments	2,100,622	1,757,493	2,100,622	1,757,493	
Investment in subsidiaries	-	-	19,425,780	19,425,780	
Loans and receivables	1,899,708	-	40,147,007	19,920,002	
Deferred tax assets	2,755,550	2,495,290	2,091,285	1,943,710	
Prepayment	1,519,978	1,439,846	-	-	
<b>Total non-current assets</b>	<b>119,785,309</b>	<b>62,739,509</b>	<b>72,147,828</b>	<b>51,702,809</b>	
<b>Current assets</b>					
Inventories	4,251,521	3,011,095	-	-	
Loans and receivables	1,449,484	185,781	2,989,416	1,834,270	
Trade and other receivables	8 2,878,849	1,388,505	1,974,873	1,549,721	
Current tax asset	586,985	520,551	-	161,804	
Cash and cash equivalents	21,078,990	4,362,715	52,929	45,392	
<b>Total current assets</b>	<b>30,245,829</b>	<b>9,468,647</b>	<b>5,017,218</b>	<b>3,591,187</b>	
<b>TOTAL ASSETS</b>	<b>150,031,138</b>	<b>72,208,156</b>	<b>77,165,046</b>	<b>55,293,996</b>	
<b>Current liabilities</b>					
Trade and other payables	9 21,706,310	13,158,075	693,884	1,515,523	
Other financial liabilities	6,344,114	1,092,836	1,344,593	1,392,043	
Bank loans and overdrafts	10 3,891,985	4,042,272	902,173	951,828	
Current tax liabilities	1,664,218	383,805	-	-	
<b>Total current liabilities</b>	<b>33,606,627</b>	<b>18,676,988</b>	<b>2,940,650</b>	<b>3,859,394</b>	
<b>Non - Current liabilities</b>					
Bank loans	10 47,789,317	8,285,804	-	-	
Debt securities in issue	24,423,847	24,394,893	24,423,847	24,394,893	
Other financial liabilities	96,006	96,006	13,294,246	9,144,245	
Deferred tax liability	2,894,580	3,015,384	2,335,628	2,450,254	
<b>Total non current liabilities</b>	<b>75,203,750</b>	<b>35,792,087</b>	<b>40,053,721</b>	<b>35,989,392</b>	
<b>Total liabilities</b>	<b>108,810,377</b>	<b>54,469,075</b>	<b>42,994,371</b>	<b>39,848,786</b>	
<b>Net assets</b>	<b>41,220,761</b>	<b>17,739,081</b>	<b>34,170,675</b>	<b>15,445,210</b>	

# Premier Capital p.l.c.

## Condensed Statements of Financial Position (Continued)

at 30 June 2016



	Group		Company	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	Notes	Audited	Unaudited	Audited
	€	€	€	€
<b>EQUITY</b>				
Share capital	<b>13,574,700</b>	13,574,700	<b>13,574,700</b>	13,574,700
Exchange translation reserves	<b>(117,357)</b>	11,725	-	-
Fair value reserve	<b>416,558</b>	327,178	<b>416,558</b>	327,178
Other equity	<b>19,559,253</b>	459,253	<b>20,312,351</b>	1,212,351
Retained earnings	<b>5,378,974</b>	3,366,225	<b>(132,934)</b>	330,981
<b>Equity attributable to the owners of the company</b>	<b>38,812,128</b>	17,739,081	<b>34,170,675</b>	15,445,210
<b>Non-controlling interest</b>	<b>2,408,633</b>	-	-	-
	<b>41,220,761</b>	17,739,081	<b>34,170,675</b>	15,445,210

# Premier Capital p.l.c.

Condensed Statements of Changes in Equity  
for the period ended 30 June 2016



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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
	€	€	€	€	€	€	€	€
<b>Balance at 1 January 2015</b>	13,574,700	11,725	193,156	(771,527)	4,001,400	17,009,454	-	17,009,454
Dividends (Note 4)	-	-	-	-	(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 income for the period	-	-	62,900	-	(781,430)	(718,530)	-	(718,530)
Movement in legal reserve	-	-	-	165,740	(165,740)	-	-	-
<b>Balance at 30 June 2015</b>	13,574,700	11,725	256,056	(605,787)	2,689,230	15,925,924	-	15,925,924
<b>Balance at 1 January 2016</b>	13,574,700	11,725	327,178	459,253	3,366,225	17,739,081	-	17,739,081
Loan from parent earmarked for capitalisation	-	-	-	19,100,000	-	19,100,000	-	19,100,000
Non-controlling interest on acquisition of business combination (Note 11)	-	-	-	-	-	-	1,931,130	1,931,130
Profit for the period	-	-	-	-	2,267,830	2,267,830	477,503	2,745,333
Prior period adjustment	-	-	-	-	(255,081)	(255,081)	-	(255,081)
Other comprehensive income	-	-	89,380	-	-	89,380	-	89,380
Total comprehensive loss for the period	-	-	89,380	-	2,012,749	2,102,129	2,408,633	4,510,762
Movement in exchange translation reserve	-	(129,082)	-	-	-	(129,082)	-	(129,082)
<b>Balance at 30 June 2016</b>	13,574,700	(117,357)	416,558	19,559,253	5,378,974	38,812,128	2,408,633	41,220,761



# Premier Capital p.l.c.

## Condensed Statements of Changes in Equity (Continued)

for the period ended 30 June 2016



### Holding Company

	Share capital €	Fair value reserve €	Other equity €	Retained earnings €	Total €
<b>Balance at 1 January 2015</b>	13,574,700	193,156	212,351	3,652,391	<b>17,632,598</b>
Dividends (Note 4)	-	-	-	(365,000)	<b>(365,000)</b>
Loss for the period	-	-	-	(737,232)	<b>(737,232)</b>
Other comprehensive income	-	62,900	-	-	<b>62,900</b>
Total comprehensive loss for the period	-	62,900	-	(737,232)	<b>(674,332)</b>
<b>Balance at 30 June 2015</b>	<b>13,574,700</b>	<b>256,056</b>	<b>212,351</b>	<b>2,550,159</b>	<b>16,593,266</b>
<b>Balance at 1 January 2016</b>	13,574,700	327,178	1,212,351	330,981	<b>15,445,210</b>
Loan from parent earmarked for capitalisation	-	-	19,100,000	-	<b>19,100,000</b>
Loss for the period	-	-	-	(463,915)	<b>(463,915)</b>
Other comprehensive income	-	89,380	-	-	<b>89,380</b>
Total comprehensive loss for the period	-	89,380	-	(463,915)	<b>(374,535)</b>
<b>Balance at 30 June 2016</b>	<b>13,574,700</b>	<b>416,558</b>	<b>20,312,351</b>	<b>(132,934)</b>	<b>34,170,675</b>

# Premier Capital p.l.c.

## Condensed Statements of Cash Flows

for the period ended 30 June 2016



	Group		Company	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	Unaudited	Unaudited	Unaudited	Unaudited
	€	€	€	€
<b>Cash flows from operating activities</b>				
Cash flows from operations	11,704,080	2,677,228	(1,393,282)	(1,326,548)
Interest paid	(2,040,040)	(1,225,601)	(1,435,580)	(1,541,099)
Income tax refund/(paid)	(1,383,411)	356,472	161,804	556,618
<b>Net cash flows from operating activities</b>	<b>8,280,629</b>	<b>1,808,099</b>	<b>(2,667,058)</b>	<b>(2,311,029)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(3,160,282)	(3,103,990)	(23,596)	(926)
Proceeds from sale of property, plant and equipment	11,287	216,773	-	21,000
Purchase of intangible assets	(31,375)	(72,332)	-	-
Proceeds from sale of available for sale investment	-	537,670	-	-
Payment of loans, receivables and payables from subsidiaries and related parties	(1,720,750)	(450,000)	(2,504,248)	(450,000)
Advances of loans, receivables and payables from subsidiaries and related parties	188,546	96,258	5,541,347	3,221,353
Purchase of business combination (Note 11)	(56,291,817)	-	(19,110,300)	-
Advance of loan to non controlling interest on business combination (Note 11)	(1,899,708)	-	-	-
Cash and cash equivalents taken over on business combination (Note 11)	13,427,244	-	-	-
Purchase of available for sale investments	(250,000)	(500,000)	(250,000)	(500,000)
<b>Net cash flows from investing activities</b>	<b>(49,726,855)</b>	<b>(3,275,621)</b>	<b>(16,346,797)</b>	<b>2,291,427</b>
<b>Cash flows from financing activities</b>				
Re-purchase of own bonds	(28,953)	(28,953)	(28,953)	(28,953)
Repayment of bank borrowings	(1,538,760)	(980,926)	-	-
Drawdowns from bank facilities	40,701,752	2,226,267	-	-
Advance from parent to finance business combination (Note 11)	19,100,000	-	19,100,000	-
Dividends paid	-	(365,000)	-	(365,000)
<b>Net cash flows from financing activities</b>	<b>58,234,039</b>	<b>851,388</b>	<b>19,071,047</b>	<b>(393,953)</b>
<b>Net movement in cash and cash equivalents</b>	<b>16,787,813</b>	<b>(616,134)</b>	<b>57,192</b>	<b>(413,555)</b>
Cash and cash equivalents at the beginning of the year	2,665,701	2,831,069	(906,436)	572,435
Impact of foreign exchange differences	157,399	-	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>19,610,913</b>	<b>2,214,935</b>	<b>(849,244)</b>	<b>158,880</b>

### **1. Basis of preparation**

The condensed interim financial statements for the half year ended 30 June 2016 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, administrative expenses and other expenses since this presentation is considered to be more appropriate.

### **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 2015.

### **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 six principal geographical areas – Malta (country of domicile), Estonia, Greece, Latvia, and Lithuania. On 22 January 2016, the group acquired the operations of Mc Donald's restaurants in Romania to increase its market portfolio. See Note 11 for further detail on the business combination.

#### *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.

**3. Segmental reporting (continued)**

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

**Profit or Loss Before Tax**

	1 January to 30 June 2016 Unaudited €	1 January to 30 June 2015 Unaudited €
Total profit for reportable segment	6,660,374	467,361
Eliminations on inter segment profits	(50,199)	(4,239)
Un-allowed pre-acquisition costs	(848,117)	-
<i>Unallocated amounts:</i>		
Other unallocated amounts	(1,711,344)	(1,408,660)
	<b>4,050,714</b>	<b>(945,538)</b>

**Assets**

	30 June 2016 Unaudited €	31 December 2015 Audited €
Total assets for reportable segments	127,021,691	58,394,733
Elimination of inter-segment receivables	(52,843,206)	(34,959,450)
<i>Unallocated amounts:</i>		
Intangible assets	7,036,718	7,358,768
Loans and receivables	43,136,423	21,754,272
Goodwill	27,255,455	16,591,999
Other unallocated amounts	(1,575,943)	3,067,834
	<b>150,031,138</b>	<b>72,208,156</b>

**Liabilities**

	30 June 2016 Unaudited €	31 December 2015 Audited €
Total liabilities for reportable segments	23,969,802	14,015,970
Elimination of inter-segment payables	272,264	(320,330)
<i>Unallocated amounts:</i>		
Bank loans	50,213,225	10,631,062
Debt securities in issue	24,423,847	24,394,893
Deferred consideration	5,519,779	-
Other unallocated amounts	4,411,460	5,747,480
	<b>108,810,377</b>	<b>54,469,075</b>

## Premier Capital p.l.c.

Notes to the Condensed Interim Financial Statements (Continued)

for the period ended 30 June 2016



### 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 2016	Greece 2016	Latvia 2016	Lithuania 2016	Malta 2016	Romania 2016	Total 2016	Unallocated 2016	Eliminations and adjustments 2016	Consolidated 2016
Revenue	8,603,115	10,552,440	8,991,656	9,152,679	9,056,914	56,872,744	103,229,548	-	-	103,229,548
Profit/(loss) before tax	779,304	(1,335,494)	297,301	831,417	(226,984)	6,314,830	6,660,374	(1,711,344)	(898,316)	4,050,714
Depreciation and amortisation	418,964	967,127	573,502	432,099	774,123	2,298,927	5,464,742	326,686	(148,100)	5,643,328
Segment assets	9,590,120	5,530,737	30,783,806	7,998,954	8,073,470	65,044,604	127,021,691	75,852,654	(52,843,206)	150,031,138
Property, plant and equipment	4,711,320	7,636,010	7,620,487	5,798,363	5,151,443	41,714,775	72,632,398	34,922	(828,395)	71,838,925
Segment liabilities	1,760,334	4,121,335	3,794,242	1,129,471	3,323,855	9,840,565	23,969,802	84,568,311	272,264	108,810,377
Income tax credit/(expense)	-	-	(44,595)	(124,619)	(4,098)	(1,539,797)	(1,713,109)	246,190	161,538	(1,305,381)

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Notes to the Condensed Interim Financial Statements (Continued)  
for the period ended 30 June 2016



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## 3. Segmental reporting (continued)

	Estonia		Greece		Latvia		Lithuania		Malta		Romania		Total		Unallocated		Eliminations and adjustments		Consolidated		
	2015	€	2015	€	2015	€	2015	€	2015	€	2015	€	2015	€	2015	€	2015	€	2015	€	
Revenue	8,203,920	€	10,794,011	€	8,538,605	€	8,444,260	€	9,741,494	€	-	€	45,722,290	€	-	€	-	€	-	€	45,722,290
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 assets	8,258,840	€	6,734,041	€	27,746,616	€	7,379,552	€	8,275,684	€	-	€	58,394,733	€	48,772,873	€	(34,959,450)	€	(72,208,156)	€	72,208,156
Property, plant and equipment	4,916,475	€	7,592,244	€	7,833,000	€	6,156,528	€	4,995,692	€	-	€	31,493,939	€	15,960	€	(828,395)	€	(30,681,504)	€	30,681,504
Segment liabilities	1,208,357	€	4,299,467	€	3,506,514	€	1,216,867	€	3,784,765	€	-	€	14,015,970	€	40,773,435	€	(320,330)	€	(54,469,075)	€	54,469,075
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 2016



## 4. Dividends

### Group and Holding Company

During the current half year, no net dividend (June 2015 – *Eur*365,000 (*Eur*2.69c per ordinary share)) has been paid to ordinary shareholders.

## 5. Goodwill

### Group

	€
<b>Cost and Carrying amount</b>	
At 01.01.2015 and 31.12.2015	16,591,999
Additions on business combination (Note 11)	<u>10,663,456</u>
<b>At 30.06.2016</b>	<b><u>27,255,455</u></b>

The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Determining whether the carrying amounts of these assets can be realised requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Goodwill arising on a business combination is allocated, to the cash-generating units (“CGUs”) that are expected to benefit from that business combination. The carrying amount as at 30 June 2016 amounting to *Eur*27,255,455 is allocated to the Malta operations and to the acquired operations in Romania (refer to Note 11 for further details).

Management assessment of goodwill is detailed in the group’s annual financial statements for the year ended 31 December 2015. The goodwill on the new acquisition will be tested for impairment at year-end as required by IAS 36.

## 6. Intangible assets

The intangible assets held by the group increased primarily as a result of the acquisition of Premier Capital Delaware, Inc. and Premier Restaurants Romania Srl as explained in Note 11.

### Group

	Support services licence	Computer software and other intangibles	Acquired rights and franchise fee	Total
	€	€	€	€
<b>Cost</b>				
At 01.01.2015	12,366,964	482,222	848,379	13,697,565
Additions	-	80,695	350,223	430,918
Disposals	-	(2,179)	(25,564)	(27,743)
At 31.12.2015	12,366,964	560,738	1,173,038	14,100,740
Additions	-	16,545	14,830	31,375
Acquired on business combination (Note 11)	-	582,343	2,554,212	3,136,555
Disposals	-	-	(9,469)	(9,469)
<b>At 30.06.2016</b>	<b>12,366,964</b>	<b>1,159,626</b>	<b>3,732,611</b>	<b>17,259,201</b>
<b>Amortisation</b>				
At 01.01.2015	4,328,447	167,770	376,989	4,873,206
Provision for the year	618,352	114,526	27,297	760,175
Released on disposal	-	(2,179)	(22,744)	(24,923)
At 31.12.2015	4,946,799	280,117	381,542	5,608,458
Provision for the year	309,175	95,847	150,228	555,250
Released on disposal	-	-	(7,690)	(7,690)
Differences on exchange	-	319	(713)	(394)
<b>At 30.06.2016</b>	<b>5,255,974</b>	<b>376,283</b>	<b>523,367</b>	<b>6,155,624</b>
<b>Carrying amount</b>				
At 31.12.2015	7,420,165	280,621	791,496	8,492,282
<b>At 30.06.2016</b>	<b>7,110,990</b>	<b>783,343</b>	<b>3,209,244</b>	<b>11,103,577</b>



# Premier Capital p.l.c.

Notes to the Condensed Interim Financial Statements (Continued)

for the period ended 30 June 2016



## 6. Intangible assets (continued)

### Holding Company

	Support services licence €	Computer Software €	Total €
<b>Cost</b>			
At 01.01.2015 / 31.12.2015 / 30.06.2016	<b>12,197,438</b>	<b>190,939</b>	<b>12,388,377</b>
<b>Amortisation</b>			
At 01.01.2015	4,269,123	102,875	4,371,998
Provision for the year	609,876	47,735	657,611
At 31.12.2015	4,878,999	150,610	5,029,609
Provision for the year	304,938	17,112	322,050
<b>At 30.06.2016</b>	<b>5,183,937</b>	<b>167,722</b>	<b>5,351,659</b>
<b>Carrying amount</b>			
At 31.12.2015	7,318,439	40,329	7,358,768
<b>At 30.06.2016</b>	<b>7,013,501</b>	<b>23,217</b>	<b>7,036,718</b>

## 7. Property, plant and equipment

The property, plant and equipment held by the group increased primarily as a result of the acquisition of Premier Capital Delaware, Inc. and Premier Restaurants Romania Srl as explained in Note 11.

### Group

	Land and buildings	Improvements to premises	Motor vehicles	Plant and equipment	Other equipment	Total
	€	€	€	€	€	€
<b>Cost</b>						
At 01.01.2015	16,983,792	10,668,204	445,065	27,498,967	6,702,361	62,298,389
Additions	1,000,372	1,337,429	4,000	3,191,057	1,770,829	7,303,687
Disposals	(20,436)	(201,137)	(71,280)	(1,407,950)	(577,151)	(2,277,954)
Transfers	(61,027)	54,534	-	76,724	(70,231)	-
At 31.12.2015	17,902,701	11,859,030	377,785	29,358,798	7,825,808	67,324,122
Additions	90,743	1,108,757	-	1,663,065	297,719	3,160,284
Acquired on business combination (Note 11)	29,181,160	2,234,765	636,818	8,095,302	3,394,215	43,542,260
Disposals	(5,265)	(259,438)	(38,195)	(831,883)	(280,785)	(1,415,566)
Transfers	653,125	-	-	(653,125)	-	-
At 30.06.2016	47,822,464	14,943,114	976,408	37,632,157	11,236,957	112,611,100
<b>Accumulated depreciation</b>						
At 01.01.2015	8,167,875	6,788,533	289,266	14,567,602	3,078,883	32,892,159
Provision for the year	1,082,262	938,197	32,897	1,794,596	1,794,402	5,642,354
Released on disposal	(19,453)	(183,794)	(30,784)	(1,333,949)	(474,381)	(2,042,361)
Transfers	-	(1,251)	-	1,166	85	-
Impairment	-	-	-	-	150,466	150,466
At 31.12.2015	9,230,684	7,541,685	291,379	15,029,415	4,549,455	36,642,618
Provision for the year	971,319	784,281	90,698	2,457,985	783,795	5,088,078
Released on disposal	(2,818)	(184,613)	(35,774)	(622,338)	(138,753)	(984,296)
Differences on exchange	(1,177)	51	438	20,109	6,354	25,775
Transfers	359,223	-	-	(359,223)	-	-
At 30.06.2016	10,557,231	8,141,404	346,741	16,525,948	5,200,851	40,772,175
<b>Carrying amount</b>						
At 31.12.2015	8,672,017	4,317,345	86,406	14,329,383	3,276,353	30,681,504
At 30.06.2016	37,265,233	6,801,710	629,667	21,106,209	6,036,106	71,838,925

## 7. Property, plant and equipment

### Holding company

	Motor Vehicles €	Furniture, fixtures and other equipment €	Total €
<b>Cost</b>			
At 01.01.2015	50,000	134,978	184,978
Additions	-	4,374	4,374
Disposals	(50,000)	-	(50,000)
At 31.12.2015	-	139,352	139,352
Additions	-	23,596	23,596
Disposals	-	(3,268)	(3,268)
<b>At 30.06.2016</b>	<b>-</b>	<b>159,680</b>	<b>159,680</b>
<b>Accumulated depreciation</b>			
At 01.01.2015	30,000	111,643	141,643
Provision for the year	-	11,748	11,748
Released on disposal	(30,000)	-	(30,000)
At 31.12.2015	-	123,391	123,391
Provision for the year	-	4,635	4,635
Released on disposal	-	(3,268)	(3,268)
<b>At 30.06.2016</b>	<b>-</b>	<b>124,758</b>	<b>124,758</b>
<b>Carrying amount</b>			
At 31.12.2015	-	15,961	15,961
<b>At 30.06.2016</b>	<b>-</b>	<b>34,922</b>	<b>34,922</b>

## 8. Trade and other receivables

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

	Group		Company	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	Unaudited	Audited	Unaudited	Audited
	€	€	€	€
Trade receivables	330,067	45,318	-	-
Other receivables	1,165,747	638,586	58,890	199,653
Amounts due from related companies	36,457	12,910	-	-
Amounts due from subsidiaries	-	-	895,547	1,299,560
Prepayments and accrued income	1,346,578	691,691	1,020,436	50,508
	<b>2,878,849</b>	<b>1,388,505</b>	<b>1,974,873</b>	<b>1,549,721</b>

## 9. Trade and other payables

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

	Group		Company	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	Unaudited	Audited	Unaudited	Audited
	€	€	€	€
Trade payables	6,650,055	5,985,624	15,042	29,668
Other payables	2,590,805	923,213	17,969	9,794
Social security liabilities	1,496,407	889,843	-	-
VAT and other liabilities	1,854,818	1,669,336	-	-
Amounts due to related companies	-	77,728	-	-
Accruals and deferred income	9,114,225	3,612,331	660,873	1,476,061
	<b>21,706,310</b>	<b>13,158,075</b>	<b>693,884</b>	<b>1,515,523</b>

## 10. Borrowings

### Group

The loan that SIA Premier Restaurants Latvia had taken from AS DNB Banka during 2012 has a drawdown limit of *Eur*17,500,000, of which *Eur*17,500,000 had been drawn down on 30 June 2016 (December 2015 – *Eur*17,500,000). During 2016, SIA Premier Restaurants Latvia managed to secure an additional loan of *Eur*3,500,000 within the same facility. The loan bears an adjusted interest rate of the 3-month EURIBOR +2.50% and the maturity term of the loan extended up to June 2021. The loan is secured by a pledge agreement between the bank and the company, together with pledges over the Baltic subsidiaries' shares and a pledge over the subsidiaries' immovable and movable property. The balance on this loan at 30 June 2016 amounted to *Eur*12,046,975 (December 2015 - *Eur*9,550,220).

On 22 January 2016, Premier Capital Romania Srl secured a loan from BRD – SG in Romania to partly finance the acquisition of the McDonald's operations in the territory. The loan was denominated in local currency RON, for an amount equivalent to *Eur*36,596,462 as at 30 June 2016. The facility has a term of six years and bears an interest rate of 3-month ROBOR + 2.75%.

The remaining bank borrowings relate to an overdraft balance of *Eur*565,904 (December 2015 – *Eur*745,186) of a group subsidiary in Malta, namely Premier Restaurants Malta Limited with a limit of *Eur*1,000,000 (December 2015 – *Eur*1,000,000) and bearing interest at 250 basis point over the bank's base rate, presently 2.35% (December 2015 – 2.35%) per annum.

## 10. Borrowings (continued)

### Group

Premier Restaurants Malta Limited also has a loan facility of *Eur1,250,000* of which *Eur1,250,000* had been drawn down at June 2016 (December 2015 – *Eur1,250,000*) bearing interest at 250 basis point over the bank's base rate, presently 2.35% (December 2015 – 2.35%) per annum, and another loan facility of *Eur1,250,000* of which *Eur605,290* had been drawn down at June 2016 (December 2015 – *Eur Nil*). These facilities are secured by a first general hypothec over the assets of the subsidiary company, over those of related companies, as well as by guarantees provided by shareholders and related companies together with pledges on various insurance policies. The balance on these loans at 30 June 2016 amounted to *Eur1,569,788* (December 2015 – *Eur1,080,842*).

### Holding Company

During the current half-year, the company continued to make use of the overdraft facility which had a balance as at June 2016 of *Eur902,173* (December 2015 – *Eur951,828*) with a facility limit of *Eur1,000,000* and bearing interest at the rate of 3.25% (December 2015 – 3.25%) per annum over the 3-month EURIBOR. The loan is secured by a first general hypothec over the assets of the company.

## 11. Business Combinations

On 22 January 2016, the group acquired 90 percent shareholding in Premier Capital Romania Srl, an SPV company purposely set up to acquire 100 percent shareholding in the group of companies that operate the McDonald's restaurants in Romania. The acquired group is made up of Premier Capital Delaware Inc. ('McD Delaware'), a non-trading holding company registered in Delaware US, and Premier Restaurants Romania Srl ('McD Romania') which operates the McDonald's restaurants in the territory.

McD Romania is headquartered in Bucharest, and operates 67 restaurants across the country. The acquisition is expected to increase the group's market portfolio and operations. Details of the purchase consideration is as follows:

### Group

	€
<b>Purchase consideration</b>	
Cash consideration paid	56,291,817
Deferred consideration (included in 'other financial liabilities')	5,519,779
	<u>61,811,596</u>

**11. Business Combinations (continued)**

As already mentioned in Note 10, the purchase consideration has been partly financed by a bank loan from BRD of *Eur*36,596,462, a cash injection of *Eur*17,200,292 by the parent, Hili Ventures Limited and *Eur*3,343,180 from group operating cash flows. The deferred consideration of *Eur*5,519,779 included in other financial liabilities is payable by 22 January 2017 and bears an interest currently of 3.54%

Acquisition related costs of *Eur*848,117 have been excluded from the purchase consideration and are included within administrative expenses in the profit or loss.

The assets and liabilities recognised as a result of the acquisition are as follows:

	€
Cash and cash equivalents	13,427,244
Property, plant and equipment	43,542,260
Intangible assets	3,136,555
Inventories	652,704
Receivables	1,165,924
Payables	(7,928,446)
Current tax liabilities	(916,971)
<b>Net identifiable assets acquired</b>	<b>53,079,270</b>
Less: non-controlling interest	(1,931,130)
Add: goodwill	10,663,456
	<b>61,811,596</b>

The initial accounting for the acquisition of the operations in Romania has only been provisionally determined as at the end of 30 June 2016. The net identifiable assets acquired and non-controlling interest are required to be reset based on fair values. At the date of finalisation of these condensed interim financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimates.

The acquired business contributed revenues of *Eur*56,872,744 and a profit before tax of *Eur*6,314,830 to the group for the period 22 January 2016 to 30 June 2016. If the acquisition had occurred on 1 January 2016, consolidated revenue and consolidated profit before tax for the half year ended 30 June 2016 would have been *Eur*110,087,281 and *Eur*4,790,234.

The non-controlling interest (10% of Premier Capital Romania Srl) recognised at the acquisition date, was measured by reference to cost of the shares of the non-controlling interest and amounted to *Eur*1,931,130.

# Premier Capital p.l.c.

Notes to the Condensed Interim Financial Statements (Continued)

for the period ended 30 June 2016



## 11. Business Combinations (continued)

The net cash outflow on acquisition of the subsidiary in Romania resulted as follows:

	€
Consideration paid in cash	56,291,817
Less: cash and cash equivalent balances acquired	<u>(13,427,244)</u>
	<u><u>42,864,573</u></u>

## 12. 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

	2016			2015		
	Related party			Related party		
	activity	Total activity	%	activity	Total activity	%
	Unaudited	Unaudited		Unaudited	Unaudited	
	€	€		€	€	
<b>Administrative Expenses:</b>						
Related party transactions with:						
Other related parties	<u>1,097,361</u>	<u>8,198,815</u>	<u>13%</u>	<u>609,643</u>	<u>3,929,638</u>	<u>16%</u>
<b>Finance Costs:</b>						
Related party transactions with:						
Other related parties	<u>15,322</u>	<u>1,815,706</u>	<u>1%</u>	<u>-</u>	<u>1,194,050</u>	<u>0%</u>

### Holding Company

	2016			2015		
	Related party			Related party		
	activity	Total activity	%	activity	Total activity	%
	Unaudited	Unaudited		Unaudited	Unaudited	
	€	€		€	€	
<b>Administrative Expenses:</b>						
Related party transactions with:						
Other related parties	<u>326,418</u>	<u>1,243,136</u>	<u>26%</u>	<u>252,970</u>	<u>1,023,783</u>	<u>25%</u>
<b>Finance Costs:</b>						
Related party transactions with:						
Other related parties	<u>15,322</u>	<u>1,198,471</u>	<u>1%</u>	<u>-</u>	<u>908,275</u>	<u>0%</u>

### 13. Contingent liabilities

At the end of the reporting period, the company acted as a guarantor for bank facilities held in the name of its subsidiaries. The company guaranteed *Eur*4,999,499 (December 2015 – *Eur*4,999,499) in favour of Premier Restaurants Malta Ltd, and guaranteed the amount of *Eur*17,500,000 (December 2015 – *Eur*17,500,000) in favour of SIA Premier Restaurants (Latvia subsidiary), on the loan which the latter has with AS DNB Banka, which as at 30 June 2016 amounted to *Eur*12,046,975 (December 2015 – *Eur*9,550,220).

Certain subsidiaries of the group, have also guaranteed the amount of *Eur*8,223,658 (December 2015 – *Eur*8,223,658) in favour of related companies in connection with bank facilities of the respective related company.

### 14. Fair value of financial assets and financial liabilities

At 30 June 2016 and 31 December 2015, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values of non-current financial assets and non-current financial liabilities that are not measured at fair value, other than the shares in subsidiary companies that are carried at cost, and the debt securities in issue, are not materially different from their carrying amounts.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3.

	Group and Holding Company			Total €
	Level 1 €	Level 2 €	Level 3 €	
<b>Financial assets measured at fair value</b>				
<i>Available-for-sale investments</i>				
Local listed debt instruments				
As at 31.12.2015	1,757,493	-	-	1,757,493
<i>Available-for-sale investments</i>				
Local listed debt instruments				
As at 30.06.2016	2,100,622	-	-	2,100,622
<b>Financial liabilities at fair value through profit or loss</b>				
<i>Financial liabilities held for trading</i>				
Derivative financial instruments				
As at 31.12.2015	-	96,006	-	96,006
As at 30.06.2016	-	96,006	-	96,006



**14. Fair value of financial assets and financial liabilities (continued)**

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair value of the derivative financial instruments is established by using a valuation technique. Valuation techniques comprise discounted cash flow analysis. The valuation technique is consistent with generally accepted economic methodologies for pricing financial instruments. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the rates at end of the reporting period and the credit risk inherent in the contract.

The following table provides an analysis of financial instruments that are not measured subsequent to initial recognition at fair value, other than those with carrying amounts that are reasonable approximations of fair value and other than shares in subsidiary companies, grouped into Levels 1 to 3.

**Group**

	Fair value measurement at end of reporting period using:				
	Level 1	Level 2	Level 3	Total	Carrying amount
	€	€	€	€	€
<b>Financial assets</b>					
<i>Loans and receivables</i>					
Receivables from related parties					
As at 31.12.2015	-	185,781	-	185,781	185,781
<b>As at 30.06.2016</b>	<b>-</b>	<b>1,449,484</b>	<b>-</b>	<b>1,449,484</b>	<b>1,449,484</b>
<b>Financial liabilities</b>					
<i>Financial liabilities at amortised cost</i>					
Amounts due to related parties	-	1,092,836	-	1,092,836	1,092,836
Bank loans	-	10,631,062	-	10,631,062	10,631,062
Debt securities	25,873,050	-	-	25,873,050	24,394,893
As at 31.12.2015	25,873,050	11,723,898	-	37,596,948	36,118,791
<b>Financial liabilities</b>					
<i>Financial liabilities at amortised cost</i>					
Amounts due to related parties	-	824,335	-	824,335	824,335
Deferred consideration	-	5,519,779	-	5,519,779	5,519,779
Bank loans	-	50,213,225	-	50,213,225	50,213,225
Debt securities	25,259,489	-	-	25,259,489	24,423,847
<b>As at 31.12.2015</b>	<b>25,259,489</b>	<b>56,557,339</b>	<b>-</b>	<b>81,816,828</b>	<b>80,981,186</b>

**14. Fair value of financial assets and financial liabilities (continued)****Holding Company**

## Fair value measurement at end of reporting period using:

	Level 1	Level 2	Level 3	Total	Carrying amount
	€	€	€	€	€
<b>Financial assets</b>					
<i>Loans and receivables</i>					
Receivables from subsidiaries	-	21,609,087	-	21,609,087	21,609,087
Receivables from related parties	-	145,185	-	145,185	145,185
As at 31.12.2015	-	21,754,272	-	21,754,272	21,754,272
<b>Financial assets</b>					
<i>Loans and receivables</i>					
Receivables from subsidiaries	-	41,707,482	-	41,707,482	41,707,482
Receivables from related parties	-	1,428,941	-	1,428,941	1,428,941
As at 30.06.2016	-	43,136,423	-	43,136,423	43,136,423
<b>Financial liabilities</b>					
<i>Financial liabilities at amortised cost</i>					
Amounts due to subsidiaries	-	9,726,986	-	9,726,986	9,726,986
Amounts due to related parties	-	809,302	-	809,302	809,302
Debt securities	25,873,050	-	-	25,873,050	24,394,893
As at 31.12.2015	25,873,050	10,536,288	-	36,409,338	34,931,181
<b>Financial liabilities</b>					
<i>Financial liabilities at amortised cost</i>					
Amounts due to subsidiaries	-	14,160,269	-	14,160,269	14,160,269
Amounts due to related parties	-	478,570	-	478,570	478,570
Debt securities	25,259,489	-	-	25,259,489	24,423,847
As at 30.06.2016	25,259,489	14,638,839	-	39,898,328	39,062,686

**15. 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 2016



**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 2016, and the financial performance and cash flows of the company and the group for the half year 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 29 August 2016 and signed on its behalf by:



**Mr Melo Hili**  
**Chairman**



**Mr Victor Tedesco**  
**Director**