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Interim Financial Report (unaudited)

For the period 1 January 2012 to 30 June 2012

Contents

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 2012 to 30 June 2012.

Principal activities

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

Business review

The group

The group believes that there is a significant business expansion opportunity in the five markets within which it operates, both in terms of growth in sales of existing and even new restaurants. Notwithstanding the focus on the Greek market for the period ended June 2012, the group continued expanding its restaurant operations in the Baltics by opening one new restaurant in Latvia, bringing the total in the country to 11. Furthermore development works are underway to open the 12th restaurant in Latvia in the last quarter of 2012. The group has also analysed the potential of the Maltese market, with plans to open the second drive thru on the island, together with another store in the Sliema area.

The group's restaurant remodelling strategy is also progressing well. During the first six months of the year, 3 remodels were carried out in the Baltics, 5 in Greece, and 1 in Malta.

Given the negative impact of the Greek and Latvian market, the group registered a drop of €969,603 in EBITDA, reporting an EBITDA of €1,490,310 when compared to an EBITDA of €2,459,913 for the period ended June 2011. Greece reported a negative EBITDA of €1,308,350, thus diluting the effect of the positive performance of the other markets.

During the period under review, the group registered an operating loss of €848,201 (June 2011 – Profit of €557,615) on revenues of €37,823,482 (June 2011 - €28,286,814). It is important to note that the results for the period ending June 2011 only included the sales and performance of Greece for 1 month, given the date of acquisition of the Greece subsidiary was 1st June 2011. The main contributor to this loss is the underperformance by the Greek market, which has seen declining sales since the VAT increase of September 2011. The operating loss of Greece amounted to €1,809,969, which in turn had significant impact on the overall results. The slow recovery of the Latvian market also had significant influence over the group's operating profit, with a resulting operating loss of €361,617.

During the period ending June 2012, the lease of the Valletta restaurant has been extended for a period of fifteen years. Consequently the provision for impairment made in the period ending December 2011 for the closure of this restaurant has been reversed.

After accounting for the investment income and finance costs, the group registered a loss before tax of €1,420,992 (June 2011 – profit of € 3,737,357). The negative variance in profit before tax was brought about mainly by investment income of €4,687,549 which represents the gain arising on the acquisition of McDonald's Hellas Company S.A., which is the group's subsidiary in Greece, acquired on the 1 June 2011, and registered in the financial statements for the period ending June 2011.

The group's net assets for the period under review amounted to €14,561,964 compared to €16,084,078 as at 31 December 2011.

The company

During the period under review, the company registered an operating loss of €82,372 (June 2011 – profit of €121,193). After accounting for investment income and finance costs, the company registered a pre-tax loss of €1,046,633 (June 2011 – profit of €224,894). The net assets of the company as at June 2012 amounted to €13,416,891 (December 2011 - €14,436,279).

The published figures have been extracted from the unaudited management financial statements for the six months ended 30 June 2012 and its comparative period in 2011. Comparative Statement of Financial Position has been extracted from the audited financial statements for the year ended 31 December 2011.

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 3 August 2012 and signed on its behalf by:

Marin Hili	Melo Hili
Chairman	Director

Condensed Statements of Comprehensive Income

Period ended 30 June 2012

	Group		Company	
	1 January to 30 June 2012 Unaudited €	1 January to 30 June 2011 Unaudited €	1 January to 30 June 2012 Unaudited €	1 January to 30 June 2011 Unaudited €
Revenue	**37,823,482**	28,286,814	-	-
Cost of sales	**(13,153,878)**	(9,986,969)	-	-
Gross profit	**24,669,604**	18,299,845	-	-
Other operating income	**10,655**	25,001	**1,044,968**	868,915
Selling expenses	**(21,687,503)**	(14,726,391)	-	
Administrative expenses	**(3,840,957)**	(3,040,840)	**(1,127,339)**	(747,722)
Operating profit	**(848,201)**	557,615	**(82,372)**	121,193
Other expenses	**(250,000)**	(250,000)	-	-
Investment income	**1,000,000**	4,687,549	-	1,000,000
Investment loss	-	-	-	-
Finance costs	**(1,322,791)**	(1,257,807)	**(964,262)**	(896,299)
Profit/(loss) before tax	**(1,420,992)**	3,737,357	**(1,046,633)**	224,894
Tax	**(103,629)**	(369,043)	**27,245**	(109,470)
Profit/(loss) for the year from	**(1,524,621)**	3,368,314	**(1,019,388)**	115,424
Total comprehensive income/ (loss) for the period	**(1,524,621)**	3,368,314	**(1,019,388)**	115,424
Attributable to:				
Owners of the company	**(1,521,341)**	3,342,545		
Non-controlling interests who are also owners of the company	**(1,221)**			
Non-controlling interests	**(2,059)**	25,769		
	(1,524,621)	**3,368,314**		

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Condensed Statements of Financial Position

at 30 June 2012

	Group		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	Unaudited	Audited	Unaudited	Audited
	€	€	€	€
ASSETS AND LIABILITIES				
Non-current assets				
Goodwill	14,606,999	14,606,999	-	-
Intangible assets	10,575,285	10,348,455	9,612,972	9,808,101
Property, plant and equipment	36,265,974	35,773,993	131,396	142,816
Investment in subsidiaries	-	-	27,756,791	27,756,791
Loans and receivables	-	-	4,195,766	11,401,095
Deferred tax assets	2,015,124	1,863,239	1,898,990	1,742,480
Prepayment	1,533,033	1,646,043	-	-
Total non-current assets	**64,996,415**	**64,238,729**	**43,595,915**	**50,851,283**
Current assets				
Inventories	3,049,001	1,265,946	-	-
Loans and receivables	-	293,378	361,593	1,587,029
Trade and other receivables	4,440,856	1,378,055	1,048,323	2,264,654
Current tax asset	27,557	1,888,540	-	1,699,259
Available-for-sale investments	-	-	-	-
Cash and cash equivalents	3,118,066	6,851,156	571,403	2,677,497
Total current assets	**10,635,480**	**11,677,075**	**1,981,318**	**8,228,439**
TOTAL ASSETS	**75,631,895**	**75,915,804**	**45,577,233**	**59,079,722**
Current liabilities				
Trade and other payables	10,670,050	9,631,131	849,884	1,513,638
Other financial liabilities	342,639	254,212	187,488	377,479
Bank loans	2,631,215	3,199,808	2,127	2,427,702
Bank overdrafts	1,376,550	1,492,677		
Current tax liabilities	-	-	-	-
Total current liabilities	**15,020,454**	**14,577,828**	**1,039,499**	**4,318,819**
Non - Current liabilities				
Bank loans	17,355,434	16,718,075	-	12,121,215
Debt securities in issue	24,551,217	24,522,262	24,551,217	24,522,262
Other financial liabilities	185,009	185,009	3,040,852	281,639
Deferred tax liability	3,957,817	3,828,552	3,528,773	3,399,508
Total non current liabilities	**46,049,477**	**45,253,898**	**31,120,842**	**40,324,624**
Total liabilities	**61,069,931**	**59,831,726**	**32,160,342**	**44,643,443**
Net assets	**14,561,964**	**16,084,078**	**13,416,891**	**14,436,279**
EQUITY AND LIABILITIES				
Share capital	13,574,700	13,574,700	13,574,700	13,574,700
Exchange translation reserves	10,555	8,048	-	-
Other equity	(73,567)	(73,567)	212,351	212,351
Retained earnings	575,608	2,096,949	(370,160)	649,228
Equity attributable to the owners of the company	**14,087,296**	**15,606,130**	**13,416,891**	**14,436,279**
Non-controlling interest	474,668	477,948	-	-
	14,561,964	**16,084,078**	**13,416,891**	**14,436,279**

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Condensed Statement of Changes in Equity

for the period ended 30 June 2012

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Group

	Share capital (unaudited) €	Exchange translation reserve (unaudited) €	Loss offset reserve (unaudited) €	Other equity (unaudited) €	Retained earnings (unaudited) €	Attributable to owners of the parent (unaudited) €	Non-controlling interest (unaudited) €	Total (unaudited) €
Balance at 1 January 2011	13,574,700	8,306	212,351	(187,208)	(98,475)	**13,509,674**	612,056	**14,121,730**
Dividends	-	-	-	-	(650,000)	**(650,000)**	-	**(650,000)**
Exchange differences on translation of foreign operations	-	(257)	-	-	-	**(258)**	-	**(258)**
Disposal of legal reserve	-	-	-	(98,710)	98,710	**-**		**-**
Pre-acquisition reserves - Greece	-	-	-		11,516	**11,516**		**11,516**
Total comprehensive (expense)/income for the year	-	-	-	-	2,735,198	**2,735,198**	(134,108)	**2,601,090**
Balance as at 31 December 2011	**13,574,700**	**8,049**	**212,351**	**(285,918)**	**2,096,949**	**15,606,130**	**477,948**	**16,084,078**
Balance at 1 January 2012	13,574,700	8,049	212,351	(285,918)	2,096,949	**15,606,130**	477,948	**16,084,078**
Exchange differences on translation of foreign operations	-	2,506	-	-	-	**2,506**	-	**2,506**
Total comprehensive (expense)/income for the year	-	-	-	-	(1,521,341)	**(1,521,341)**	(3,279)	**(1,524,620)**
Balance as at 30 June 2012	**13,574,700**	**10,555**	**212,351**	**(285,918)**	**575,608**	**14,087,295**	**474,669**	**14,561,964**

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Condensed Statement of Changes in Equity

for the period ended 30 June 2012

Company

	Share capital €	Accumulated losses €	Other equity €	Total €
Balance at 1 January 2011	13,574,700	1,685,328	212,351	15,472,379
Issue of share capital	-	-	-	-
Dividends	-	(650,000)	-	(650,000)
Profit for the year	-	(386,100)	-	(931,258)
Balance at 1 January 2011	**13,574,700**	**649,228**	**212,351**	**14,436,279**
Issue of share capital	-	-	-	-
Dividends	-	-	-	-
Profit for the year	-	(1,019,388)	-	(1,019,388)
Balance at 31 December 2011	**13,574,700**	**(370,160)**	**212,351**	**13,416,891**

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Condensed Statements of Cash Flows

for the period ended 30 June 2012

	Group		Company	
	1 January to 30 June 2012 unaudited	1 January to 30 June 2011 unaudited	1 January to 30 June 2012 unaudited	1 January to 30 June 2011 unaudited
	€	€	€	€
Net cash flows from operating activities	**(510,088)**	(983,146)	**1,554,322**	(401,939)
Net cash flows from investing activities	**(3,307,322)**	(116,036)	**(113,618)**	(2,373,363)
Cash flows from financing activities				
Movement in bank loan	**68,765**	1,921,336	(14,545,450)	(606,060)
Movement in other financial liabilities	**(161,695)**	175,021	2,569,222	(227,688)
Movement in amount due from subsidiaries	**-**	-	8,430,766	3,818,922
Repayments to related parties	**293,376**	431,792	-	380,035
Net cash flows from financing activities	**200,446**	2,528,149	**(3,545,463)**	3,365,209
Net movement in cash and cash equivalents	**(3,616,963)**	1,428,967	**(2,104,759)**	589,907
Cash and cash equivalents at the beginning of the period	**5,358,479**	6,116,784	**2,674,035**	2,484,372
Cash and cash equivalents at the end of the period	**1,741,516**	7,545,751	**569,276**	3,074,279

1. Basis of preparation

The condensed interim financial statements have been prepared in accordance with International Standard 34 - Interim Financial Reporting.

2. Significant accounting policies

The condensed interim financial statements have been prepared under the historic cost convention. 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 2011, except for the impact of the adoption of the Standards described below which are effective for annual periods beginning on or after 1 January 2012.

IAS 24 (revised in 2009) – Related Party Disclosures

The revised Standard clarifies and simplifies the definition of a related party and provides certain exemptions for government-related entities. The new definitions of a related party emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. The group and company have re-assessed its related party relationships and have not identified any changes in its related party relationships under the revised Standard. The adoption of the Revised Standard did not have any impact on the financial position or performance of the group and company.

Amendments to IAS 1 – Presentation of Financial Statements and IAS 34 – Interim Financial Reporting

The amendments to IAS 1 - Presentation of Financial Statements clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements. The group and company have decided to provide this analysis in the statement of changes in equity.

The amendments to IAS 34 - Interim Financial Reporting require additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements. The adoption of these amendments did not have any impact on the financial position or performance of the group and company.

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 described in note two.

3. Segmental reporting (continued)

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

Group

Profit or loss

	1 January to 30 June 2012 €	1 January to 30 June 2011 €
Total profit for reportable segment	(1,367,166)	950,996
Elimination of intra group transactions	(895,159)	(1,876,087)
Unallowed costs incurred on the acquisition of Mc Donald's HELLAS Company Operated Restaurants S.A.	-	250,000
Gain on bargain purchase arising on acquisition recognised as investment income in the statement of comprehensive income	1,000,000	4,687,549
Unallocated amounts:		
Dividend income	-	(1,000,000)
Other unallocated amounts	(158,667)	724,899
	(1,420,992)	**3,737,357**

Net assets

	30 June 2012 €	31 December 2011 €
Net assets for reportable segments	19,839,109	18,534,132
Elimination of intra-group balances	6,462,077	9,328,485
Unallocated amounts		
Intangible assets	9,612,971	9,757,943
Loans and receivables	9,340,471	12,644,473
Goodwill	14,606,999	14,606,999
Bank loans	(17,355,434)	(19,917,539)
Debt securities in issue	(24,551,217)	(24,522,262)
Other unallocated amounts	(3,393,012)	(4,348,153)
	14,561,964	**16,084,078**

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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:

Six months ended 30 June	Estonia 2011	Greece 2011	Latvia 2011	Lithuania 2011	Malta 2011	Total 2011	Unallocated 2011	Eliminations and adjustments 2011	Consolidated 2011
	€	€	€	€	€	€	€	€	€
Revenue	6,086,668	2,082,471	6,133,491	6,129,487	7,854,697	**28,286,814**	-	-	**28,286,814**
(Loss)/profit before tax	(179,789)	(42,044)	94,991	791,942	285,896	**950,996**	224,898	2,561,463	**3,737,357**
Depreciation and amortisation	354,807	39,367	284,787	290,195	615,560	**1,584,716**	317,582	-	**(1,902,298)**
Capital expenditure	260,118	1,894	568,159	1,589,849	97,087	**2,517,107**	56,835	-	**2,573,942**
Segment net assets	2,417,516	7,695,138	5,966,094	5,748,629	3,060,725	**24,888,102**	2,425,994	(9,824,051)	**17,490,044**
Income tax expense	-	-	21,770	119,538	118,266	**259,573**	109,470	-	**369,043**

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3. Segmental reporting (continued)

Six months ended 30 June	Estonia 2012	Greece 2012	Latvia 2012	Lithuania 2012	Malta 2012	Total 2012	Unallocated 2012	Eliminations and adjustments 2012	Consolidated 2012
	€	€	€	€	€	€	€	€	€
Revenue	7,241,405	8,465,522	7,603,522	6,604,037	7,908,996	**37,823,482**	-	-	**37,823,482**
(Loss)/profit before tax	572,999	(1,814,685)	(644,160)	444,813	73,867	**(1,367,166)**	(1,053,826)	1,000,000	**(1,420,992)**
Depreciation and amortisation	344,718	501,619	388,768	262,384	647,320	**2,144,808**	443,703	-	**(2,588,512)**
Capital expenditure	855,201	1,120,637	847,321	712,221	387,087	**3,922,467**	56,835	-	**3,979,302**
Segment net assets	2,974,788	5,697,884	4,784,302	4,081,765	2,300,371	19,839,109	1,184,931	(6,462,077)	**14,561,964**
Income tax expense	-	7,016	27,632	6,879	89,347	**130,874**	(27,245)	-	**103,629**

4. Property, plant and equipment

During the period, the group spent € 3,979,302 (2011 - €2,573,902) on the acquisition of property, plant and equipment.

5. Inventories

On the 1 May 2012, SIA Premier Restaurants Latvia, took over the supply chain services from HAVI Logistics SIA. This in turn increased the level of inventories which are held in stock.

6. Trade and other receivables

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

	30 June 2012	31 December 2011
	€	€
Prepayments:	2,137,446	973,643
Receivables:	1,512,509	376,027
Receivables from related companies:	322,072	28,385
Other deposits:	468,829	
	4,440,856	**1,378,055**

7. Trade and other payables

	30 June 2012	31 December 2011
	€	€
Trade creditors:	5,120,255	3,539,580
VAT & Payroll taxes:	1,898,996	2,170,787
Accruals:	2,888,625	2,808,184
Other payables:	762,174	1,112,580
	10,670,050	**9,631,131**

8. Bank Loans

During the period under review, the Company held a refinancing exercise whereby bank loans of €13,939,393, due to Nordea Bank where passed on to SIA Premier Restaurants Latvia, and refinanced through AS DNB Banka.

7. 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 and company

	2012			2011		
	Related party activity	Total activity	%	Related party activity	Total activity	%
	€	€		€	€	
Other operating income:						
Related party transactions with:						
Other related parties	9,660	10,655	91%	9,660	25,001	39%
Administrative Expenses:						
Related party transactions with:						
Other related parties	91,696	3,840,957	2%	63,220	3,290,840	2%
Finance Costs:						
Related party transactions with:						
Other related parties	7,237	1,322,791	0.5%	5,393	1,257,807	0.4%

7. Events after the end of the reporting period

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

Statement Pursuant to Listing Rules 5.75.3 issued by the Listing Authority

Period ended 30 June 2012

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 2012, 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 3 August 2012 and signed on its behalf by:

Marin Hili
Chairman

Melo Hili
Director