SNACKTIME PLC

INTERIM RESULTS

FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

SnackTime PLC (“SnackTime” or the “Company”) (AIM: SNAK), the third largest vending company in the British Isles, today announces its unaudited interim results for the six months ended 30 September 2011.

FINANCIAL HIGHLIGHTS

- Turnover increased by 162% to £11.72 million (H1 2010: to £4.48 million)
- Gross Profit up 131% to £6.68 million (H1 2010: £2.89 million)
- Operating profit before amortisation increased by 2.3% to £0.43 million (H1 2010: £0.42 million)

OPERATIONAL HIGHLIGHTS

- Restructuring of Vending Division was largely completed by July, with cost savings reflected in Q2
- Streamlining of Vending Division continues - anticipated to yield further efficiency savings as management and operational changes take effect
- Sales have continued to improve month-by-month in H1 as a result of major account wins and the forward pipeline is encouraging.
- Input inflation remains an issue as suppliers seek to pass on cost rises. Consumer resistance to price rises remains a concern

Blair Jenkins Chief Executive Officer commented:

“I am pleased to announce that good progress was made in the six months to 30 September 2011 with increased revenue and profits despite higher VAT and poor consumer confidence and the continued negative economic background.

Our focus for the remainder of this financial year will be on continuing to refine operations, against a background of rising prices, including fuel, to ensure that we are employing our resources with optimum efficiency, without compromising customer service levels.

The Board is confident that performance will continue to improve through Q3 and Q4 of this year and anticipates that full year results will be in line with market expectations.”

For further information:

Snacktime PLC
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CHIEF EXECUTIVE'S STATEMENT

I am pleased to announce that good progress was made in the six months to 30 September 2011 despite increased VAT and poor consumer confidence and the continued negative economic background.

Turnover in the first half was up by 162% to £11.72M and operating profit (before amortisation) up 2.3% to £430K. During the first six months of the year, the integration of the Vendia and SnackTime vending businesses into one vending platform has mostly been completed and significant cost savings have been achieved.

The start of this financial year was affected by a combination of additional bank holidays, increased VAT and poor consumer confidence which combined to adversely impact sales through machines; in addition large commodity price increases affected margins in the early part of the year before these higher input prices could be passed on to customers. All this added up to a tough Q1 with resultant unaudited Q1 EBITDA of £260K. However, we are pleased to report that savings arising from the restructuring of the Vending Division started to show through by July. This, coupled with the passing on of price increases to most customers, and a continuing sales drive, resulted in a much improved Q2 unaudited EBITDA of 908K, resulting in total unaudited EBITDA for the first half being £1.168 million.

Sales have continued to improve month-by-month in the first half of this year as a result of major account wins such as Makro, Ladbrokes, NHS and the forward sales pipeline in all divisions is looking healthy. There are further integration savings which are expected in the second half of the financial year as VMI and Simply Drinks fine tune their operations. It is also anticipated that most of the vending business will be on one systems platform during Q4 which will greatly aid efficiency, data flow and customer service. The Board is confident that performance will continue to improve through Q3 and Q4 of this year and anticipates that full year results will be in line with market expectations.

The economic background continues to present a number of challenges to the vending industry, with input inflation continuing to feed through from suppliers, along with tax and inflation also adversely impacting the disposable income of many of our consumers, particularly in the North. While the Company is currently able successfully to pass on price rises to most business customers, there is continuing resistance at the consumer level to increased vending prices.

Our focus for the remainder of this financial year will be on continuing to refine operations, against a background of rising prices, including fuel, to ensure that we are employing our resources with optimum efficiency, without compromising customer service levels. Our strategy for building through acquisition remains the same and acquisition opportunities continue to present themselves.

SNACKTIME PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PERIOD ENDED 30 SEPTEMBER 2011

	Six months to 30 September 2011 (Unaudited) £	*Six months to 30 September 2010 (Unaudited) £*
Revenue	**11,715,714**	4,475,583
Cost of sales	**(5,030,342)**	(1,586,634)
Gross profit	**6,685,372**	2,888,949
Distribution and administration expenses	**(5,517,136)**	(1,924,660)
Operating Profit before depreciation and amortisation	**1,168,236**	964,289
Depreciation	**(737,764)**	(547,272)
Operating Profit before amortisation	**430,472**	417,017
Amortisation	**(232,713)**	(85,015)
Operating Profit	**197,759**	332,002
Finance income	**1,325**	464
Finance costs	**(88,074)**	(131,314)
Profit before tax	**111,010**	201,152
Income tax expense	**92,014**	(69,690)
Profit for the financial period	**203,024**	131,462
Other comprehensive income:	-	-
Total comprehensive income for the period	**203,024**	131,462
Basic profit per share	1.24p	1.21p
Diluted profit per share	1.17p	0.72p

All of the activities of the Company are classed as continuing.

The Company has no recognised gains or losses other than the results for the period as set out above.

Both the profit and the total comprehensive income for the above periods are attributable in totality to the Equity holders of the Company.

SNACKTIME PLC

CONSOLIDATED BALANCE SHEET

AT 30 SEPTEMBER 2011

	30 September 2011 (Unaudited) £	*30 September 2010 (Unaudited) £*
ASSETS		
Non-current assets		
Property, plant and equipment	**7,773,331**	8,316,079
Intangible assets	**14,962,188**	15,496,779
Deferred tax asset	**172,072**	301,294
	22,907,591	24,114,152
Current assets		
Inventories	**1,440,662**	1,807,978
Receivables and prepayments	**3,588,728**	3,197,807
Cash and cash equivalents	**2,896,001**	3,742,333
	7,925,391	8,748,118
TOTAL ASSETS	**30,832,982**	32,862,270
LIABILITIES		
Current liabilities		
Trade and other payables	**(3,966,927)**	(5,361,779)
Short term borrowings	**(1,415,536)**	(1,748,295)
Corporation tax	**(190,878)**	-
Provisions	**(283,832)**	-
	(5,857,173)	(7,110,074)
Non-current liabilities		
Deferred tax liability	**(2,004,326)**	(2,095,892)
Provisions	**-**	-
Long-term borrowings	**(4,216,006)**	(2,858,431)
	(6,220,332)	(4,954,323)
Total liabilities	**(12,077,505)**	(12,064,397)
Net assets	**18,755,477**	20,797,873
EQUITY		
Called up equity share capital	**326,980**	218,023
Share premium account	**8,347,383**	8,347,383
Equity shares to be issued	**-**	6,809,819
Share option and warrant reserve	**2,490,317**	2,468,094
Capital redemption reserve	**1,274,279**	1,274,279
Merger reserve	**6,817,754**	116,892
Equity element of compound financial instrument	**86,514**	65,810
Retained earnings	**(587,750)**	1,497,573
TOTAL EQUITY	**18,755,477**	20,797,873

SNACKTIME PLC

CONSOLIDATED CASHFLOW STATEMENT

PERIOD ENDED 30 SEPTEMBER 2011

	Six months to 30 September 2011 (Unaudited) £	*Six months to 30 September 2010 (Unaudited) £*
Cash flows from operating activities		
Profit before taxation	**111,010**	*201,152*
Depreciation	**737,764**	*547,272*
Amortisation	**232,713**	*85,015*
Finance income	**(1,325)**	*(464)*
Finance costs	**88,074**	*131,314*
IFRS 2 share option charge	**16,697**	*47,742*
(Profit)/Loss on disposal of property plant and equipment	**(51)**	*-*
Operating cashflow pre-exceptional costs	**1,184,882**	*1,012,031*
Exceptional Items	**(649,785)**	*-*
Operating cash flow	**535,097**	*1,012,031*
Decrease in inventories	**139,422**	*338,111*
Decrease / (Increase) in trade and other receivables	**165,585**	*(674,159)*
(Decrease) / Increase in trade and other payables	**(1,288,470)**	*(742,788)*
Increase in provisions	**27,269**	*-*
Cash generated from operations	**(421,097)**	*(66,805)*
Interest paid	**(88,074)**	*(131,314)*
Income Taxes paid	**92,014**	*(69,690)*
Net cash from operating activities	**(417,157)**	*(267,809)*
Cash flows from investing activities		
Purchase of property, plant and equipment	**(532,000)**	*(47,289)*
Disposal of property, plant and equipment	**109,093**	*-*
Acquisition of subsidiary, net of cash acquired	**(250,000)**	*(649,000)*
Interest received	**1,325**	*464*
Net cash used in investing activities	**(671,582)**	*(695,825)*
Cash flows from financing activities		
Payments of long-term borrowings	**-**	*(364,668)*
Payments of finance lease liabilities	**(223,436)**	*(283,064)*
Net cash used in financing activities	**(223,436)**	*(647,732)*
Net decrease in cash and cash equivalents	**(1,312,175)**	*(1,611,366)*
Cash and cash equivalents at beginning of period	**2,911,333**	*4,602,699*
Cash and cash equivalents at end of period	**1,599,158**	*2,911,333*

SNACKTIME PLC

Consolidated statement of changes in equity

Period ended 30 September 2011

	Share capital £	Share premium £	Equity element of compound financial £	Equity shares to be issued £	Share option & warrant reserve £	Capital redemption reserve £	Merger reserve £	Retained earnings £	Total equity £
Balance at 1 April 2010	*218,023*	*8,347,383*	*65,810*	*-*	*184,222*	*1,274,279*	*116,892*	*1,366,111*	*11,572,720*
Profit for the period	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*131,462*	*131,462*
Share options expense	*-*	*-*	*-*	*-*	*47,742*	*-*	*-*	*-*	*47,742*
Vendia acquisition	*-*	*-*	*-*	*6,809,819*	*2,236,130*	*-*	*-*	*-*	*9,045,949*
Balance at 30 September 2010	*218,023*	*8,347,383*	*65,810*	*6,809,819*	*2,468,094*	*1,274,279*	*116,892*	*1,497,573*	*20,797,873*

SNACKTIME PLC

Consolidated statement of changes in equity

Period ended 30 September 2011

	Share capital £	Share premium £	Equity element of compound financial £	Equity shares to be issued £	Share option & warrant reserve £	Capital redemption reserve £	Merger reserve £	Retained earnings £	Total equity £
Balance at 30 September 2010 brought forward	*218,023*	*8,347,383*	*65,810*	*6,809,819*	*2,468,094*	*1,274,279*	*116,892*	*1,497,573*	*20,797,873*
Loss for the period	-	-	-	-	-	-	-	*(2,288,348)*	*(2,288,348)*
Issue of share capital	*108,957*		-	*(6,809,819)*	-	-	*6,700,862*	-	-
Share options expense	-	-	-	-	*5,527*	-	-	-	*5,527*
Adjustment to fair value of equity	-	-	*20,704*	-	-	-	-	-	*20,704*
Balance at 31 March 2010	***326,980***	***8,347,383***	***86,514***	**-**	***2,473,621***	***1,274,279***	***6,817,754***	*(790,775)*	***18,535,756***
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**203,024**	**203,024**
Share options expense	**-**	**-**	**-**	**-**	**16,697**	**-**	**-**	**-**	**16,697**
Balance at 30 September 2011	**326,980**	**8,347,383**	**86,514**	**-**	**2,490,318**	**1,274,279**	**6,817,754**	**(587,751)**	**18,755,477**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Period ended 30 September 2011

General Information

SnackTime plc is a public limited company incorporated in England and Wales under the Companies Act (registered number 06135746). The Company is domiciled in the United Kingdom and its registered address is 2nd Floor, West Forest Gate, Wellington Road, Wokingham, Berkshire, RG40 2AQ. The Company's shares are traded on the AIM market of the London Stock Exchange.

The principal activities of the Group are the sale and operation of hot drink and snack vending machines, the operation of free on loan vending machines via a franchise division and the production and supply of "in-cup" drinks and associated equipment.

Basis of accounting

These interim financial statements for the period ended 30 September 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS). The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings. The merger method of accounting has been adopted, following a group reconstruction involving Snacktime Plc and Snacktime UK Limited. The acquisition of Snack in a Box Limited was accounted for using acquisition accounting in accordance with IFRS 3 "Business Combinations". A gain on bargain acquisition of £1,805,067 arose, which was separately reported in the Statement of Comprehensive Income in accordance with IFRS 3 and IAS 1 in the year of acquisition. The acquisition of Vendia UK Limited in the year was accounted for using acquisition accounting in accordance with IFRS 3 "Business Combinations".

All companies in the Group use sterling as presentational and functional currency.

The information presented within these interim financial statements is in compliance with IAS 34 'Interim Financial Reporting'. This requires the use of certain accounting estimates and requires that management exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where the assumptions and estimates are significant to the interim financial statements are disclosed below.

Snacktime UK Limited has elected not to apply IFRS 3, Business Combinations retrospectively to past business combinations prior to the date of transition.

The financial information contained in this report, which has not been audited, does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. The Company's statutory financial statements for the year ended 31 March 2011, prepared under IFRS have been filed with the Registrar of Companies. The auditors' report for the 2010 financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The principal areas where judgement was exercised is as follows:

- Property, plant and equipment includes the value of the vending machine estate. The Directors annually assess both the residual value of these assets and the expected useful life of such assets.

- The Directors have estimated the useful economic lives of intangible assets. The economic lives and the amortisation rates are reviewed annually by the directors.

- The Group receives branding fees to contribute to the installation and refurbishment of vending machines. The Directors are required to assess the amounts receivable at each reporting date and whether all the conditions have been met to enable these to be recognised.

- Sales from vending machines are recognised at the point of sale to the customer. At each year end, the Directors are required to make an estimate of sales where the vending machine has not been emptied or inspected at the year end date.

- The convertible loan notes have been split between the debt and equity element in accordance with IAS 32. This requires calculating the present value of the debt element using an effective interest rate. 12% was assumed to be an effective interest rate that would be charged on a similar loan by a third party.

- Share based payment and warrant valuations are based upon a Black-Scholes based model which requires various assumptions to be made.

- Dilapidation provisions are included within exceptional costs and are calculated as a percentage of annual rents plus specific costs.

- An impairment of goodwill has the potential to significantly impact upon the Group's statement of comprehensive income for the period. In order to determine whether impairments are required the Directors estimate the recoverable amount of the goodwill. This calculation is based on the cash flow forecasts applicable to the Group of cash-generating units for the following financial year extrapolated over a five year period assuming growth rates in the region of 1-3%. A terminal value has been included which extrapolates the growth of the year 5 cash flow at 2.3% in perpetuity. A discount factor, based upon the Group's weighted average cost of capital is applied to obtain a current value ('value in use'). The fair value less costs to sell of the cash generating unit is used if this results in an amount in excess of value in use.

Estimated future cash flows for impairment calculations are based on management's expectations of future volumes and margins based on plans and best estimates of the productivity of the income generating unit in their current condition. Future cash flows therefore exclude benefits from major expansion projects requiring future capital expenditure.

Future cash flows are discounted using a discount rate based on the Group's weighted average cost of capital. The weighted average cost of capital is impacted by estimates of interest rates, equity returns and market related risks. The Group's weighted average cost of capital is reviewed on an annual basis.

REVENUE

Revenue is measured by reference to the fair value of consideration received or receivable by the group for goods and services supplied, excluding VAT and trade discounts. Revenue for goods sold from vending machines is recognised at the date of sale. Revenue in respect of installation and refurbishment of branded vending machines (branding fees) is recognised at the date of installation or refurbishment. Franchising fees are recognised when the franchisee starts trading. Managed estate sales are recognised in full once the customer has taken over operation of the machine.

EARNINGS PER SHARE

Earnings per share is calculated on the basis of profit for the period after tax, divided by the weighted average number of shares in issue for the period ended 30 September 2011 of 16,349,014 (30 September 2010 – 10,901,159).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. Potential dilutive ordinary shares arise from share options and warrants. For these, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the exercise price attached to outstanding share options. Thus the dilutive weighted average number of shares considers the number of shares that would have been issued assuming the exercise of the share options. If these are proved to be anti-dilutive (increase the potential earnings per share) they are omitted from the calculation.

Segment information

The Group has three main reportable segments:

Specialist drinks – The manufacture and sale of single portion beverages called ‘Drinkpacs’ together with the sale of associated food and drink products.

Franchising – The marketing and franchising of operations in the provision of snack solutions.

Vending – Vending activities.

Factors that management used to identify the Group’s reportable segments

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations but excluding non-recurring profits/losses, such as goodwill impairment, and the effects of share-based payments.

Inter-segment sales are priced on the same basis as sales to external customers, with an appropriate discount being applied to encourage use of group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the period.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities. Loans and borrowings are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliation from segment assets and liabilities to the group position.

	Specialist drinks 2011 £	**Franchising 2011 £**	**Vending 2011 £**	**Total 2011 £**
Revenue				
Total revenue	**2,382,265**	**881,404**	**8,605,703**	**11,869,372**
Inter-segmental revenue	**(10,005)**	**-**	**(143,653)**	**(153,658)**
Group’s revenue per consolidated statement of comprehensive income	**2,372,260**	**881,404**	**8,462,050**	**11,715,714**
Depreciation	**68,851**	**170,080**	**498,833**	**737,764**
Amortisation	**-**	**81,510**	**151,203**	**232,713**
Operating profit/(loss) before exceptional items	**286,865**	**67,549**	**(139,958)**	**214,456**
Share-based payments				**(16,697)**
Finance expense				**(88,074)**

Finance income	**1,325**
Group profit before tax	**111,010**

	Franchising 2010 £	Vending 2010 £	Total 2010 £
Revenue			
Total revenue	1,310,829	3,164,754	4,475,583
Inter-segmental revenue	-	-	-
Group's revenue per consolidated statement of comprehensive income	1,310,829	3,164,754	4,475,583
Depreciation	8,192	539,080	547,272
Amortisation	11,250	73,765	85,015
Operating profit/(loss) before exceptional items	487,609	(107,865)	379,744
Share-based payments			(47,742)
Finance expense			(131,314)
Finance income			464
Group profit before tax			201,152

	Specialist drinks 2011 £	**Franchising 2011 £**	**Vending 2011 £**	**Total 2011 £**
Additions to non-current assets	**140,051**	**3,390**	**388,559**	**532,000**
Reportable segment assets	**3,670,430**	**4,949,363**	**22,041,117**	**30,660,910**
Tax assets	**-**	**-**	**172,072**	**172,072**
Total group assets	**3,670,430**	**4,949,363**	**22,213,189**	**30,832,982**
Reportable segment liabilities	**(964,374)**	**(324,296)**	**(5,334,509)**	**(6,623,179)**
Loans and borrowings (excluding leases and overdrafts)				**(3,450,000)**
Deferred tax liabilities				**(2,004,326)**
Total group liabilities				**(12,077,505)**

	Franchising 2010 £	Vending 2010 £	Total 2010 £
Additions to non-current assets	13,001	1,303,517	1,316,518
Reportable segment assets	1,317,017	31,243,959	32,560,976
Tax assets	-	301,294	301,294
Total group assets	1,317,017	31,545,253	32,862,270
Reportable segment liabilities	(418,092)	(4,943,687)	(5,361,779)
Loans and borrowings (excluding leases and overdrafts)			(4,606,726)
Deferred tax liabilities			(2,095,892)
Total group liabilities			(12,064,397)

Copies of this half yearly financial report are available on the Company's website www.snacktimeplc.com