AIM: FOX 20 September 2016

Fox Marble Holdings plc

("Fox Marble" or the "Company")

Interim Results for the six months ended 30 June 2016

Fox Marble Holdings plc (AIM: FOX), announces its interim results for the six months ended 30 June 2016.

Financial Highlights

- **Sales for the period were €262,000 (H1 2015: €110,000)**
- **Order book currently stands at €4.1m**
- **Cash advances of €415,000 received**
- **Net cash balance €2.69 million (H1 2015: €5.59 million)**

Operational Highlights

- Long-term distribution agreement entered into with Eboracum Marble Limited;
- Continued strategic relationship with Pisani plc ("Pisani"):
  - Further purchase order submitted by Pisani to the Company for the supply of Sivec blocks during 2016; and
  - The Company's Bianco Illirico stone has been specified for the Lillie Square development in Earls Court, London;
- Agreements signed with Marble Dino Sh.p.k. and Karailias Marble Limited for the supply of marble during 2016 and 2017;
- Factory nearing completion: Two of the three eighty-blade block processing gang saws installed, block yard prepared and the two gantry cranes are operational. Resin and polishing lines are en route from Italy to Kosovo for installation this month;
- Blocks of commercial size and quality are being extracted at the Malesheva quarry, and a new bench opened at the Prilep quarry in Macedonia from which higher grades of the white Sivec marble are being extracted; and
- Share placing to raise £2 million successfully completed during June 2016.

A long-term distribution agreement has been entered into with Eboracum Marble Limited, a company based in the north of England through which a €2 million order for a range of marble slabs has been received and the Company has commenced delivery. An advance payment of €390,000 was received and revenues of €212,000 have been recognised in the period in relation to this order.

The Company is pleased to report the continued strategic relationship with Pisani, in particular, the successful supply of our Sivec and Grigio Argento stone into the prestigious Berkeley Homes Chelsea Creek development in London. A further purchase order has been submitted by Pisani to the

Company for the supply of an additional €400,000 worth of Sivec blocks during 2016, as previously announced.

Our Bianco Illirico stone has been specified via Pisani for the Lillie Square development in Earls Court, London. Lillie Square is owned and developed by a joint venture between Capital & Counties Properties plc and interests of certain members of the Kwok family. The first shipment of Bianco Illirico slabs is due to be delivered to Lillie Square within two weeks, with the initial total order anticipated to be 2,000 square metres over the next two years.

The Company has signed an agreement with Marble Dino Sh.p.k. for the supply of €1.5 million worth of marble slabs during 2016 and 2017, of which €250,000 is expected to be recognised during the 2016 financial year.

An agreement has been signed with Karailias Marble Limited for the supply of a minimum of €440,000 worth of marble during 2016, for which the first shipments commenced in May this year.

Antolini Luigi & C. Spa, one of the largest block buyers based in Verona, Italy has now purchased Sivec blocks to be processed at their facilities in Verona. The Company anticipates further orders from this customer during the course of 2016.

The Company has agreed that part of the purchase price of the resin and polishing lines at the Company's factory will be settled by the sale of marble blocks to the Italian supplier of this equipment. Upon finalisation of the installation, the Italian supplier of this equipment will select €500,000 worth of marble blocks across the Company's range in settlement of the purchase price.

The Company's factory is nearing completion, with two eighty-blade block-processing gang saws installed, the block yard is prepared and the two gantry cranes are operational. The resin and polishing lines are en route from Italy to Kosovo for installation this month. The power and water to supply the processing plant are already in place. Subject to successful installation and commissioning of the balance of the equipment, the Company anticipates processing marble in-house during October 2016.

Marble blocks of commercial size and quality are being extracted at the Malesheva quarry, which contains both the Bianco Illirico white marble and the Illirico Selene grey marble, with processed slabs being shipped to order to Pisani. A new bench has been opened at the Prilep quarry in Macedonia, from which higher grades of the white Sivec marble are being extracted.

The Company's cash balance at 31 August 2016 was €2.2 million.

Chris Gilbert, CEO, commented: "The Company has secured orders from a diverse and international customer base over the period. These have included both long-term agreements and sales to market-leading buyers, indicating the quality and demand for our stone.

"The market continues to see our product as world class, and we are pleased that our Bianco Illirico stone has been specified via Pisani for the Lille Square development in Earls Court. This places our marble at the forefront of a new residential development in London.

“I am encouraged that our factory is approaching completion. This facility will allow the Company to process our material in-house for global distribution.”

For more information on Fox Marble please visit www.foxmarble.net or contact:

Fox Marble Holdings plc

Chris Gilbert, Chief Executive Officer	Tel: +44 (0) 20 7380 0999

Cairn Financial Advisers LLP (Nomad)

Liam Murray	Tel: +44 (0) 20 7148 7900
Sandy Jamieson	

Brandon Hill Capital (Broker)

Oliver Stansfield	Tel: +44 (0) 20 3463 5000

Yellow Jersey PR

Dominic Barretto	Tel: +44 (0) 77 6853 7739

Notes to Editors:

Fox Marble Holdings Plc is an AIM quoted natural stone extraction Company operating in Kosovo and the Balkans region, with headquarters in the United Kingdom.

The Company has been granted mining licences in relation to six separate marble quarries and completed a maiden JORC resource indicating an in-situ valuation of approximately Euro 16.5 billion. Established in 2011, Fox Marble has access to over 300 million cubic metres of premium quality marble.

Fox Marble also has rights to extract marble from the Drini and Malesheva quarries, both in Kosovo and from the Prilep Quarry in Macedonia.

Chairman’s statement

Your Company has continued to make progress during the first half of 2016 with further development of our quarries, building an increasing order book secured across a diverse customer base and the near completion of the factory.

Sales and marketing

Revenues for the half year were €262,000, which is disappointing. Whilst this is lower than our expectations, the Company has continued to build its order book and has made good progress within the UK, European, Indian, Middle Eastern and Balkan markets. We expect this progress to result in further orders over the coming months.

With regards to our partners, we have entered into a long-term distribution agreement with Eboracum Marble Limited, through which the Company has received a €2 million order and a €390,000 advance payment. In addition, the letter of intent received from Manchester-based developer Renaker Build Limited naming Fox Marble as the preferred supplier of natural stone on their projects is encouraging.

We are pleased with the new orders received thus far during 2016, in particular the agreement with Marble Dino Sh.p.k. for the supply of €1,500,000 worth of marble slabs anticipated during 2016 and 2017. In addition, the agreement with Karailias for the supply of a minimum of €440,000 worth of Sivec marble blocks which we expect will be realised during 2016, and the further purchase order submitted by Pisani for the supply of an additional €400,000 worth of Sivec blocks during 2016 are encouraging, as is our Bianco Illirico stone being specified by one of our distribution partners for the Lillie Square development in Earls Court, London.

Factory

The factory has seen good progress during 2016 so far, though it is a little behind where we had hoped to be. The resin and polishing production lines have been assembled and the final key pieces of equipment are now either at the factory site or en route from Italy for installation this month. Two of the three eighty-blade gangsaws, more than sufficient for the medium term processing requirements, are in place and connected to the necessary utilities. The external thirty-five tonne and internal five tonne cranes are installed and operational. Once the resin and polishing lines are installed and commissioned, the factory will be complete and we anticipate processing our own materials during October this year.

Production

During the first half of 2016 we have focused on the extraction of the highly desired Sivec marble from our Prilep quarry in Macedonia and the Bianco Illirico and Illirico Selene from the Malesheva quarry in Kosovo. Our Cervenilla and Syrigane quarries remain open and operational. Quarrying activity can be increased immediately to respond to increases in demand.

The Company has now successfully opened a new bench in the Prilep quarry and levels of production in Macedonia are increasing each month. At the Malesheva quarry, further drilling has been analysed, and the quarrying is focused on the area where the largest and most consistent blocks of Bianco Illirico and Illirico Selene are located.

Directorate changes

As announced today, we are pleased to welcome a new non-executive director, Mr Richard Round, to the Board. Mr Round was previously CEO and Finance Director of a number of AIM listed and private equity backed companies in the resources sector, most recently leading the successful sale of Green Highland Renewables Limited in 2015. In addition we warmly welcome Ms Fiona Hadfield back to the Board following a period of maternity leave.

Directors stepping down today are Dr Etrur Albani, Dr Paul Jourdan and Ms Candice Sutherland. We are especially pleased that Etrur remains fully committed to Fox Marble and will continue supporting the Company in achieving its goals. In addition, Amati Global Investors remains a highly valued investor and we will of course continue to keep closely in touch with Paul. We would like to extend our thanks to these directors for their support during their tenures with the Company.

Outlook

Your Board is positive about the outlook for the Company for the remainder of this year and into 2017. Of critical importance is the requirement to convert our growing order book into sales and cash. Encouragingly, we anticipate completing the long overdue and essential milestone of commissioning the factory in the near future.

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Condensed consolidated income statement and statement of comprehensive income

	Note	**Six months ended 30 June 2016 Unaudited**	Six months ended 30 June 2015 Unaudited	For the year ended 2015 Audited
		€'000s	€'000s	€'000s
Revenue		262	110	229
Cost of Sales		(176)	(63)	124
Gross Profit		**86**	**47**	**105**
Production and administrative expenses		(1,292)	(1,188)	(2,707)
Foreign exchange (loss) / gain		(288)	289	200
Operating loss		**(1,494)**	**(852)**	**(2,402)**
Finance income		1	-	2
Fair value adjustment	3	187	-	(379)
Finance costs	4	116	(246)	(255)
Loss before taxation		**(1,190)**	**(1,098)**	**(3,034)**
Taxation		-	-	-
Loss for the period		**(1,190)**	**(1,098)**	**(3,034)**
Other comprehensive income		**-**	**-**	**-**
Total comprehensive loss for the period		**(1,190)**	**(1,098)**	**(3,034)**

attributable to owners of the parent company				
Loss per share				
Basic loss per share	5	(0.01)	(0.01)	(0.02)
Diluted loss per share	5	(0.01)	(0.01)	(0.02)

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Condensed consolidated statement of financial position

	Notes	**As at 30 June 2016 Unaudited**	As at 31 December 2015 Audited	As at 30 June 2015 Unaudited
		€'000s	€'000s	€'000s
Assets				
Non-current assets				
Intangible assets – capitalised mining costs		1,230	1,259	1,345
Property, plant and equipment	6	4,117	3,597	3,804
Receivables		570	488	431
Total non-current assets		**5,917**	**5,344**	**5,580**
Current assets				
Trade and other receivables		1,360	1,013	504
Inventories		3,343	2,992	2,099
Cash and cash equivalents		2,687	2,820	5,587
Total current assets		**7,390**	6,825	**8,190**
Total assets		**13,307**	**12,169**	**13,770**
Current liabilities				
Trade and other payables		1,101	674	640
Total current liabilities		**1,101**	**675**	**640**
Non-current liabilities				
Convertible loan notes	8	1,328	1,850	1,549
Total non-current liabilities		**1,328**	**1,850**	**1,549**
Total liabilities		**2,429**	**2,525**	**2,189**
Net assets		**10,878**	**9,645**	**11,581**
Equity				
Share capital	9	2,271	2,009	2,009
Share premium		26,307	24,146	24,146
Retained loss		(17,819)	(16,629)	(14,693)
Share based payment reserve		83	83	83
Other reserves		36	36	36

Total equity attributable to owners of the parent company	**10,878**	**9,645**	**11,581**

FOX MARBLE HOLDINGS PLC

Condensed consolidated statement of cash flows

	Notes	**Six months ended 30 June 2016 Unaudited**	Six months ended 30 June 2015 Unaudited	Year ended 31 December 2015 Audited
		€'000s	€'000s	€'000s
Cash flows from operating activities				
Loss before taxation		**(1,190)**	**(1,098)**	**(3,034)**
Adjustment for:				
Finance income		(1)	-	(2)
Finance costs		(304)	246	634
Operating loss for the period		**(1,495)**	**(852)**	**(2,402)**
Adjustment for:				
Amortisation		33	1	86
Depreciation	6	46	132	312
Foreign exchange losses / (gains) on operating activities		138	(280)	(163)
Equity settled transactions		-	1	1
Decrease in receivables		(316)	46	(378)
Increase in inventories		(351)	(529)	(1,421)
Decrease in accruals		57	(5)	50
Increase in trade and other payables		369	267	247
Net cash used in operating activities		**(1,519)**	**(1,219)**	**(3,668)**
Cash flow from investing activities				
Expenditure on property, plant and equipment	6	(566)	(621)	(594)
Deposits paid on property, plant & equipment		(113)	-	(142)
Interests on bank deposits		1	-	2
Net cash outflow from investing activities		**(678)**	**(621)**	**(734)**
Cash flows from financing activities				
Proceeds from issue of shares (net of costs)		2,434	2,622	2,622
Interest paid		(207)	(176)	(264)
Net cash inflow from financing activities		**2,227**	**2,446**	**2,358**
Net increase/(decrease) in cash and cash equivalents		**30**	**606**	**(2,044)**
Exchanges gains on cash and cash equivalents		(163)	280	163
Cash and cash equivalents at beginning of		2,820	4,701	4,701

period			
Cash and cash equivalents at end of period	**2,687**	**5,587**	**2,820**

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Condensed consolidated statement of changes in equity

	Share capital €'000s	Share premium €'000s	Share based payment reserve €'000s	Other reserve €'000s	Profit and loss reserve (1) €'000s	**Total €'000s**
As at 31 December 2014	**1,871**	**21,662**	**82**	**36**	**(13,595)**	**10,056**
Total comprehensive loss for the period	-	-	-	-	(1,098)	**(1,098)**
Share capital issued	138	2,484	-	-	-	**2,622**
Equity settled transactions	-	-	1	-	-	**1**
As at 30 June 2015	**2,009**	**24,146**	**83**	**36**	**(14,693)**	**11,581**
Total comprehensive loss for the period	-	-	-	-	(1,936)	**(1,936)**
As at 31 December 2015	**2,009**	**24,146**	**83**	**36**	**(16,629)**	**9,645**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	(1,190)	**(1,190)**
Share capital issued	**262**	**2,161**	**-**	**-**	**-**	**2,423**
As at 30 June 2016	**2,271**	**26,307**	**83**	**36**	**(17,819)**	**10,878**

(1) Brought forward losses at 31 December 2014 includes a charge incurred following the admission of the Company to AIM on the 31 August 2012 when loan notes with a carrying value of €1,508,807 (£1,195,000) were converted into 29,875,000 shares at an issue price of 20 pence per share, with a total value of €7,544,035 (£5,975,000) resulting in a non-cash accounting charge of €6,035,228, reflecting the fair value loss being recognised, in the statement of comprehensive income in the period ended 31 December 2012.

Notes to the condensed consolidated financial statements for the period ended 30 June 2016

1) General information

The principal activity of Fox Marble Holdings plc and its subsidiary companies Fox Marble Limited, Fox Marble Kosova Sh.p.k, H&P Sh.p.k, Granit Shala Sh.p.k and Rex Marble Sh.p.k (collectively "Fox Marble" or "Group") is the exploitation of quarry reserves in the Republic of Kosovo and South East Europe.

Fox Marble Holdings plc is the Group's ultimate Parent Company ("the Parent Company"). It is incorporated in England and Wales its registered office is 15 Kings Terrace, London, NW1 0JP.

Fox Marble Holdings plc shares are admitted to trading on the London Stock Exchange's AIM market.

2) Basis of preparation

The results presented in this report are unaudited and they have been prepared in accordance with the principles of International Financial Reporting Standards ("IFRS") as adopted by the European Union that are expected to be applicable to the financial statements for the year ending 31 December 2016.

The accounting policies applied in these results are consistent with those applied in the Group's Annual Report and Accounts for the year ending 31 December 2015 and those expected to be applicable to the financial statements for the year ending 31 December 2016.

This half yearly report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for Fox Marble Holdings plc for the year ended 31 December 2015 were approved by the Board on 1 June 2016 and have been filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. These condensed interim financial statements for the six months ended 30 June 2016 have been prepared in accordance IAS 34, 'Interim financial reporting', as adopted by the European Union. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRS as adopted by the European Union. The Annual Report and Accounts 2015 for the Group are available at www.foxmarble.net.

Going concern

The Directors have reviewed detailed projected cash flow forecasts and are of the opinion that it is appropriate to prepare this report on a going concern basis. In making this assessment management has considered:

(a) the current working capital position and operational requirements;
(b) the sensitivities of forecasts sales figures in the next two years;
(c) the timing and magnitude of planned capital expenditure; and
(d) the strategic exploitation of the company's significant resources.

The Company is subject to a number of risks and uncertainties which may impact on the forecast financial performance on the Company. The following risk factors, which are not exhaustive, are considered particularly relevant to the Group's ability to function as a going concern:

(a) the Company's level of historical sales is low and has been below expectations, however, the volume of sales is anticipated to grow over the next twelve months. There can be no assurance however that sales will be realised, that the Group will generate sufficient revenues and collect cash or achieve profitability;
(b) the Company's marble processing machinery is being installed. Once completed machinery will need to be tested, and a workforce recruited and trained. Completion of the factory could be subject to delays or cost overruns. This would impact the ability of the company to process marble at its own site and impact the profitability of the Company's future operations; and
(c) the Malesheva and Prilep quarries are not currently at full level of production. The amount of marble quarried at these sites is expected to increase significantly over the coming year. Levels of production can be impacted by unforeseen delays due to inclement weather, equipment failure or the need to re-site the quarry bench. Delays in reaching anticipated levels of production may impact the Company's ability to generate revenues or achieve profitability.

In the event that the cash receipts from sales are lower than anticipated the Company has available to it a number of contingent actions it can take to mitigate the impact of potential downside scenarios. These include reviewing planned capital expenditure, redeploying company resources to more profitable resources, reducing overhead and seeking additional financing.

In conclusion, having regard to the existing working capital position and projected sales, the Directors are of the opinion that the Group has adequate resources to enable it to undertake its planned activities for the next twelve months.

3) Fair value adjustment

The fair value adjustment of €189,333 for the period ended 30 June 2016 is as a result of a revision to the fair value of the instrument using the revised interest rate of 8%, effective from 1 June 2016 (31 December 2015 - €379,476).

4) Finance costs

	Six months ended 30 June 2016 €'000s	Six months ended 30 June 2015 €'000s	Year ended 31 December 2015 €'000
Interest expense on convertible loan notes	(98)	(59)	(148)
Amortisation of costs incurred	-	(17)	(23)
Movement in fair value of derivative	28	(13)	5
Foreign exchange (gain) / loss	186	(157)	(89)
	116	(246)	(255)

5) Loss per share

	Six months ended 30 June 2016 €'000s	Six months ended 30 June 2015 €'000s	Year ended 31 December 2015 €'000
Loss for the year used for the calculation of basic LPS	1,190	1,098	3,034
Number of shares			
Weighted average number of ordinary shares for the purpose of basic LPS	162,739,835	152,403,822	155,315,299
Effect of potentially dilutive ordinary shares		-	-
Weighted average number of ordinary shares for the purpose of diluted LPS	162,739,835	152,403,822	155,315,299
Loss per share:			
Basic	(0.01)	(0.01)	(0.02)
Diluted	(0.01)	(0.01)	(0.02)

6) Property, plant and equipment

	Land €'000s	Construction in progress €'000	Plant and machinery €'000s	Office equipment and leasehold improvements €'000s	Total €'000s
Cost					
As at 31 December 2014	**160**	**1,266**	**2,378**	**18**	**3,822**
Additions	-	317	22	4	343
As at 30 June 2015	**160**	**1,583**	**2,400**	**22**	**4,165**
Additions	-	189	56	6	251

As at 31 December 2015	**160**	**1,772**	**2,456**	**28**	**4,416**
Additions	-	359	206	1	566
As at 30 June 2016	**160**	**2,131**	**2,662**	**29**	**4,982**
Depreciation					
As at 31 December 2014	**-**	**-**	**494**	**13**	**507**
Charge for the period	**-**	**-**	130	2	132
As at 30 June 2015	-	-	**624**	**15**	**639**
Charge for the period	**-**	**-**	177	3	180
As at 31 December 2015	**-**	**-**	**801**	**18**	**819**
Charge for the period	**-**	**-**	43	3	46
As at 30 June 2016	-	-	**844**	**21**	**865**
Net book value					
As at 30 June 2015	**160**	**2,131**	**1,818**	**8**	**4,117**
As at 31 December 2015	160	1,772	1,655	10	3,597
As at 30 June 2015	160	1,583	1,776	7	3,526

7) Trade and other receivables

	30 June 2016 €'000s	31 December 2015 €'000s	30 June 2015 €'000s
Non-current assets			
VAT recoverable	570	488	360
Other receivables	60	-	71
	630	**488**	**431**
Current assets			
Trade receivables	132	147	157
Deposits on capital equipment	403	415	-
Other receivables	38	183	130
Prepayments	132	220	142
VAT recoverable	25	48	75
	730	**1,013**	**504**

8) Convertible loan notes

	30 June 2016 €'000s	31 December 2015 €'000s	30 June 2015 €'000s
Financial liability at amortised cost[1]	1,328	1,824	1,511
Derivative over own equity at fair value	**-**	26	44
Capitalised transaction costs	**-**	-	(6)
	1,328	1,850	1,549

(1) The liability includes a fair value adjustment of €189,333 for the period ended 30 June 2016 as a result of the revision to the fair value of the loan note instruments using the amended interest rate of 8% (31 December 2015 - €379,476).

On the 31 August 2012 the Company issued €1,295,278 (£1,060,000) fixed rate convertible unsecured loan note 2017 to Amati Global Investors Limited ("Series 1 Loan Note").

Interest accrued on the Series 1 Loan Note at 8% per annum from the date of issue due quarterly in arrears, until 31 August 2015. On the third anniversary of issue, the interest rate was raised by the loan note holder to 25%. As a result the loan note became repayable at the option of the Company.

On 1 June 2016, the interest rate on the loan note instruments reverted to 8%.

At any time prior to repayment of the Series 1 Loan Note, a Stockholder may issue a conversion notice. On 1 June 2016 the conversion formula was amended to 1 Ordinary Share for every 10 pence of nominal stock converted.

If the Series 1 Loan Note is not converted at the Stockholders request it must be repaid in full on the 5th anniversary of the instrument date.

As at 30 June 2016 the loan note held at amortised cost had a balance of €1,327,754 (31 December 2015 - €1,824,012).

Costs of €103,551 were incurred in connection with the issue of the Series 1 loan notes. Costs were amortised over the period of the loan to 31 August 2015. As at 30 June 2016 the balance of these costs was nil because the Series 1 loan note was originally anticipated to be repaid by 31 August 2015 (31 December 2015 - nil).

9) Share capital

	30 June 2016 **Number**	31 December 2015 Number	**30 June 2016** **€'000s**	31 December 2015 €'000s
Issued, called up and fully paid:				
Ordinary shares of 1 pence each	**180,144,442**	**159,848,266**	**2,271**	1,871

On 1 June 2016 the Board of Directors approved the issue of 20,000,000 shares at a price of 10 pence per share as part of a Secondary Placing on AIM ("the Placing").

As part of the Placing, on 2 June 2016, 18,700,000 ordinary shares of the Company were admitted for trading on AIM, increasing the Company's issued share capital to 178,548,266.

On 15 June 2016 the Board approved the issue of 296,196 shares in lieu of directors' fees. Of this, 227,184 shares were issued to the non-executive directors in settlement of their fees for the period 1 January 2016 to 31 March 2016 and 68,992 shares were issued to executive directors Christopher Gilbert and Etrur Albani in lieu of their fees for the period 1 March 2016 to 31 March 2016. These shares were admitted to trading on AIM, increasing the Company's issued share capital to 178,844,442.

As part of the Placing, on 30 June 2016 1,300,000 ordinary shares of the Company were admitted to trading on AIM, increasing the Company's issued share capital to 180,144,442.

10) Events after the reporting period

On 27 July 2016 the Board approved the issue of 462,271 shares to the non-executive directors and to executive directors Christopher Gilbert and Etrur Albani in settlement of their fees for the period 1 April 2016 to 30 June 2016. These shares were admitted to trading on AIM on 1 August 2016, increasing the Company's issued share capital to 180,606,713.