AIM: FOX 22 September 2014

Fox Marble Holdings plc

("Fox Marble" or the "Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

Fox Marble Holdings plc (AIM: FOX), announces its interim results for the six months ended 30 June 2014

Summary of the period and since period end

	30 June 2014 €'000	30 June 2013 €'000
Revenue	34	-
Operating loss	(1,094)	(932)
Net loss	(1,244)	(1,066)
Net cash	2,530	5,356
Pro-forma net cash *	6,931	n/a

* Pro-forma net cash includes the proceeds of the placing completed on the 5 August 2014, net of costs.

- Good progress made in developing production at our quarries with four quarries fully operational and capable of producing saleable output.
- Introductory sales made to customers in the United States, Europe and the United Kingdom, however revenue development is still in its initial stages.
- Company is confident that development of the quarries is now at a stage that will support significant progress in sales revenues in the second half of 2014 and 2015. The foundations of the factory have been laid and the shell is being assembled following continuing adverse weather during Q2 and Q3 – the building is expected to be completed in the last quarter of this year, after which the processing equipment will be installed.
- Good progress made in developing relationships in key markets through strategic alliances with groups that distribute marble in the UK, USA, China and Europe.
- Placing completed on 5 August 2014 raised approximately £4.4 million (after expenses) to acquire additional interests in two new quarry sites and provide working capital.
- Operating agreement over Omega Sivec quarry in Prilep Macedonia signed on the 14 August 2014.

Chris Gilbert, CEO of Fox Marble, commented: We have made good progress in the first half of this year in establishing production in the quarries, against a difficult background of a most unusual weather pattern. As production increases we expect to make progress in selling our product to markets that have already responded well to the marble we are producing. Now that the quarries are fully operational this will give customers confidence that our products can be reliably supplied in sufficient volume which should underpin new orders from customers that were reluctant to order from a quarry in the development phase.

Furthermore, we are busy extending our marketing sales and distribution arrangements around the world which should also deliver new sales in the next 12 months.

I am especially pleased that we have been able to expand our capacity in Sivec marble in Macedonia. Also we are now able to establish ourselves as the leading supplier of Illyric white marble from our quarries in Malesheva, Kosovo. We expect that these will form a material proportion of our sales in 2015.

We are privileged to have had the support of our shareholders in the recent successful placing that has allowed us to make further progress in developing our business.

Enquiries

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

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Chairman's statement

The Board of Directors of Fox Marble is pleased to present the Interim results of Fox Marble Holdings plc for the six month period to 30 June 2014.

Despite working hard to establish Fox Marble as a seller of premium quality marble, our sales figures for the first half of 2014 have been below our initial expectations. We have seen significant interest in our products but have found that we needed to advance operations at our quarries in order to be able to guarantee the consistent supply of high quality materials needed to secure large scale orders. This has been further affected by the unseasonal and unusual bad weather that has persisted in Kosovo since April, hindering progress in the quarries and on the factory site.

Over the past six months the Company has worked on developing contacts across a large geographic area, distributing samples and developing interest in our product. The Company has delivered on orders of €56k under the Pisani plc offtake agreement announced last year. In addition, as part of this offtake agreement and as announced in June, the Company has a confirmed order of four containers of Sivec marble to a customer based in California, which is in progress. The Company has shipped two of the three containers of marble on the Royal Stone order announced at the same time. The Company is expecting to be able to announce further orders in the next few months. In the meantime the Company has sufficient working capital to continue to develop operations.

Over the past six months the Company has placed significant focus and effort on the development of its quarries. The Company has four quarries fully operational at Cervenilla, Syrigane and Malesheva in Kosovo, and at Prilep in Macedonia, with over 7000 tons quarried in the half year.

- Cervenilla is being exploited across three separate locations (Cervenilla A, B & C) from which red, light and darker grey marble is being produced in significant quantities. The grey Argento Grigio has so far proved the most popular marble from this site, with the homogenous dark grey colour sought after for high end residential projects.
- The quarry at Syrigane is open across two benches, which are producing significant volumes of Breccia marble. The licence area also contains a variety of Callacata type marble. In the next phase the Company intends to drill the site in order to locate the best way of extracting this second type of marble.
- The Malesheva quarry contains a mixture of cream and Illyric white marble. Based on queries from distributors, the Company has found that demand for Bianco Illirico marble is strong particularly in North American markets and the Company believes that this marble could become the largest volume seller of its mid-priced marble range. Over the past six months the Company has improved access to the quarry, and re-located benches to access the highest quality white marble.
- In August 2013, the Company entered into an agreement to operate a quarry in Prilep, Macedonia in return for retaining 25 per cent. of gross revenues. The investment in the quarry was funded by our joint venture partner Gulf Marble Investments Limited. The Prilep quarry contains the highly desirable white Sivec marble. The Company has opened a series of benches across this quarry, and is extracting blocks.

The quality and size of blocks across the quarries is improving as the quarries mature. We have invested in additional quarrying equipment to ensure increased levels of production are achieved and that we are able to fulfil anticipated demand.

We announced on 17 July 2014 our intention to acquire and develop two new quarry sites, the Omega quarry in Prilep, Macedonia, containing Sivec marble and a further quarry site in Malesheva, Kosovo containing Cremo Olta and Bianco Illirico marble.

The Omega quarry is adjacent to our existing quarry in Prilep, Macedonia. The Company acquired the operating rights to the new Omega quarry directly, allowing the Company to retain 60 per cent. of gross revenues and generating superior returns as a result. This acquisition was completed on the 14 August 2014 for consideration of £1,000,000 and a 40 per cent. continuing gross revenue royalty obligation.

The Company identified a 300 hectare site close to the Company's existing licence resource in Malesheva that we believe contains a large deposit of Bianco Illirico marble which may provide the Company with a second source of this highly sought after marble. The Company reserved the rights to this area by submitting applications for an exploration licence to the ICMM. As an existing licence holder in good standing the Company believes there will be no impediment to the grant of this licence.

These acquisitions form part of Fox Marble's long-term strategy to expand its operations so that we can market and sell a portfolio of high quality marbles from a number of different quarries in South East Europe.

We have purchased a double skinned steel factory for the cutting and processing of blocks which is currently being erected on our 10 hectare site in Lipjan, close to Pristina airport. Following unusually adverse weather conditions, including rare snows and flooding in April, and heavy rain through the summer, completion of the construction has been pushed back to Q4 2014. Once construction is complete the Company will install the processing equipment it has purchased and start recruitment and training of staff. The Company expects to begin processing of marble for sale within its own factory in the first half of 2015. The factory will have the capacity to produce both slabs and marble tiles.

With the exception of sales, which have taken longer than expected to ramp up, we believe your Company has made good progress in the period, particularly with the development of our quarries. The quarries are now at a stage that we believe will support increased orders for our products and we are confident that we will see the significant interest in our marble turn into delivered sales over the next six to twelve months.

Andrew Allner
Non-Executive Chairman
22 September 2014

FOX MARBLE HOLDINGS PLC

Condensed consolidated income statement and statement of comprehensive income

	Note	**Six months ended 30 June 2014 Unaudited**	Six months ended 30 June 2013 Unaudited	For the year ended 2013 Audited
		€'000s	€'000s	€'000s
Revenue		**34**	-	46
Cost of Sales		**(22)**	-	(45)
Gross Profit		**12**	-	1
Production and administrative expenses		**(1,106)**	(932)	(2,169)
Operating loss		**(1,094)**	(932)	(2,168)
Finance income				-
Finance costs	3	**(150)**	(134)	(401)
Loss before taxation		**(1,244)**	(1,066)	(2,569)
Taxation		-	-	-
Loss for the period attributable to owners of the parent company		**(1,244)**	(1,066)	(2,569)
Other comprehensive income		**-**	-	-
Total comprehensive loss for the period attributable to owners of the parent company		**(1,244)**	(1,066)	(2,569)
Loss per share				
Basic loss per share	4	**€(0.01)**	€(0.01)	€(0.02)
Diluted loss per share	4	**€(0.01)**	€(0.01)	€(0.02)

FOX MARBLE HOLDINGS PLC

Condensed consolidated statement of financial position

	Notes	**As at 30 June 2014 Unaudited**	As at 31 December 2013 Audited	As at 30 June 2013 Unaudited
		€'000s	€'000s	€'000s
Assets				
Non-current assets				
Intangible assets – Capitalised mining costs		**91**	91	95
Property, plant and equipment	5	**3,486**	1,922	1,489
Receivables		**62**	60	61
Total non-current assets		**3,639**	**2,073**	**1,645**
Current assets				
Trade and other receivables		**473**	926	125
Inventories		**733**	349	83
Cash and cash equivalents		**2,530**	5,259	5,356
Total current assets		**3,736**	6,534	**5,564**
Total assets		**7,375**	**8,607**	**7,209**
Current liabilities				
Trade and other payables		**306**	462	312
Total current liabilities		**306**	**462**	**312**
Non-current liabilities				
Convertible loan notes	6	**1,447**	1,297	1,205
Total non-current liabilities		**1,447**	**1,297**	**1,205**
Total liabilities		**1,753**	**1,759**	**1,517**
Net assets		**5,622**	**6,848**	**5,692**
Equity				
Share capital	7	**1,540**	1,540	1,361
Share premium		**16,486**	16,486	13,962
Retained loss		**(12,514)**	(11,270)	(9,767)
Convertible loan note option reserve		**-**	-	64
Share based payment reserve		**74**	56	36
Other reserves		**36**	36	36
Total equity attributable to owners of the parent company		**5,622**	**6,848**	**5,692**

FOX MARBLE HOLDINGS PLC

Condensed consolidated statement of cash flows

	Notes	**Six months ended 30 June 2014 Unaudited**	Six months ended 30 June 2013 Unaudited	Year ended 31 December 2013 Audited
		€'000s	€'000s	€'000s
Cash flows from operating activities				
Loss before taxation		**(1,244)**	**(1,066)**	**(2,569)**
Adjustment for:				
Finance costs		150	134	401
Operating loss for the period		**(1,094)**	**(932)**	**(2,168)**
Adjustment for:				
Amortisation		1	-	2
Depreciation	5	133	88	103
Equity settled transactions		18	21	41
Costs settled via issue of shares		-	28	-
Decrease/(increase) in receivables		451	(7)	(804)
Increase in inventories		(384)	(83)	(349)
(Decrease)/increase in accruals		(176)	20	232
Increase in trade and other payables		20	95	32
Net cash used in operating activities		**(1,031)**	**(770)**	**(2,911)**
Cash flow from investing activities				
Expenditure on property, plant and equipment	5	(1,697)	(958)	(1,406)
Net cash outflow from investing activities		**(1,697)**	**(958)**	**(1,406)**
Cash flows from financing activities				
Proceeds from issue of shares (net of costs)		-	-	2,731
Interest cost		-	-	(105)
Finance cost on retirement of Convertible loan note facility		-	-	(193)
Net cash inflow from financing activities		**-**	**-**	**(2,433)**
Net decrease in cash and cash equivalents		**(2,728)**	**(1,728)**	**(1,885)**
Impact of foreign exchange differences		(1)	(60)	-
Cash and cash equivalents at beginning of period		5,259	7,144	7,144
Cash and cash equivalents at end of period		**2,530**	**5,356**	**5,259**

FOX MARBLE HOLDINGS PLC

Condensed consolidated statement of changes in equity

	Share capital €'000s	Share premium €'000s	Share based payment reserve €'000s	Other reserve €'000s	Convertible loan note option reserve €'000s	Profit and loss reserve €'000s	**Total €'000s**
As at 31 December 2012	1,359	13,936	15	36	64	(8,700)[1]	**6,710**
Total comprehensive loss for the period						(1,066)	**(1,066)**
Share capital issued	2	26	-	-	-	-	**28**
Equity settled transactions	-	-	21	-	-	-	**21**
As at 30 June 2013	**1,361**	**13,962**	**36**	**36**	**64**	**(9,767)**	**5,692**
Total comprehensive loss for the period				-	-	(1,503)	**(1,503)**
Share capital issued	179	2,524		-	-	-	**2,703**
Reclassification				-	(64)	-	**(64)**
Equity settled transactions			20	-	-	-	**20**
As at 31 December 2013	**1,540**	**16,486**	**56**	**36**	**-**	**(11,270)**	**6,848**
Total comprehensive loss for the period	-	-	-	-	-	(1,244)	**(1,244)**
Equity settled transactions	-	-	18	-	-		**18**
As at 30 June 2014	**1,540**	**16,486**	**74**	**36**	**-**	**(12,514)**	**5,622**

(1) Brought forward losses at 31 December 2012 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 20p, 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 2014

1) General information

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 "Group") principal activity is the exploitation of quarry reserves in the Republic of Kosovo and South East Europe.

Fox Marble Holdings plc, the Group's ultimate Parent Company, 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 as adopted by the European Union that are expected to be applicable to the financial statements for the year ending 31 December 2014.

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 2013 and those expected to be applicable to the financial statements for the year ending 31 December 2014.

The adoption of the above new and revised standards has had no effect on the reported financial results or the disclosures in this half yearly report.

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 2013 were approved by the Board on 26 March 2014 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. The Annual Report and Accounts 2013 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 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 next six months. 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.
(b) The Company's marble processing factory is under construction. Once completed machinery will need to be installed and 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.

(c) The Company's level of historical sales is low and 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 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 12 months.

3) Finance costs

	Six months ended 30 June 2014 €'000s	Six months ended 30 June 2013 €'000s	Year ended 31 December 2013 €'000
Interest expense on convertible loan notes	**77**	50	153
Amortisation of costs incurred	**17**	17	78
Finance cost on termination of loan arrangement	**-**	-	193
Foreign exchange loss/(gain)	**56**	67	(23)
	150	134	401

4) Loss per share

	Six months ended 30 June 2014 €'000s	Six months ended 30 June 2013 €'000s	Year ended 31 December 2013 €'000
Loss for the year used for the calculation of basic LPS	**1,244**	1,066	2,569
Number of shares			
Weighted average number of ordinary shares for the purpose of basic LPS	**123,459,383**	107,994,622	113,649,908
Effect of potentially dilutive ordinary shares	**-**	-	-
Weighted average number of ordinary shares for the purpose of diluted LPS	**123,459,383**	107,994,622	113,649,908
Loss per share:			
Basic	**€(0.01)**	€(0.01)	€(0.02)
Diluted	**€(0.01)**	€(0.01)	€(0.02)

5) Property, plant and equipment

	Land and buildings €'000s	Construction in progress €'000	Plant and machinery Factory €'000s	Plant and machinery Quarry €'000s	Office equipment €'000s	Total €'000s
Cost						
As at 31 December 2012	-	-	-	619	11	630
Additions	160	-	-	795	3	958
As at 30 June 2013	**160**	**-**	**-**	**1,414**	**13**	**1,587**
Additions	**-**	-	-	447	2	449
As at 31 December 2013	**160**	**-**	**-**	**1,861**	**15**	**2,036**
Additions	**-**	**587**	**711**	**396**	**3**	**1,697**
As at 30 June 2014	**160**	**587**	**711**	**2,257**	**18**	**3,733**
Depreciation						
As at 31 December 2012	-	-	-	10	1	11
Charge for the period	-	-	-	86	2	88
As at 30 June 2013	**-**	**-**	**-**	**96**	**3**	**99**
Charge for the period	**-**	-	-	12	3	15
As at 31 December 2013	**-**	**-**	**-**	**108**	**6**	**114**
Charge for the period	**-**	**-**	-	129	4	133
As at 30 June 2014	**-**	**-**	**-**	**237**	**10**	**247**
Net book value						
As at 30 June 2014	**160**	**587**	**711**	**2,020**	**8**	**3,486**
As at 31 December 2013	160	-	-	1,753	9	1,922
As at 30 June 2013	160	-	-	1,318	10	1,489

6) Convertible loan notes

	30 June 2014 €'000s	31 December 2013 €'000s	30 June 2012 €'000s
Financial liability at amortised cost	**1,391**	1,267	1,324
Derivative over own equity at fair value	**96**	87	
Capitalised transaction costs	**(40)**	(57)	(119)
	1,447	1,297	1,205
Convertible loan notes – Equity component	**-**	-	64

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 accrues on the Series 1 Loan Note at 8% per annum from the date of issue due quarterly in arrears. On the third anniversary of issue, or in the event of a default, the interest rate may be raised by the loan note holder to 25 %. In the event that the interest rate rises to 25% the loan note becomes repayable by the company.

On the 29 August 2013 the company paid interest of €104,643, being the interest that had accrued between 24 August 2012 and 31 August 2013. These funds were used by Amati Global Investors Limited to subscribe for shares in the Company. The Company has elected to capitalise the remaining interest due until 31 August 2014.

At any time prior to repayment of the Series 1 Loan Note, a Stockholder may issue a conversion notice. The Stockholder will receive such number of fully paid Ordinary Shares as satisfied by the formula: 1 Ordinary Share for every y pence nominal of Stock converted, where y is the lesser of 20 + (number of whole months which have lapsed between the date of issue of the Stock held by the Stockholder and the date of receipt of by the Company of a conversion notice multiplied by 0.1666); and 26.

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 2014 the loan note held at amortised cost had a balance of €1,391,225 (31 December 2013 - €1,267,252). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 30 June 2014 this option had a fair value of €95,537 (31 December 2013 - €87,548) which is derived using a Black Scholes calculation.

For the period ended 30 June 2013 the convertible loan was treated as compound instrument split into its respective debt and equity component and a credit to equity in relation to the conversion of option was recognised of €63,873. This treatment has been amended in the year ended 31 December 2013 to better reflect the exact terms of the transaction.

On the 23 August 2013 the Series 2 Loan Note arrangement with AGMH Limited was terminated, without funds having been drawn down. Costs incurred by AGMH Limited in the provision of the loan note arrangement through its loan with Optimus Capital LLP of €193,323 were paid by the company in the year to 31 December 2013. No further obligations exist under this arrangement.

Costs of €147,330 were incurred in connection with the issue of the Series 1 and Series 2 loan notes. Costs are amortised over the period of the loan. As at 30 June 2014 the balance of these costs amounted to €40,411 (31 December 2013 – €57,527).

7) Share capital

	30 June 2014	31 December 2013	**30 June 2014**	31 December 2013
	Number	Number	**€'000s**	€'000s
Issued, called up and fully paid:				
Ordinary shares of 1 pence each	**123,459,383**	123,459,383	**1,540**	1,540

Further issue of shares occurred in August 2014, see note 8 (Events after the reporting date) for further details.

8) Events after the reporting date

On the 17 July 2014 the Company announced a proposed fundraise of £4.75 million by way of a placing of ordinary shares at 18p per share, subject to shareholder approval. A general meeting was convened on the 4 August 2014 to grant the board the authority to allot the placing shares for cash on a non-pre-emptive basis.

On the same date the Company announced its intention to acquire operating agreement over two further quarry sites: the Omega quarry in Prilep, Macedonia, containing Sivec marble and a further quarry site in Malesheva, Kosovo containing Cremo Olta and Bianco Illirico marble.

On the 5 August 26,388,883 ordinary shares of the Company were admitted for trading, on AIM increasing the Company's issued share capital to 149,848,266.

On the 18 August 2014 the Company announced that it had completed the acquisition of the sub-lease over the Omega Sivec marble quarry in Prilep Macedonia. The new quarry site is adjacent to the Company's existing operations in Prilep. The consideration for the lease was £1,000,000 and a subsequent 40 % gross revenue royalty obligation. The sub-lease has an initial term of 20 years, extendable by the Company for a

further 20 years. The sub-lease grants the Company the exclusive right to quarry, process, remove and sell marble from the quarry. The Company will pay for and provide for all the equipment and staff to operate this quarry.