

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Financial Statements (Unaudited)

Six months ended June 30, 2012

COMMONWEALTH BREWERY LIMITED

Management comments on Unaudited Interim Consolidated Financial Statements

Six months ended June 30, 2012

Revenue increased 5.5% in the second quarter compared to the same period last year. Sales volume performed well, benefiting from a moderate recovery in the trading environment. Year-to-date revenue was up 7.4% ahead of last year due to the strong sales in the first quarter.

Operating expenses in the 2nd quarter increased 3.2%. Raw materials, consumables and services in the quarter were up 3.5%. Personnel costs in the quarter were higher compared to the same period last year mainly due to annual salary increases for cost of living and merit. Year-to-date operating expenses were up 3.6% compared to 2011.

Quarterly results increased \$1 million driven by revenue growth. Year-to-date net income amounted to B\$ 10.2 million, up \$2.5 million compared to 2011. Earnings per share were consequently \$0.08 higher compared to the same period last year.

Net cash from operating activities increased \$0.3 million compared to 2011. Working capital increased due to a higher business activity level and seasonal fluctuation of in particular accounts payable. Accounts payable and accrued expenses were reduced from \$13.8 million to \$10.5 million. Cash and cash equivalents at June 30th 2012 amounted to \$8.7 million. The company paid in May 2012 \$ 9.9 million final dividend related to the year 2011.

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Financial Position (Unaudited)

June 30, 2012 with corresponding figures for December 31, 2011

(Expressed in Bahamian dollars)

	June 2012	December 2011
Assets		
Current Assets:		
Cash and cash equivalents	8,722,749	11,359,313
Trade receivables	3,162,301	1,786,488
Prepaid expenses and other assets	1,135,804	2,126,341
Inventories	16,922,078	16,402,004
Total current assets	29,942,293	31,674,146
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	34,074,236	35,388,064
Intangible assets	453,584	458,957
Total non-current assets	39,015,062	40,334,263
Total assets	68,957,994	72,008,409
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	10,542,168	13,847,253
Total current liabilities	10,542,168	13,847,253
Equity:		
Share capital	150,000	150,000
Share premium	12,377,952	12,377,952
Contributed surplus	16,351,369	16,351,369
Revaluation surplus	4,269,587	4,269,587
Retained earnings	25,266,918	25,012,248
Total equity	58,415,826	58,161,156
Total liabilities and equity	68,957,994	72,008,409

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended June 30, 2012, with corresponding figures for the three months ended June 2011

(Expressed in Bahamian dollars)

	Note(s)	June 2012	June 2011
Revenue		30,817,777	29,220,545
Other income / (loss)		43,618	(192,590)
Total income		30,861,395	29,027,955
Operating expenses:			
Raw materials, consumables and services		20,379,926	19,682,597
Personnel costs		4,090,663	3,904,311
Depreciation		749,576	786,858
Amortisation		305	53,873
Total operating expenses		25,220,470	24,427,639
Results from operating activities		5,640,925	4,600,316
Finance costs		-	-
Finance income		8,886	16,493
Net finance income/(costs)		8,886	16,493
Net income and total comprehensive income		5,649,811	4,616,809
Basic and diluted earnings per share		0.19	0.15

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2012, with corresponding figures for the six months ended June 30, 2011

(Expressed in Bahamian dollars)

	Note(s)	June 2012	June 2011
Revenue		\$ 59,031,106	54,977,188
Other income		221,614	59,095
Total income		59,252,720	55,036,283
Operating expenses:			
Raw materials, consumables and services		39,617,666	38,342,639
Personnel costs		7,984,698	7,363,404
Depreciation		1,503,934	1,555,165
Amortisation		5,372	126,845
Total operating expenses		49,111,670	47,388,053
Results from operating activities		10,141,050	7,648,230
Finance cost		-	-
Finance income		13,620	28,618
Net finance income/(costs)		13,620	28,618
Net income and total comprehensive income		\$ 10,154,670	7,676,848
Basic and diluted earnings per share		\$ 0.34	0.26

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 2012

(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at December 31, 2011	150,000	12,377,952	16,351,369	4,269,587	25,012,248	58,161,156
Total comprehensive income					10,154,670	10,154,670
Dividends declared and paid					(9,900,000)	(9,900,000)
Balance at June 30, 2012	150,000	12,377,952	16,351,369	4,269,587	25,266,918	58,415,826

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Cash Flows (Unaudited)

For the six months ended June 30, 2012, with corresponding figures for the six months ended June 30, 2011

(Expressed in Bahamian dollars)

	Note(s)	2012	2011
Cash flows from operating activities			
Net income and total comprehensive income		10,154,670	7,676,848
Adjustments for:			
Depreciation		1,503,934	1,555,165
Amortisation		5,372	126,845
(Gain)/loss on disposal of property, plant and equipment		-	9,026
Gain on disposal of subsidiary			
Interest income		(13,620)	(28,618)
Interest expense			
Net cash from operations before changes in working capital		11,650,356	9,339,266
Changes in non-cash working capital		(3,690,126)	(1,717,493)
Net cash from operating activities		7,960,230	7,621,773
Cash flows from financing activities			
Repayments of bank loans			
Proceeds from issue of share capital			
Interest paid			
Dividends paid		(9,900,000)	(17,653,387)
Net cash used in financing activities		(9,900,000)	(17,653,387)
Cash flows from investing activities			
Additions to property, plant and equipment		(710,414)	(361,735)
Additions to intangible assets			
Proceeds from sale of property, plant and equipment			
Interest received		13,620	28,618
Net cash used in investing activities		(696,794)	(333,117)
Net increase in cash and cash equivalents		(2,636,564)	(10,364,731)
Cash and cash equivalents, beginning of year		11,359,313	16,552,618
Cash and cash equivalents, end of year		8,722,749	6,187,887

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Notes to Interim Consolidated Financial statements

Six months ended June 30, 2012

(Expressed in Bahamian dollars)

1. Accounting Policies

These interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by IFRS for consolidated financial statements. In the opinion of management, these unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company’s financial position and results of operations as at the end of and for the periods presented. All significant intercompany accounts and transactions have been eliminated from these unaudited consolidated financial statements.

2. Dividends Declared and Paid

On April 24th 2012 the Board approved dividend related to 2011 of \$0.33 per share (or \$9,900,000) to the shareholders of record on May 8th, 2012, payable May 15th 2012.

3. Adjustment figures 2nd quarter 2011

The figures in the consolidated statement of comprehensive income for the 3 months ended June 2011 have been restated for comparative purposes. Some transactions were incorrectly registered or omitted in Q2 2011 instead of registered in Q1 2011. The impact of the restatement on net income amounts to \$149,318.

The consolidated statement of comprehensive income for the 6 months ended June 2011 remains unchanged as the restatement only deals with a shift between Q1 and Q2 2011.