

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Financial Statements (Unaudited)

Nine months ended September 30, 2012

COMMONWEALTH BREWERY LIMITED

Management comments on Unaudited Interim Consolidated Financial Statements

Nine months ended September 30, 2012

Revenue increased 5.8% in the third quarter compared to the same period last year. Sales volume continued to benefit from a moderate recovery in the trading environment. Year-to-date revenue was up 6.8% ahead of last year.

Operating expenses increased 2.6% in the third quarter effecting mainly increases in the cost of raw materials, consumables and services. This is to a large extent driven by higher spent on cost of goods sold (increase due to higher sales volume), excise taxes and utilities. Year-to-date operating expenses were up 3.3%.

Net income increased 7% compared to the 3rd quarter 2011 driven by revenue growth. Year-to-date net income amounted to \$ 14.4 million, up \$2.7 million compared to 2011. Earnings per share were consequently \$0.09 higher compared to the same period last year.

Net cash from operating activities was in line with 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 \$9.9 million. Cash and cash equivalents at September 30th 2012 amounted to \$12.0 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)

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

(Expressed in Bahamian dollars)

	September 2012	December 2011
Assets		
Current Assets:		
Cash and cash equivalents	12,008,836	11,359,313
Trade receivables	1,360,638	1,786,488
Prepaid expenses and other assets	2,527,407	2,126,341
Inventories	17,582,052	16,402,004
Total current assets	33,478,933	31,674,146
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	34,307,226	35,388,064
Intangible assets	384,263	458,957
Total non-current assets	39,178,731	40,334,263
Total assets	72,657,664	72,008,409
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	9,956,011	13,847,253
Total current liabilities	9,956,011	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	29,552,745	25,012,248
Total equity	62,701,653	58,161,156
Total liabilities and equity	72,657,664	72,008,409

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended September 30, 2012, with corresponding figures for the three months ended September 30, 2011
(Expressed in Bahamian dollars)

	Note(s)	September 2012	September 2011
Revenue		28,519,258	26,960,927
Other income / (loss)		90,275	738,166
Total income		28,609,532	27,699,093
Operating expenses:			
Raw materials, consumables and services		19,386,076	18,888,145
Personnel costs		3,917,982	3,994,507
Depreciation		895,930	780,911
Amortisation		129,321	49,483
Total operating expenses		24,329,309	23,713,046
Results from operating activities		4,280,223	3,986,047
Finance costs		-	-
Finance income		5,604	4,838
Net finance income/(costs)		5,604	4,838
Net income and total comprehensive income		4,285,827	3,990,885
Basic and diluted earnings per share		0.14	0.13

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Comprehensive Income

For the nine months ended September 30, 2012, with corresponding figures for the nine months ended September 30, 2011
(Expressed in Bahamian dollars)

	Note(s)	September 2012	September 2011
Revenue		\$ 87,550,364	81,938,115
Other income		311,889	797,261
Total income		87,862,253	82,735,376
Operating expenses:			
Raw materials, consumables and services		59,003,741	57,230,784
Personnel costs		11,902,680	11,357,911
Depreciation		2,399,864	2,336,076
Amortisation		134,693	176,328
Total operating expenses		73,440,978	71,101,099
Results from operating activities		14,421,275	11,634,278
Finance cost		-	-
Finance income		19,224	33,456
Net finance income/(costs)		19,224	33,456
Net income and total comprehensive income		\$ 14,440,497	11,667,733
Basic and diluted earnings per share		\$ 0.48	0.39

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the nine months ended September 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					14,440,497	14,440,497
Dividends declared and paid					(9,900,000)	(9,900,000)
Balance at September 30, 2012	150,000	12,377,952	16,351,369	4,269,587	29,552,745	62,701,653

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Cash Flows (Unaudited)

For the nine months ended September 30, 2012, with corresponding figures for the nine months ended September 30, 2011
(Expressed in Bahamian dollars)

	Note(s)	2012	2011
Cash flows from operating activities			
Net income and total comprehensive income		14,440,497	11,667,733
Adjustments for:			
Depreciation		2,399,864	2,336,076
Amortisation		134,693	176,328
(Gain)/loss on disposal of property, plant and equipment		-	4,884
Gain on disposal of subsidiary			
Interest income		(19,224)	(33,456)
Interest expense			
Net cash from operations before changes in working capital		16,955,830	14,151,565
Changes in non-cash working capital		(5,046,506)	(2,369,247)
Net cash from operating activities		11,909,324	11,782,318
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		(1,379,025)	(393,840)
Additions to intangible assets			
Proceeds from sale of property, plant and equipment		-	901
Interest received		19,224	33,456
Net cash used in investing activities		(1,359,801)	(359,483)
Net increase in cash and cash equivalents		649,523	(6,230,552)
Cash and cash equivalents, beginning of year		11,359,313	16,552,618
Cash and cash equivalents, end of year		12,008,836	10,322,066

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Notes to Interim Consolidated Financial statements

Nine months ended September 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 a final 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.

On November 5th 2012 the Board approved an interim dividend related to 2012 of \$0.25 per share (or \$7,500,000) to the shareholders of record on November 20th, 2012, payable November 30th 2012.