



Chairman's Report – Q1, 2011

We are pleased to report to you continued profitability for the first quarter of 2011 recording a 5.4% increase in sales, amidst challenging economic conditions and a highly competitive retail market, particularly in Grand Bahama.

Sales growth was strong in our core grocery category, driven by an increase in average transactions. This is an indicator that our customers recognize that we are leaders when it comes to providing value, quality and savings. Sales in our Domino's stores also increased, reversing the recent trend of sales declines. Growth in these core areas compensated for sales decreases in our clothing and general merchandise departments.

There is much happening in the Bahamian retail market at the moment. From continued road works disruptions, increased utilities costs and the most competitive market seen in years, retail businesses are under a great deal of pressure. We expect these factors to impact our sales and earnings for the remainder of this year until the projected economies of scale accumulate from our newest store, Solomon's Fresh Market.

Construction of our new store located in the Old Fort Bay Town Centre in western New Providence is progressing on schedule and we are looking forward to a November 2011 opening. The Company is also on schedule to open our latest Domino's Pizza store in mid-July, located in the South Beach Shopping Centre. This will be our 11th overall location and 9th in New Providence. With the opening of this newest store in the south we can truly say that Domino's Pizza is in everyone's neighbourhood. Both of these new locations will enhance our revenue streams without any significant additions to our corporate overhead.

While the short term outlook continues to be challenging, we are confident that the strategic decisions we have made will lay a solid foundation for future earnings growth. Our brands are market leaders and our customers and the Bahamian public associate them with quality, value and savings.

Dionisio D'Aguilar
July 7, 2011



**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED APRIL 30, 2011**

CONSOLIDATED BALANCE SHEET

(Expressed in thousands of Bahamian dollars)

	April 30, 2011	January 31, 2011
Assets		
Current assets		
Cash and bank balances	\$ 3,711	1,872
Receivables, net of provisions	718	751
Merchandise inventories, net of provisions	10,348	11,747
Other current assets	1,510	954
	16,287	15,324
Capital assets		
Property and buildings	8,921	8,991
Equipment	2,577	2,785
Leasehold improvements	1,295	1,270
Work In Progress	680	217
	13,473	13,263
Goodwill	4,110	4,110
	\$ 33,870	32,697
Liabilities and Equity		
Current liabilities		
Bank overdraft	\$ 1,482	1,187
Accounts payable and accrued expenses	8,621	8,031
Declared dividends (note 2)	616	-
	10,719	9,218
Long-term liabilities		
Preference shares	5,720	5,720
	5,720	5,720
Equity		
Ordinary shares	7,702	7,702
Treasury Shares	(55)	(23)
Capital paid in excess of par	2,664	2,664
Property revaluation surplus	942	942
Retained earnings	6,178	6,474
	17,431	17,759
	\$ 33,870	32,697

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF INCOME

(Expressed in thousands of Bahamian dollars)

	Quarter Ended April 30, 2011	Quarter Ended April 30, 2010
Sales	\$ 22,008	20,870
Cost of sales	(15,485)	(14,704)
Gross profit	6,523	6,166
Selling, general and administrative expenses	(6,228)	(5,889)
Other operating income	163	172
Net operating profit	458	449
Interest expense	(24)	(5)
Dividends on preference shares	(114)	(114)
Net profit	\$ 320	330
Profit per share	\$0.021	\$0.021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in thousands of Bahamian dollars)

	No. of Shares	Retained Earnings	Share Capital	Contributed Surplus	Treasury Shares	Revaluation Surplus	Total
January 31, 2011	15,404	\$ 6,474	7,702	2,664	(23)	942	\$ 17,759
Net profit for period	-	320	-	-	-	-	320
Shares repurchased	-	-	-	-	(32)	-	(32)
Declared dividends (note 2)	-	(616)	-	-	-	-	(616)
April 30, 2011	15,404	6,178	7,702	2,664	(55)	942	17,431
January 31, 2010	15,599	\$ 4,681	7,800	2,761	-	942	16,184
Net profit for period	-	292	-	-	-	-	292
Declared dividends (note 2)	-	(624)	-	-	-	-	(624)
April 30, 2010	15,599	4,349	7,800	2,761	-	942	15,852

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Bahamian dollars)

	Quarter Ended April 30, 2011	Quarter Ended April 30, 2010
Cash flows from operating activities		
Net profit for period	\$ 320	330
Adjustments for:		
Depreciation and amortisation of franchise fees	423	418
Dividends on preference shares	114	114
Decrease/(increase) in inventory provision	4	(79)
Decrease in provision for doubtful debts	(257)	(2)
Operating cash flow before changes in working capital	604	781
Working capital source/(use)		
Merchandising inventories	1,681	(16)
Accounts receivable	139	46
Other current assets	(606)	(739)
Accounts payable and accrued expenses	557	354
Net cash provided by operating activities	2,375	426
Investing activities source/(use)		
Additions to capital assets	(682)	(299)
Net cash used in investing activities	(682)	(299)
Financing activities source/(use)		
Dividends paid on preference shares	(114)	(114)
Repurchase of shares	(35)	-
Net cash used in financing activities	(149)	(114)
Increase in cash	\$ 1,544	13
Cash, beginning of period	685	2,174
Cash, end of period	2,229	2,187
Movement for period	\$ 1,544	13

Cash and cash equivalents comprise cash less bank overdrafts.

AML FOODS LIMITED

EXPLANATORY NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Quarter Ended April 30, 2011

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards using the same accounting policies and methods of computation as the Consolidated Financial Statements included in the 2010 Annual Report.

The consolidated financial statements include the accounts of AML Foods Limited, formerly Abaco Markets Limited, (“the Company”) and its significant wholly owned subsidiaries: Solomon’s Supercentre (Nassau) Limited, Cost Right Nassau Limited, Solomon’s Club (Freeport) Limited, Thompson Wholesale Limited, Caribbean Franchise Holdings Limited, Abaco Markets ISF Limited and Solomon’s Fresh Market Limited.

2. DECLARED DIVIDENDS

On March 23, 2011, the Company declared dividends of \$0.04 per ordinary share based on 2010 results. Dividends were paid on May 6, 2011 to the shareholders on record as of April 29, 2011.

AML FOODS LIMITED

AUDITORS

Deloitte & Touche
2nd Terrace West, Centreville
P.O. Box N-7120
Nassau, The Bahamas

BANKERS

Royal Bank of Canada
Royal Bank House
East Hill Street
P.O. Box N-7459
Nassau, The Bahamas

LEGAL COUNSEL

Callenders & Co.
One Millars Court
Shirley Street
P.O. Box N-7117
Nassau, The Bahamas

REGISTRAR & TRANSFER AGENTS

Bahamas Central Securities Depository
50 Exchange Place
Bay Street
P.O. Box EE-15672
Nassau, The Bahamas

FINANCIAL ADVISORS

Providence Advisors Limited
2nd Floor, Goodman's Bay Corporate Centre
West Bay Street
P.O. Box AP-59223
Nassau, The Bahamas

DIRECTORS

Dionisio D'Aguilar (Chairman)
Robert Sands (Vice Chairman)
R. Craig Symonette
Frank J. Crothers
Louis Dames
Vaughn Roberts
Franklyn Butler, II
Gavin Watchorn

AML FOODS LIMITED

Corporate Offices
Town Centre Mall
Blue Hill Road
P.O. Box SS-6322
Nassau, The Bahamas
Tel: (242) 677-7200
Fax: (242) 356-7855