

**COMMONWEALTH BREWERY LIMITED**

Interim Financial Statements (Unaudited)

Six months ended June 30, 2011

# **COMMONWEALTH BREWERY LIMITED**

Management comments on Unaudited Interim Consolidated Financial Statements

Six months ended June 30, 2011

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Commonwealth Brewery experienced a slow-down in beer sales in the first half of 2011. Revenue declined with 1.1% or B\$ 632,117 compared to the same period last year.

Other income declined with B\$ 1,375,701 compared to 2010 and is the main driver behind the lower net income year-to-date. Amongst others rental income was lower due to divestment of real estate. In 2010 other income also contained non-recurring items (e.g. gain from disposal of subsidiaries).

Operating expenses were overall B\$ 453,819 lower and helped partially offset the revenue decline.

# COMMONWEALTH BREWERY LIMITED

## Consolidated Statement of Financial Position (Unaudited)

June 30, 2011 with corresponding figures at December 31, 2010

(Expressed in Bahamian dollars)

	June 2011	December 2010
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	6,187,887	16,552,618
Trade receivables	2,872,766	1,259,025
Prepaid expenses and other assets	3,387,873	1,703,641
Inventories	15,021,126	15,299,835
<b>Total current assets</b>	<b>27,469,652</b>	<b>34,815,119</b>
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	35,788,730	36,991,188
Investment properties	-	-
Intangible assets	546,293	673,138
<b>Total non-current assets</b>	<b>40,822,265</b>	<b>42,151,568</b>
<b>Total assets</b>	<b>68,291,917</b>	<b>76,966,687</b>
<b>Liabilities and Equity</b>		
Current Liabilities:		
Accounts payable and accrued expenses	12,274,233	10,972,463
Current portion of bank loans	-	-
<b>Total current liabilities</b>	<b>12,274,233</b>	<b>10,972,463</b>
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	22,868,776	32,845,316
<b>Total equity</b>	<b>56,017,684</b>	<b>65,994,224</b>
<b>Total liabilities and equity</b>	<b>68,291,917</b>	<b>76,966,687</b>

# COMMONWEALTH BREWERY LIMITED

## Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended June 30, 2011, with corresponding figures for the three months ended June 30, 2010

(Expressed in Bahamian dollars)

	Note(s)	June 2011	June 2010
Revenue		29,770,247	29,843,135
Other income / (loss)		(139,598)	834,830
Total income		29,630,649	30,677,965
Operating expenses:			
Raw materials, consumables and services		20,434,608	20,868,919
Personnel costs		3,904,311	3,889,262
Depreciation		786,858	722,727
Amortisation		53,874	74,227
Total operating expenses		25,179,651	25,555,135
Results from operating activities		4,450,998	5,122,830
Finance costs			(20,675)
Finance income		16,493	56,358
Net finance income/(costs)		16,493	35,683
Net income and total comprehensive income		4,467,491	5,158,513
Basic and diluted earnings per share		0.15	0.20

(Unaudited)

# COMMONWEALTH BREWERY LIMITED

## Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended June 30, 2011, with corresponding figures for the six months ended June 30, 2010

(Expressed in Bahamian dollars)

	Note(s)	June 2011	June 2010
Revenue		54,977,188	55,609,305
Other income		59,095	1,493,891
Total income		55,036,283	57,103,196
Operating expenses:			
Raw materials, consumables and services		38,342,639	38,596,932
Personnel costs		7,363,404	7,460,461
Depreciation		1,555,165	1,635,869
Amortisation		126,845	148,610
Total operating expenses		47,388,053	47,841,872
Results from operating activities		7,648,230	9,261,324
Finance cost		-	(45,978)
Finance income		28,618	299,312
Net finance income /(costs)		28,618	253,334
Net income and total comprehensive income		7,676,848	9,514,658
Basic and diluted earnings per share		0.26	0.33

(Unaudited)

## COMMONWEALTH BREWERY LIMITED

### Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 2011, with corresponding figures at December 31, 2010

(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at December 31, 2010	150,000	12,377,952	16,351,369	4,269,587	32,845,316	65,994,224
Total comprehensive income					7,676,847	7,676,847
Issue of shares						
Dividends declared and paid					(17,653,387)	(17,653,387)
Balance at June 30, 2011	150,000	12,377,952	16,351,369	4,269,587	22,868,776	56,017,684

(Unaudited)

# COMMONWEALTH BREWERY LIMITED

## Consolidated Statement of Cash Flows (Unaudited)

For the six months ended June 30, 2011, with corresponding figures for the six months ended June 30, 2010

(Expressed in Bahamian dollars)

	Note(s)	2011	2010
<b>Cash flows from operating activities</b>			
Net income and total comprehensive income		7,676,848	9,514,658
Adjustments for:			
Depreciation		1,555,165	1,635,869
Amortisation		126,845	148,610
(Gain)/loss on disposal of property, plant and equipment		9,026	43,565
Gain on disposal of subsidiary			(345,004)
Interest income		(28,618)	(299,312)
Interest expense		-	45,978
Net cash from operations before changes in working capital		9,339,266	10,744,364
Changes in non-cash working capital		(1,717,493)	3,887,898
Net cash from operating activities		7,621,773	14,632,262
<b>Cash flows from financing activities</b>			
Repayments of bank loans			(1,624,058)
Proceeds from issue of share capital			(45,978)
Interest paid			(45,978)
Dividends paid		(17,653,387)	(14,700,000)
Net cash used in financing activities		(17,653,387)	(16,370,036)
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(361,735)	(772,056)
Additions to intangible assets			
Proceeds from sale of property, plant and equipment			
Interest received		28,618	299,312
Net cash used in investing activities		(333,117)	(472,744)
Net increase in cash and cash equivalents		(10,364,731)	(2,210,518)
Cash and cash equivalents, beginning of year		16,552,618	8,873,974
Cash and cash equivalents, end of year		6,187,887	6,663,456

(Unaudited)

# COMMONWEALTH BREWERY LIMITED

Notes to Interim Consolidated Financial statements

Six months ended June 30, 2011

(Expressed in Bahamian dollars)

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## 1. General information

These interim financial statements are prepared in accordance with International Accounting Standard No. 34, Interim Financial Reporting, using the same accounting policies applied in the December 31, 2010 audited consolidated financial statements

## 2. Dividends

On February 11, 2011 the Board of Directors of the Company declared a dividend of \$0.59 per share to the shareholders of record on December 31, 2010. The total declared and paid amounted to \$17,653,387. Such dividend was paid on March 4, 2011 in the amount of \$11,000,000 and April 4, 2011 in the amount of \$6,653,387.

## 3. Issue of Ordinary Shares and Public Listing

An IPO of 25% (7,500,000) of the shares of the Company was launched and completed during the six months ended June 30, 2011. With an offer price of \$8.33 per share; gross proceeds amounted to \$62,475,000.

Immediately following the close of the IPO, the Company applied for listing with the Bahamas International Securities Exchange. The Company was officially listed on May 24, 2011 recognized by ticker symbol CBB with 30,000,000 authorized and issued shares.