



**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED OCTOBER 31, 2011**

CONSOLIDATED BALANCE SHEET

(Expressed in thousands of Bahamian dollars)

	October 31, 2011	January 31, 2011
Assets		
Current assets		
Cash and bank balances	\$ 1,264	1,872
Receivables, net of provisions	699	751
Merchandise inventories, net of provisions	11,024	11,747
Other current assets	1,328	954
	14,315	15,324
Capital assets		
Property and buildings	8,783	8,991
Equipment	2,350	2,785
Leasehold improvements	1,388	1,270
Work in progress	3,153	217
	15,674	13,263
Goodwill	4,110	4,110
	\$ 34,099	32,697
Liabilities and Equity		
Current liabilities		
Bank overdraft	\$ 1,357	1,188
Accounts payable and accrued expenses	8,933	8,030
	10,290	9,218
Long-term liabilities		
Preference shares	5,720	5,720
Bank loans (note 3)	500	-
	6,220	5,720
Equity		
Ordinary shares (note 2)	7,702	7,702
Treasury shares	(245)	(23)
Capital paid in excess of par	2,664	2,664
Property revaluation surplus	942	942
Retained earnings	6,526	6,474
	17,589	17,759
	\$ 34,099	32,697

CONSOLIDATED STATEMENT OF INCOME

(Expressed in thousands of Bahamian dollars)

	Quarter Ended October 31, 2011	Quarter Ended October 31, 2010
Sales	\$ 23,843	22,862
Cost of sales	(16,787)	(16,232)
Gross profit	7,056	6,630
Selling, general and administrative expenses	(6,804)	(6,421)
Other operating income	117	189
Net operating profit	369	398
Interest expense	(26)	(26)
Dividends on preference shares	(114)	(114)
Net profit on continuing operations	229	258
Pre-opening expenses	(90)	-
Net profit	\$ 139	258
Profit per share	\$0.009	\$0.017

	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010
Sales	\$ 68,264	65,955
Cost of sales	(48,077)	(46,598)
Gross profit	20,187	19,357
Selling, general and administrative expenses	(19,397)	(18,525)
Other operating income	422	544
Net operating profit	1,212	1,376
Interest expense	(77)	(47)
Dividends on preference shares	(343)	(343)
Net profit on continuing operations	792	986
Pre-opening expenses	(124)	-
Net profit	\$ 668	986
Profit per share	\$0.044	\$0.064

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	-	668	-	-	-	-	668
Shares repurchased	(203)	-	-	-	(222)	-	(222)
Declared dividends (note 2)	-	(616)	-	-	-	-	(616)
October 31, 2011	15,201	6,526	7,702	2,664	(245)	942	17,589
January 31, 2010	15,599	\$ 4,681	7,800	2,761	-	942	16,184
Net profit for period	-	986	-	-	-	-	986
Write back of shares	(195)	-	(98)	-	-	(97)	(195)
Declared dividends (note 2)	-	(624)	-	-	-	-	(624)
October 31, 2010	15,404	5,043	7,702	2,761	-	845	16,351

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Bahamian dollars)

	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010
Cash flows from operating activities		
Net profit for period	\$ 668	986
Adjustments for:		
Depreciation and amortisation of franchise fees	1,242	1,231
Dividends on preference shares	343	343
Decrease/(increase) in inventory provision	(161)	156
Decrease in provision for doubtful debts	-	(80)
Write back shares outstanding	-	(195)
Operating cash flow before changes in working capital	2,092	2,441
Working capital source/(use)		
Merchandising inventories	868	1,022
Accounts receivable	126	(52)
Other current assets	(343)	(242)
Accounts payable and accrued expenses	921	(42)
Net cash provided by operating activities	3,664	3,127
Investing activities source/(use)		
Additions to capital assets	(3,722)	(1,710)
Movement on investments	(16)	(10)
Net cash used in investing activities	(3,738)	(1,720)
Financing activities source/(use)		
Dividends on ordinary shares	(616)	(624)
Dividends paid on preference shares	(343)	(343)
Proceeds from loan	500	-
Repurchase of shares	(245)	-
Net cash used in financing activities	(704)	(967)
Increase / (Decrease) in cash	\$ (778)	(440)
Cash, beginning of period	685	2,174
Cash, end of period	(93)	2,614
Movement for period	\$ (778)	(440)

Cash and cash equivalents comprise cash less bank overdrafts.

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EXPLANATORY NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Quarter Ended October 31, 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 for the shareholders on record as of April 29, 2011.

3. TERM LOAN

The Company has obtained a term loan facility to assist in the financing of its new store, Solomon’s Fresh Market. The facility of \$2.5m accrues interest at prime plus 1.5% and is repayable over 60 months beginning 12 months after the final drawdown. As of October 31st, 2011, \$500k had been drawn down.

4. SHARE BUY BACK

In accordance with Company’s share buy back program, announced on January 6, 2011, the company has repurchased 203,345 shares during the period at an average cost of \$1.20 per share.

5. SUBSEQUENT EVENT

On November 20, 2011, the Company opened its latest format, Solomon’s Fresh Market.

AML FOODS LIMITED

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