



**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED JULY 31, 2013**

CONSOLIDATED BALANCE SHEET

(Expressed in thousands of Bahamian dollars)

	July 31, 2013	January 31, 2013
Assets		
Current assets		
Cash and bank balances	\$ 4,028	3,802
Receivables, net of provisions	914	892
Merchandise inventories, net of provisions	15,512	18,283
Other current assets	2,562	2,301
	23,016	25,278
Capital assets		
Property and buildings	8,807	8,457
Equipment	7,558	8,004
Leasehold improvements	6,797	6,935
Work In Progress	1,020	816
	24,182	24,212
Goodwill	4,110	4,110
	\$ 51,308	53,600
Liabilities and Equity		
Current liabilities		
Bank overdraft	\$ 1,431	2,263
Accounts payable and accrued expenses	9,908	11,353
	11,339	13,616
Long-term liabilities		
Preference shares	20,000	20,000
	20,000	20,000
Equity		
Ordinary shares	7,702	7,702
Treasury shares (note 3)	(379)	(439)
Capital paid in excess of par	2,664	2,664
Property revaluation surplus	942	942
Retained earnings	9,040	9,115
	19,969	19,984
	\$ 51,308	53,600

AML FOODS LIMITED**CONSOLIDATED STATEMENT OF INCOME***(Expressed in thousands of Bahamian dollars)*

	Quarter Ended July 31, 2013	Quarter Ended July 31, 2012
Sales	\$ 36,202	30,689
Cost of sales	(25,721)	(21,651)
Gross profit	10,481	9,038
Selling, general and administrative expenses	(10,037)	(8,338)
Other operating income	104	154
Net operating profit	548	854
Interest expense	(14)	(67)
Dividends on preference shares	(363)	(181)
Net profit before pre-opening expenses and extraordinary income	\$ 171	606
Pre-opening expenses	-	(158)
Extraordinary income	-	-
Net profit and comprehensive income	\$ 171	448
Earnings per share	\$0.011	\$0.029

	Six Months Ended July 31, 2013	Six Months Ended July 31, 2012
Sales	\$ 72,191	58,749
Cost of sales	(51,022)	(41,259)
Gross profit	21,169	17,490
Selling, general and administrative expenses	(19,782)	(16,202)
Other operating income	197	288
Net operating profit	1,584	1,576
Interest expense	(31)	(130)
Dividends on preference shares	(725)	(363)
Net profit before pre-opening expenses and extraordinary income	\$ 828	1,083
Pre-opening expenses	-	(184)
Extraordinary income	-	101
Net profit and comprehensive income	\$ 828	1,000
Earnings per share	\$0.054	\$0.065

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, 2013	15,404	\$ 9,115	7,702	2,664	(439)	942	\$ 19,984
Net profit for period	-	828	-	-	-	-	828
Shares repurchased (note 3)	-	-	-	-	60	-	60
Declared dividends (note 2)	-	(903)	-	-	-	-	(903)
July 31, 2013	15,404	9,040	7,702	2,664	(379)	942	19,969
January 31, 2012	15,404	\$ 7,600	7,702	2,664	(264)	942	\$ 18,644
Net profit for period	-	1,000	-	-	-	-	1,000
Shares repurchased (note 3)	-	-	-	-	(55)	-	(55)
Declared dividends (note 2)	-	(605)	-	-	-	-	(605)
July 31, 2012	15,404	7,995	7,702	2,664	(319)	942	18,984

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Bahamian dollars)

	Six Months Ended July 31, 2013	Six Months Ended July 31, 2012
Cash flows from operating activities		
Net profit for period	\$ 828	1,000
Adjustments for:		
Depreciation and amortisation of franchise fees	1,637	1,065
Dividends on preference shares	725	363
Decrease/(increase) in inventory provision	(406)	(241)
Decrease in provision for doubtful debts	5	(3)
Operating cash flow before changes in working capital	2,789	2,184
Working capital source/(use)		
Merchandising inventories	3,176	394
Accounts receivable	(185)	(198)
Other current assets	(100)	(810)
Accounts payable and accrued expenses	(1,453)	1,978
Net cash provided by operating activities	4,227	3,548
Investing activities source/(use)		
Additions to capital assets	(1,601)	(4,329)
Movements on investments	-	(4)
Net cash used in investing activities	(1,601)	(4,333)
Financing activities source/(use)		
Dividends paid on ordinary shares	(903)	(605)
Dividends paid on preference shares	(725)	(363)
Repurchase of shares	-	(55)
Unrealized loss on shares	60	-
Net cash used in financing activities	(1,568))	(1,023)
Increase in cash	\$ 1,058	(1,808)
Cash, beginning of period	1,539	3,847
Cash, end of period	2,597	2,039
Movement for period	\$ 1,058	(1,808)

Cash and cash equivalents comprise cash less bank overdrafts.

AML FOODS LIMITED

EXPLANATORY NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Quarter Ended July 31, 2013

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 2011 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, and Solomon’s Fresh Market Limited.

2. DECLARED DIVIDENDS

On April 11, 2013, the Company declared dividends of \$0.04 per ordinary share based on 2012 results. Dividends were paid on May 03, 2013 to the shareholders on record as of April 26, 2013. The Board of Directors agreed to pay quarterly dividends during the 2013 fiscal year. To that end, on June 24, 2013, the Company declared dividends of \$0.02 per ordinary share which were paid on July 08, 2013 to shareholders on record as of July 01, 2013.

3. SHARE BUY BACK

As at January 31, 2013, the Company had repurchased a total of 269,590 shares at an average cost of \$1.17 per share. No further purchases are anticipated under the terms of this program which is scheduled for termination in 2014.

AML FOODS LIMITED

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DIRECTORS

Dionisio D'Aguiar (Chairman)
Robert Sands (Vice Chairman)
R. Craig Symonette
Frank J. Crothers
Franklyn Butler, II
Michael R. Moss
Gavin Watchorn

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