

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Financial Statements (Unaudited)

Three months ended March 31, 2012

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Consolidated Financial Statements (Unaudited)

Three months ended March 31, 2012

Revenue increased 9.5% in the first quarter compared to the same period last year. Sales volume performed well benefiting from a strong Spring break season and a higher level of marketing activities in the market.

Operating expenses increased 4%. Raw materials, consumables and services were up 3%. The increase in personnel costs is partly fueled by annual salary increases for cost of living and merit as well as separation and retirement costs.

Net income increased compared to 1st quarter 2011 driven by the strong revenue growth. Earnings per share were consequently \$0.05 higher compared to the same period last year.

Net cash from operating activities decreased \$ 0.6 million compared to Q1 2011. This was driven by seasonal fluctuation of working capital, in particular accounts payable. Accounts payable and accrued expenses were reduced from \$13.8 million to \$10.3 million. Cash and cash equivalents at March 31st 2012 amounted to \$14.5 million.

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Financial Position (Unaudited)

March 31, 2012 with corresponding figures for December 31, 2011

(Expressed in Bahamian dollars)

	March 2012	December 2011
Assets		
Current Assets:		
Cash and cash equivalents	14,473,103	11,359,313
Trade receivables	1,208,905	1,786,488
Prepaid expenses and other assets	2,127,643	2,126,341
Inventories	15,222,044	16,402,004
Total current assets	33,031,695	31,674,146
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	34,978,268	35,388,064
Intangible assets	453,890	458,957
Total non-current assets	39,919,400	40,334,263
Total assets	72,951,095	72,008,409
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	10,285,081	13,847,253
Total current liabilities	10,285,081	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	29,517,106	25,012,248
Total equity	62,666,014	58,161,156
Total liabilities and equity	72,951,095	72,008,409

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended March, 31, 2012, with corresponding figures for the three months ended March 31, 2011

(Expressed in Bahamian dollars)

	Note(s)	March 2012	March 2011
Revenue		28,213,329	25,756,643
Other income / (loss)		177,995	251,685
Total income		28,391,324	26,008,328
Operating expenses:			
Raw materials, consumables and services		19,237,740	18,660,042
Personnel costs		3,894,035	3,459,093
Depreciation		754,358	768,307
Amortisation		5,067	72,972
Total operating expenses		23,891,200	22,960,414
Results from operating activities		4,500,124	3,047,914
Finance costs		-	-
Finance income		4,734	12,124
Net finance income/(costs)		4,734	12,124
Net income and total comprehensive income		4,504,858	3,060,038
Basic and diluted earnings per share		0.15	0.10

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 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					4,504,858	4,504,858
Balance at March 31, 2012	150,000	12,377,952	16,351,369	4,269,587	29,517,106	62,666,014

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Cash Flows (Unaudited)

For the three months ended March 31, 2012, with corresponding figures for the three months ended March 31, 2011

(Expressed in Bahamian dollars)

	Note(s)	2012	2011
Cash flows from operating activities			
Net income and total comprehensive income		4,504,858	3,060,038
Adjustments for:			
Depreciation		754,358	768,307
Amortisation		5,067	72,972
(Gain)/loss on disposal of property, plant and equipment		-	(6,601)
Gain on disposal of subsidiary		-	-
Interest income		(4,734)	(12,124)
Interest expense		-	-
Net cash from operations before changes in working capital		5,259,549	3,882,592
Changes in non-cash working capital		(1,805,931)	158,094
Net cash from operating activities		3,453,618	4,040,686
Cash flows from financing activities			
Repayments of bank loans		-	-
Proceeds from issue of share capital		-	-
Interest paid		-	-
Dividends paid		-	(11,000,000)
Net cash used in financing activities		-	(11,000,000)
Cash flows from investing activities			
Additions to property, plant and equipment		(344,562)	(400,009)
Additions to intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	12,730
Interest received		4,734	12,124
Net cash used in investing activities		(339,828)	(375,155)
Net increase in cash and cash equivalents		3,113,790	(7,334,469)
Cash and cash equivalents, beginning of year		11,359,313	16,552,618
Cash and cash equivalents, end of year		14,473,103	9,218,149

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Notes to Interim Consolidated Financial statements

Three months ended March 31, 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 December 2nd, 2011 the Board declared an interim dividend for 2011 of \$0.25 per share to the shareholders of record on December 19, 2011. The total declared and paid amount was \$7,500,000.

On April 24th 2012 the Board approved 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. The total dividend related to 2011 amounts to \$0.58 per share or \$17,400,000.

3. Change in Executive Management

January 1st 2012 Mr. Nicolaos Pinotsis succeeded Mr. LeRoy Archer as Managing Director of Commonwealth Brewery. Mr. Archer remains a member of the Board of Directors.