

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Financial Statements (Unaudited)

Nine months ended September 30, 2011

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Consolidated Financial Statements (Unaudited)

Nine months ended September 30, 2011

Revenue increased 5.7% in the third quarter compared to the same period last year. Sales volume showed a strong performance in a continuing negative trading environment. Marketing programs contributed to the positive volume development in the 3rd quarter. Revenue year-to-date is now up 1% compared to same period last year.

Other income year-to-date declined with B\$ 1,275,969 due to lower rental income after divesting real estate in 2010 and non-recurring gains in 2010 from disposal of subsidiaries.

Year-to-date operating expenses are up 3.9% due to a higher excise tax rate, higher operating costs due to improvements in information technology and higher employee benefit expenses.

Earnings per share for the 9 months ended September 2011 amounted to 0.39 B\$ cts. The company is still on track generating the full year earnings per share that were confirmed earlier during the year.

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Financial Position (Unaudited)

September 30, 2011 with corresponding figures for December 31, 2010

(Expressed in Bahamian dollars)

	September 2011	December 2010
Assets		
Current Assets:		
Cash and cash equivalents	10,322,066	16,552,618
Trade receivables	1,298,356	1,259,025
Prepaid expenses and other assets	2,937,538	1,703,641
Inventories	16,670,084	15,299,835
Total current assets	31,228,044	34,815,119
Non-current Assets:		
Goodwill	4,487,242	4,487,242
Property, plant and equipment - net	34,293,291	36,991,188
Investment properties	-	-
Intangible assets	496,810	673,138
Total non-current assets	39,277,343	42,151,568
Total assets	70,505,387	76,966,687
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	10,496,817	10,972,463
Current portion of bank loans	-	-
Total current liabilities	10,496,817	10,972,463
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	26,859,662	32,845,316
Total equity	60,008,570	65,994,224
Total liabilities and equity	70,505,387	76,966,687

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended September 30, 2011, with corresponding figures for the three months ended September 30, 2010
(Expressed in Bahamian dollars)

	Note(s)	September 2011	September 2010
Revenue		26,960,927	25,510,831
Other income / (loss)		738,166	579,339
Total income		27,699,093	26,090,170
Operating expenses:			
Raw materials, consumables and services		18,888,145	16,901,254
Personnel costs		3,994,507	2,812,038
Depreciation		780,911	812,199
Amortisation		49,483	73,809
Total operating expenses		23,713,046	20,599,300
Results from operating activities		3,986,047	5,490,870
Finance costs			(45)
Finance income		4,838	23,730
Net finance income/(costs)		4,838	23,685
Net income and total comprehensive income		3,990,885	5,514,555
Basic and diluted earnings per share		0.13	0.18

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the nine months ended September 30, 2011, with corresponding figures for the nine months ended September 30, 2010
(Expressed in Bahamian dollars)

	Note(s)	September 2011	September 2010
Revenue		81,938,115	81,120,136
Other income		797,261	2,073,230
Total income		82,735,376	83,193,366
Operating expenses:			
Raw materials, consumables and services		57,230,784	55,498,186
Personnel costs		11,357,911	10,272,499
Depreciation		2,336,076	2,448,068
Amortisation		176,328	222,419
Total operating expenses		71,101,099	68,441,172
Results from operating activities		11,634,278	14,752,194
Finance cost		-	(46,023)
Finance income		33,456	323,042
Net finance income /(costs)		33,456	277,019
Net income and total comprehensive income		11,667,733	15,029,213
Basic and diluted earnings per share		0.39	0.58

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the nine months ended September 30, 2011

(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at January 1, 2011	150,000	12,377,952	16,351,369	4,269,587	32,845,316	65,994,224
Net income					11,667,733	11,667,733
Issue of shares						
Dividends declared and paid					(17,653,387)	(17,653,387)
Balance at September 30, 2011	150,000	12,377,952	16,351,369	4,269,587	26,859,662	60,008,570

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Interim Consolidated Statement of Cash Flows (Unaudited)

For the nine months ended September 30, 2011, with corresponding figures for the nine months ended September 30, 2010
(Expressed in Bahamian dollars)

	Note(s)	2011	2010
Cash flows from operating activities			
Net income and total comprehensive income		11,667,733	15,029,213
Adjustments for:			
Depreciation		2,336,076	2,448,068
Amortisation		176,328	222,419
(Gain)/loss on disposal of property, plant and equipment		4,884	262,012
Gain on disposal of subsidiary		-	(345,004)
Interest income		(33,456)	(323,042)
Interest expense		-	46,023
Net cash from operations before changes in working capital		14,151,565	17,339,689
Changes in non-cash working capital		(2,369,247)	(782,483)
Net cash from operating activities		11,782,318	16,557,206
Cash flows from financing activities			
Repayments of bank loans		-	(1,624,058)
Proceeds from issue of share capital			
Interest paid		-	(46,023)
Dividends paid		(17,653,387)	(14,700,000)
Net cash used in financing activities		(17,653,387)	(16,370,081)
Cash flows from investing activities			
Additions to property, plant and equipment		(393,840)	(802,056)
Additions to intangible assets			
Proceeds from sale of property, plant and equipment		901	9,043
Interest received		33,456	323,042
Net cash used in investing activities		(359,483)	(469,971)
Net increase in cash and cash equivalents		(6,230,552)	(282,846)
Cash and cash equivalents, beginning of year		16,552,618	8,873,974
Cash and cash equivalents, end of year		10,322,066	8,591,128

(Unaudited)

COMMONWEALTH BREWERY LIMITED

Notes to Interim Consolidated Financial statements

Nine months ended September 30, 2011

(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

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.

4. Change in Executive Management

During the third quarter, the Brewery Manager, Jimmy Evelyn was succeeded by Remi den Broeder