

Your report this year showcases The (Mauritius) Glass Gallery (MGG), a subsidiary of Phoenix Beverages Limited. MGG is a working example of recycling in action in Mauritius.

The (Mauritius) Glass Gallery, which recycles broken and damaged glass bottles is one of the pioneers of recycling in Mauritius and demonstrates PBL's commitment to "ile Maurice ile Durable."



### Beer Awards

### **BEER AWARDS**

BREWEX – UK	YEAR 1976	STELLA PILS	GOLD MEDAL	
MONDE SELECTION	YEAR 1981	PHOENIX BEER	GOLD MEDAL	
BREWEX – UK	YEAR 1983	PHOENIX BEER	GOLD MEDAL	$\  \cdot \ $
MONDE SELECTION	YFAR 1989	STELLA PILS	GOLD MEDAL	
MONDE SELECTION	1EAR 1989	PHOENIX BEER	GOLD MEDAL	יו
MONDE SELECTION	YEAR 1992	BLUE MARLIN	GOLD MEDAL	
ALICTO ALIANI		BLUE MARLIN	SILVER AWARD	
AUSTRALIAN INTERNATIONAL	YEAR 1997	STELLA PILS	SILVER AWARD	
BEER AWARDS		PHOENIX BEER	SILVER AWARD	
AUSTRALIAN	VE 4 D 2001	PHOENIX BEER	GOLD AWARD	ا
INTERNATIONAL BEER AWARDS	YEAR 2001	BLUE MARLIN	SILVER AWARD	
MONIDE CELECTION	VE 4 D 2000	PHOENIX BEER	GOLD MEDAL	
MONDE SELECTION	YEAR 2003	BLUE MARLIN	BRONZE MEDAL	
	VE + D 2024	PHOENIX BEER	SILVER MEDAL	
MONDE SELECTION	YEAR 2006	BLUE MARLIN	SILVER MEDAL	

MONDE SELECTION	YFAR 2007	PHOENIX BEER	GRAND GOLD MEDAL
MONDE SELECTION	TEAR 2007	BLUE MARLIN	GRAND GOLD MEDAL
	10	PHOENIX BEER	GOLD MEDAL
MONDE SELECTION	YEAR 2008	PHOENIX <b>BEER CAN</b>	SILVER MEDAL
		BLUE MARLIN PREMIUM BEER	BRONZE MEDAL
		PHOENIX BEER 650ML	GOLD MEDAL
		PHOENIX BEER CAN	SILVER MEDAL
MONDE SELECTION	YEAR 2009	BLUE MARLIN PREMIUM BEER CAN	SILVER MEDAL
		STELLA PILS 330ML	GOLD MEDAL
		PHOENIX BEER 330ML	GOLD MEDAL +
			High International Quality Trophy

2009

PHOENIX BEVERAGES LIMITED

PHOENIX BEER (BOTTLE 33 CL)







### PBL - A bird's-eye view



- Established in 1960
- Listed on the Stock Exchange of Mauritius since 1993
- Main brands: Phoenix, Blue Marlin, Guinness, Coca-Cola, Sprite, Fanta and Crystal
- Employs more than 1,000 people
- Delivers to some 9,000 outlets
- Exports to Indian Ocean Islands, South Africa, Europe and Asia

#### **Our Vision**

**Dedicated People Providing World Class Beverages** 

### **Our Values**

**Customer Oriented** 

**Innovative** 

**Adaptable** 

Honest

**Trustworthiness** 

Sales	Rs 2,897m	A	6.9%
Operating profit	Rs 296m	A	20.8%
Profit after tax	Rs 224m	×	16.1%
Earnings per Share	Rs 13.47	×	17.7%
Dividend per Share	Rs 5.50	A	10.0%
Total assets	Rs 2,719m	A	7.8%
Net debt	Rs 198m	A	191.2%
Shareholders' interest	Rs 1,950m	A	8.2%

- 1.2 million hectolitres sold
- Rewarded by a further Gold Award for Phoenix Beer in Monde Selection 2008
- Launched Smirnoff Ice in cans in December 2007
- Launched Phoenix Fresh in May 2008
- Launched Coca-Cola Zero in July 2008
- Invested Rs 168m in "Nouvelle Brasserie de Madagascar SA"
- Preparing entry into the Madagascar market through "Nouvelle Brasserie de Madagascar SA"
- PBL, PCM and Rodnix Limited amalgamated on July 1, 2008
- Rs 1,579m as market capitalisation on the Stock Exchange of Mauritius at June 30, 2008

#### Movement of Semdex and PBL share price (July 07 to June 08)





### Group Profile

PBL is a public company listed on the Stock Exchange of Mauritius. It was incorporated on September 9, 1960 and started trading in 1963.PBL is the leading beverages company in Mauritius.

During the year under review, the company has been amalgamated with two of its wholly owned subsidiaries namely Phoenix Camp Minerals Limited, the authorised bottler of the products of the Coca Cola Company Ltd in Mauritius namely Coca Cola, Fanta, Sprite Schweppes, Dasani and Crystal table water , and Rodnix Limited, its subsidiary in Rodrigues.

PBL offers a wide range of alcoholic products, soft drinks, table water and other alternative beverages to its customers. Its flagship, the Phoenix Beer was launched in 1963 and has since then become the famous and preferred beer of Mauritius. The company also produces the Blue Marlin, Phoenix Special Brew, Phoenix Fresh and Stella Pils Beer. PBL has also in its portfolio of products world famous brands such as Guinness Foreign Extra Stout, Malta Guinness, Smirnoff Ice which it produces and sells under contract agreement.

PBL has won several international awards over the years, the latest ones being the 3 Gold Medals for its beer Phoenix and Stella Pils at Monde Selection 2009. The High International Quality Trophy was also awarded to our flagship, Phoenix Beer this year by Monde Selection. This trophy is given only to products which have been rewarded with a Gold Medal for three consecutive years in a row.

The Group today employs some 1,000 employees and operates from two production plants in Phoenix and also sells and distributes all its products from its Commercial Unit in Phoenix.

Group Structure	
Subsidiaries	
Local	
Phoenix Beverages Overseas Ltd	99.96%
Helping Hands Foundation	87.52%
The (Mauritius) Glass Gallery Ltd	76.00%
Phoenix Distributors Ltd	97.33%
Phoenix Camp Minerals Offshore Ltd	100.00%
MBL Offshore Ltd	100.00%
Mauritius Breweries International Ltd	100.00%
Foreign	
Rennie et Thony SARL	100.00%
Associates	
Local	
Crown Corks Ltd	30.36%
Foreign	
Asia Pacific Brewery (Lanka) Limited	20.00%
Nouvelle Brasserie de Madagascar	40.00%

### Group Structure

June 30, 2009





### Our Brands

Phoenix Smirnoff Ice Sprite Zero

Phoenix Special Brew Coca-Cola Fanta

Phoenix Fresh Coca-Cola Zero Schweppes

Blue Marlin Coca-Cola Light Pearona

Guinness Sprite Malta Guinness

Appletiser

Dasani Jacquart

Crystal Calvet

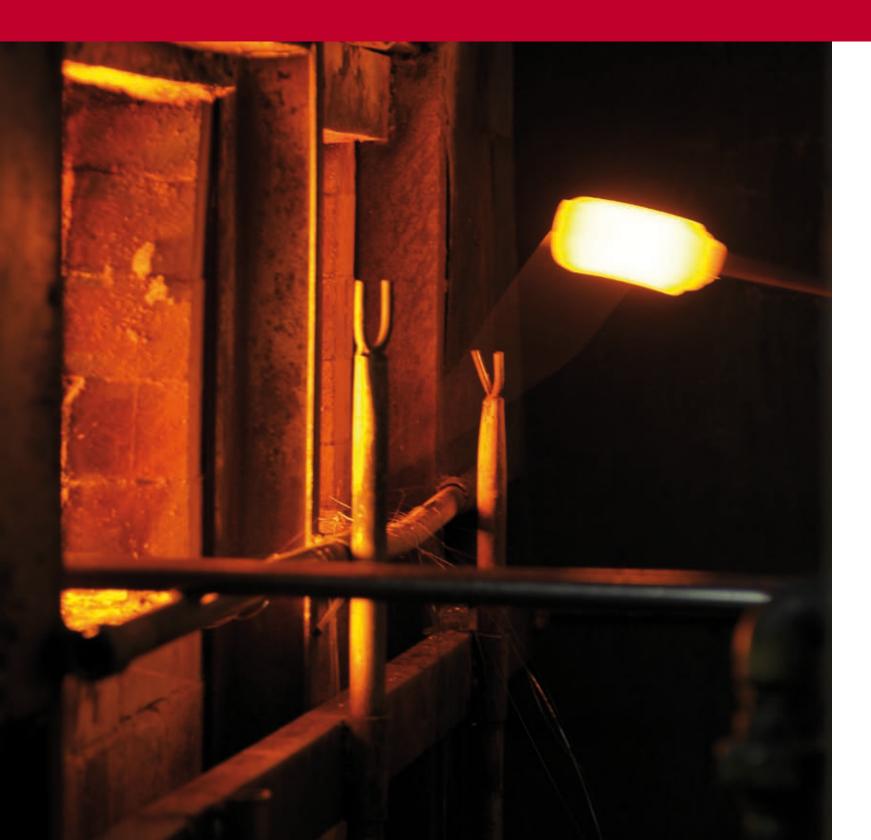
Burn Les Grands Chais de France





### Board & Committees





#### **BOARD OF DIRECTORS**

**DIRECTORS** 

THIERRY LAGESSE - Chairperson

ALAN BARNES

JAN BOULLÉ

FRANÇOIS DALAIS

VINCENT HAREL

GUILLAUME HUGNIN (appointed on July 1, 2009)

DIDIER KOENIG

ARNAUD LAGESSE

J. CYRIL LAGESSE

SEEWOOCOOMAR SEWRAZ

GEORGE WIEHE

RICHARD WOODING - Chief Executive

MARGUERITE HUGNIN (resigned on July 1, 2009)

**ALTERNATE DIRECTORS** 

JEAN PIERRE DALAIS

ARNAUD LAGESSE

GUILLAUME HUGNIN (resigned on July 1, 2009)

MARGUERITE HUGNIN (appointed on July 1, 2009)

#### **BOARD COMMITTEES**

**AUDIT COMMITTEE** 

DIDIER KOENIG - Chairperson

JAN BOULLÉ

GEORGE WIEHE

#### **CORPORATE GOVERNANCE COMMITTEE**

J. CYRIL LAGESSE - Chairperson

GUILLAUME HUGNIN (appointed on July 1, 2009)

SEEWOOCOOMAR SEWRAZ

RICHARD WOODING

MARGUERITE HUGNIN (resigned on July 1, 2009)

#### **COMPANY SECRETARY**

GML SERVICES FINANCIERS ET JURIDIQUES LTÉE

Directors' Profile

















#### **| THIERRY LAGESSE** NON-INDEPENDENT CHAIRPERSON - APPOINTED AS DIRECTOR IN 1998 AND AS CHAIRPERSON IN 2007

Thierry Lagesse, born in 1953, holds a 'Maîtrise des Sciences de Gestion' from the University of Paris Dauphine. He is the founder and executive Chairperson of the Palmar group of companies, an international textile and garment manufacturing group. He is also the promoter of both Companhia de Sena, the rehabilitation and development of a sugar estate and a sugar processing and refining factory in Mozambique, and Parabole Reunion SA, a Direct to Home Satellite TV company in the media and communication fields across the islands of the Indian Ocean. He is the Chairperson of The United Basalt Products Ltd, Flacq United Estates Limited, Phoenix Beverages Group, Union Flacq Ltd and Ireland Blyth Ltd and also chairs Compagnie 3 JAN BOULLÉ d'Investissement et de Développement Limitée, the ultimate holding company of Phoenix Beverages Limited. Thierry Lagesse is a member of the Mauritius Chamber of Agriculture and was in 1995, Chairperson of the Mauritius Export Processing Zone Association.

#### 2 ALAN BARNES NON-EXECUTIVE DIRECTOR - APPOINTED IN 2007

Alan Barnes, born in 1968, holds a BA (Honours) degree in Economics. After 5 years of sales and commercial experience in the UK drinks industry, he has been responsible for Diageo Plc's interests in Gabon, Benin and other African markets. He then had functional responsibility for Diageo Plc's beer, pre-mix spirits and innovation strategy for South Africa. While he was the General Manager of Diageo Plc Licensed Brewing, he was responsible for 20 markets in West and Central Africa. Alan Barnes is currently the General Manager for Diageo Plc managing the Indian Ocean region. He is also a Director of Seychelles Breweries Ltd and President of CMMUDV (Reunion).

#### NON-EXECUTIVE DIRECTOR - APPOINTED IN 2000

lan Boullé, born in 1957, is an 'Ingénieur Statisticien Economiste (France)' and holds a diploma of '3ème cycle de Sciences Economiques (Canada)'. He joined the Constance Group in 1984 and is currently Head of Development and Project. Jan Boullé is a member of the Board of Directors of several of the country's major companies. He also sits on the Audit Committee of the Company.

#### **FRANCOIS DALAIS** NON-EXECUTIVE DIRECTOR - APPOINTED IN 1992

François Dalais, born in 1958, holds a diploma in Business Administration (London). He is the founder and Director of the Mauritius Freeport Development Ltd, Sugarex Ltd, Tropical Cubes Co. Ltd and Atlas Communications International Ltd. François Dalais also sits on the Board of a number of companies in Mauritius

#### **5 VINCENT HAREL** NON-EXECUTIVE DIRECTOR - APPOINTED IN 1998

Vincent Harel, born in 1954, obtained a higher national diploma in Production Engineering and is currently self-employed.

#### 6 GUILLAUME HUGNIN NON-EXECUTIVE DIRECTOR -APPOINTED ON JULY 1, 2009

Guillaume Hugnin born in 1961, studied at the Universty of Cape Town in South Africa where he graduated as Bachelor of Arts in Economics and Post-Graduated with Honours in Economics. He completed his studies in 1997 by obtaining an MBA from the University of Surrey, United Kingdom. Guillaume Hugnin started his career as Assistant Sales and Marketing Manager at Mauritius Breweries Ltd, worked in South Africa and Australia for several years before joining the Food and Allied Group of Companies in 1993. He is currently the Managing Director of Panexport Co. Ltd, the International Trading Arm of the Food and Allied Group while continuing to exercise in shipping as Executive Director for Southern Marine Co. Ltd and Southern Marine (International) Co. Ltd. He also has Directorships in the hotel industry and is a Board Member of the Mauritius Exporters Association (MEXA). Before being appointed as Director of the Company, he was acting as the Alternate Director

of Marguerite Hugnin since June 1999. Guillaume Hugnin is a member of the Corporate Governance Committee of the Company.

#### **DIDIER KOENIG** INDEPENDENT NON-EXECUTIVE

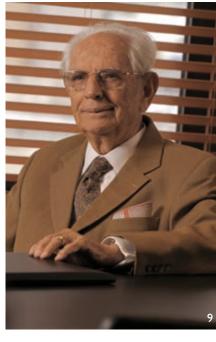
Audit Committee of the Company.

**DIRECTOR - APPOINTED IN 2001** 

Didier Koenig, born in 1955, is currently the Accountant of Cie Agricole de Labourdonnais Ltée. He is a past auditor of De Chazal Du Mée & Co. Didier Koenig is currently the Chairperson of the

### Directors' Profile















#### **8 ARNAUD LAGESSE** NON-EXECUTIVE DIRECTOR - APPOINTED IN 1998

Arnaud Lagesse, born in 1968, holds a 'Maîtrise de Gestion' from the University of Aix Marseille III, France and is a graduate of the 'Institut Supérieur de Gestion', France. He also completed an Executive Education Program at INSEAD, Fontainebleau, France. He joined the Groupe Mon Loisir in 1995 as Finance and Administrative Director before becoming in August 2005 its Chief Executive Officer. He also participated in the National Corporate Governance Committee as a member of the Board. He is a member of the Board of Directors of several of the country's major companies and is the Chairperson of Naïade Resorts Ltd, Mauritius Stationery Manufacturers Limited, AfrAsia Bank Limited and various other companies. Arnaud Lagesse is an ex-president of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund.

#### 9 I. CYRIL LAGESSE NON-EXECUTIVE DIRECTOR - APPOINTED IN 1960 AND CHAIRPERSON FROM 1975 TO 2007

I. Cyril Lagesse, well known entrepreneur, born in 1932, took over his father's business in 1969 (Mon Loisir S.E) and set up the Compagnie d'Investissement et de Développement Limitée in the early 1970's, to take advantage of the diverse investment opportunities that arose, while Mauritius moved towards greater industrialisation. Since then, the Groupe Mon Loisir grew in size, and is now the major shareholder of other well established firms. J. Cyril Lagesse also sits on the Board of several of the country's most prestigious companies, some of which are listed on || GEORGE WIEHE the Stock Exchange of Mauritius. J. Cyril Lagesse is currently the Chairperson of the Corporate Governance Committee of the Company.

#### 10 SEEWOOCOOMAR SEWRAZ INDEPENDENT NON-EXECUTIVE **DIRECTOR - APPOINTED IN 1982**

Seewoocoomar Sewraz, born in 1954 is a member of the Institute of Bookkeepers in UK and holds the higher stage of London Chamber of Commerce. He has more than 30 years of work experience in wholesaler business. He is a member of the Board of Directors of several companies and is also the Chairperson of the Mauritius Agricultural and General Finance Corporation Ltd. Seewoocoomar Sewraz is a member of the Corporate Governance Committee of the Company.

#### NON-EXECUTIVE DIRECTOR - APPOINTED IN 1994

George Wiehe, born in 1956, holds a Bachelor in Agricultural Management and a Diploma in Business Management. He is currently the Manager of Société Rouillard Frères & Cie. George Wiehe is also a member of the Audit Committee of the Company.

#### 12 RICHARD WOODING **EXECUTIVE DIRECTOR**

- APPOINTED IN 2006

Richard Wooding, born in 1959, holds a BA degree and an MBA from Cranfield in his home country of England. He has worked in the Consumer Goods business in a variety of roles, including General Management positions in both Asia and Africa, with successively Rothmans, British American Tobacco and Heineken International. He joined the Phoenix Beverages Group in April 2006, and was appointed as Chief Executive Officer and as Director of the Company in July 2006. Richard Wooding is a member of the Corporate Governance Committee of the Company.

#### 13 **JEAN PIERRE DALAIS** ALTERNATE DIRECTOR - APPOINTED IN 1999

lean Pierre Dalais, born in 1964, is the Alternate Director of François Dalais since October 1999. He studied in South Africa before proceeding to the United

States of America where he obtained an MBA from the International University of America, San Francisco, in 1988. He began his career with Arthur Andersen in Mauritius before joining the Ciel Group in 1990. Jean Pierre Dalais is presently the Chief Executive Officer of Ciel Investment Ltd which is an investment company. with interests in a number of companies, operating in different sectors of the Mauritian economy. He also sits on a number of well-known Mauritian companies involved in commerce, tourism and financial services.

#### 4 MARGUERITE HUGNIN ALTERNATE DIRECTOR

- APPOINTED ON JULY 1, 2009

Marguerite Hugnin, born in 1935, studied Secretariat and Management in Paris. She is a past Chairperson of the Alliance Française de l'Ile Maurice. Marguerite Hugnin has been serving as Director since 1998 and was a member of the Corporate Governance Committee of the Company. She resigned in favour of Guillaume Hugnin on July 1, 2009.

### Senior Management



#### I RICHARD WOODING CHIEF EXECUTIVE OFFICER

Richard Wooding, born in 1959, holds a BA degree and an MBA from Cranfield in his home country of England. He has worked in the Consumer Goods business in a variety of roles, including General Management positions in both Asia and Africa, with successively Rothmans, British American Tobacco and Heineken International. He joined the Phoenix Beverages Group in April 2006, and was appointed as Chief Executive Officer and as Director of the Company in July 2006.

#### 2 PATRICK RIVALLAND SENIOR MANAGER FINANCE AND ADMINISTRATION

the Chartered Association of Certified Accountants. Before joining Phoenix Camp Minerals Limited in 1999 as Finance and Administrative Manager, he worked successively for BDO De Chazal Du Mée was appointed Phoenix Beverages Group Senior Manager Finance and Administration in 2001. He since 1992. is a past President of the Association of Mauritian Manufacturers.

#### 3 JAGANADEN CHELLUM SENIOR MANAGER HUMAN RESOURCES

laganaden Chellum, born in 1971, is the holder of a 'Maîtrise en Gestion des Entreprises Privées' from the University of Paris XII, France. Before joining the Group in 2000, he worked for Floréal Knitwear Limited. He was appointed as Senior Manager Human Resources in April 2007.

#### **4 JEAN FRANÇOIS HENRI** SENIOR MANAGER **TECHNICAL OPERATIONS**

Jean François Henri, born in 1967, is the holder of a Degree in Industrial Maintenance Engineering and a Degree in Business Administration from University of Paris XIII, France. He worked in the textile and in the manufacturing industry sector before joining the Phoenix Beverages Group in June 2006 as Senior Manager Technical Operations.

#### **5 GERVAIS RAMBERT** HEAD BREWER

Gervais Rambert, born in 1956, joined the brewery in 1977. He is the holder of a certificate from the Brewing School of Diageo in Park Royal London and Patrick Rivalland, born in 1972, is a Fellow member of from St James Gate Dublin. He also holds a diploma from 'L'Ecole Nationale Supérieure d'Agronomie et des Industries Alimentaires' in France and from VLB Institute and Research of Berlin. He worked in several breweries in Europe namely, Guinness Park Royal and The Sugar Industry Pension Fund Board. He in London, Le Pécheur, Meteor and Kronenbourg Breweries in France. He is the Group's Head Brewer 9 GERARD MERLE

#### **6 HUGUES RIVET** SENIOR MANAGER INTERNATIONAL BUSINESS

Hugues Rivet, born in 1975, joined the Group in 1999 after completion of a BSc (Honours) in Economics at the University of Mauritius. He was appointed as Senior Manager Supply Chain in July 2007.

#### 7 ANTIS TREEBHOOBUN

#### SENIOR MANAGER BUSINESS SYSTEM

Antis Treebhoobun, born in 1959, is the holder of a BA in Computer Science from University of Iowa. During the period 1987 to 1991, he worked in the USA as Software Engineer on contract for Boeing Avionics Corp. and from 1991 to 2001, he was the Senior IT Manager for Rogers Aviation & Tourism. He joined the Group in 2001 as Senior Manager Business

#### **8 DIDIER VALLET** SENIOR MANAGER COMMERCIAL OPERATIONS

Didier Vallet, born in 1961, is the holder of a Diploma in Sales and Marketing Management from Cape Technikon School of Commerce. He joined the Group in 1986 as Assistant Sales and Marketing Manager. He was appointed as Phoenix Beverages Group Senior Manager Commercial Operations in

#### SENIOR MANAGER SUPPLY CHAIN

Gerard Merle, born in 1968, has worked in the manufacturing sector for more than 21 years. Before joining Phoenix Beverages Limited in Jan 2009 as Senior Manager Limo Operations, he worked for Boxmore Plastics International.



### Shareholder's Information

Value Added Statement

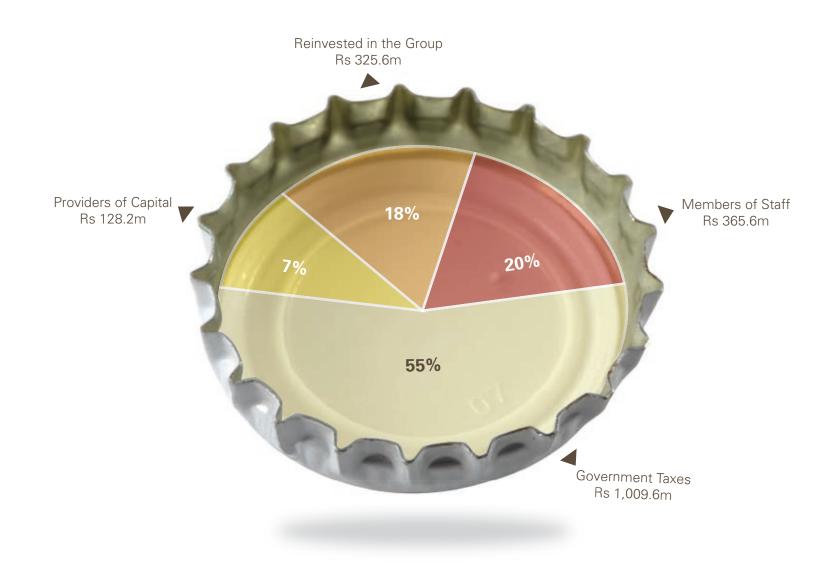
### Shareholder's Information

Distribution of Wealth Created

#### **Value Added Statements**

The value added statement reflects wealth created by the Group during the year by adding value to the cost of materials and services purchased and shows how it was shared by employees and other parties who contributed to the Group's operations. The calculation takes into account the portion retained for the replacement and expansion of the assets employed by the Group. Intra Group transactions are liminated on consolidation.

in interest of consolidation.	<u>2009</u> Rs'000	%	<u>2008</u> Rs'000	%
Turnover including Value Added Tax	3,653,804		3,306,702	
Less : Paid to Suppliers for Materials and Services	(1,824,774)		(1,561,622)	
Total Value Added	1,829,030		1,745,080	
Distributed as follows :				
Members of Staff Renumeration and Benefits	365,575	20%	328,729	19%
Providers of Capital Dividends Interest	106,906 21,314 128,220	7%	90,459 22,997 113,456	7%
Government Taxes Excise and Customs Duties Net Value Added Tax Taxation	722,473 247,667 39,481		693,147 214,927 36,391	
Reinvested in the Group Depreciation Retained Profit	1,009,621 183,158 142,456 325,614	55% 18%	944,465 196,703 131,120 327,823	54% 19%
Total Distributed and Retained	1,829,030	100%	1,714,473	98%



**Distribution of Wealth Created - Cumulative Last Five Years** 

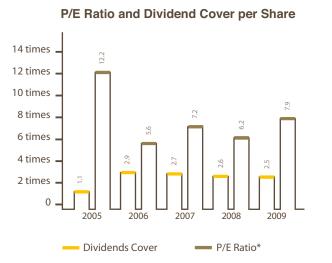
### Shareholder's Information

Share Data June 30, 2009

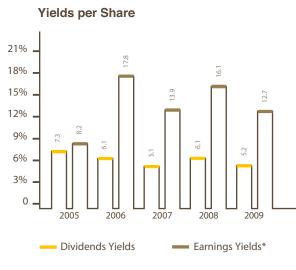




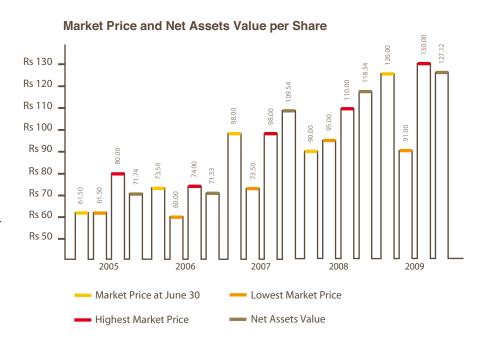
# Rs 18 - Rs 15 - Rs 12 - Rs 9 - Rs 6 - Rs 3 - ODividends — Earnings



<sup>\*</sup> Based on market price per share at June 30,



\* Based on market price per share at June 30,



### Financial highlights n ratios

### Group Financial Summary

#### **Group Financial Summary**

	2000	2000	2227	2007	2005
	2009	2008	2007	2006	2005
In come Statements ( Bo M )					
Income Statements ( Rs. M ) Revenue	3,202	2,897	2,709	2,298	2,200
Excise Duty	712	2,697 671	672	508	506
Result of associates	(31)			306	506
Profit before taxation	302	(33) 272	(7) 258	232	105
Profit attributable to shareholders	249	272	256	232	94
Depreciation	183	197	199	164	153
Interest paid	21	23	33	39	50
EBITDA	506	492	490	435	308
Balance Sheet ( Rs. M )					
Total assets	2,972	2,719	2,524	1,992	2,178
Net indebtedness	53	199	69	236	475
Working capital	89	174	234	71	(27
Shareholders' fund	2,091	1,950	1,802	1,177	1,180
Total equity					
Net asset value per share (Rs)	127.12	118.54	109.54	71.53	71.74
Cash Flow ( Rs. M )					
Investment in fixed assets	393	232	138	124	138
Investment in subsidiaries & associates	16	168	10	0	0
Government taxes paid	1,009	944	940	721	712
Net cash generated from operating activities	621	334	314	184	258
Earnings per share ( Rs.)	16.0	14.5	13.6	13.1	5.0

Performance ratio (%)					
Return on capital employed	13.8	13.1	13.6	17.5	9.2
Return on shareholders' capital	14.4	13.9	14.3	19.7	8.9
Net profit margin	7.8	7.7	9.9	10.5	4.4
Liquidity & gearing ratio					
Current ratio (%)	114.3	137.2	161.4	116.1	94.3
Net borrowings to equity (%)	2.5	10.2	3.8	20.1	40.2
Interest cover (times)	15.4	12.8	8.9	6.8	3.1
Dividends					
Dividends declared ( Rs. M )	107	90	82	74	74
Dividends per share ( Rs. )	6.50	5.50	5.00	4.50	4.50
Dividend yield (%)	5.2	6.1	5.1	6.1	7.3
Dividend cover ( times )	2.5	2.6	2.7	2.9	1.1
Market data					
Market price per share ( Rs.):					
High	130.00	110.00	98.00	74.00	80.00
Low	91.00	95.00	73.50	60.00	61.50
Closing (year-end)	126.00	90.00	98.00	73.50	61.50
P/E ratio ( times )	7.9	6.2	7.2	5.6	12.2

### Government Tax

# Group Quarterly Financial Review

#### **GOVERNMENT TAXES**

		2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Corporate Tax	Rs. '000	7,595	9,029	25,748	36,391	39,481
	% rate	25	25	22.5	15	15
Excise Duty	Rs. '000	506,313	508,282	623,788	621,712	652,196
	Rs. Rate per litre	14	14	19	19	19
PET Tax	Rs. '000			47,914	49,024	58,281
FEITAX	N3. 000	-	-	77,717	77,027	30,201
Can Tax	Rs. '000	-	-	-	-	1,268
	Rs. Rate per Can	-	-	-	-	1
Customs Duty	Rs. '000	23,413	19,331	27,326	22,411	10,728
VAT	Rs. '000	175,137	184,232	215,048	214,927	247,667
	% rate	15	15	15	15	15
TOTAL	Rs. '000	712,458	720,874	939,824	944,465	1,009,621

#### **GROUP QUARTERLY FINANCIAL REVIEW**

	Year ended	4th Quarter	3rd Quarter	2nd Quarter	Ist Quarter
	30.06.09	3 months to 30.06.09	3 months to 31.03.09	3 months to 31.12.08	3 months to 30.09.08
	Rs'm	Rs'm	Rs'm	Rs'm	Rs'm
Revenue	3,202	740	721	1,043	698
Manufacturing costs	(1,566)	(356)	(359)	(508)	(343)
Excise Taxes	(712)	(165)	(174)	(224)	(149)
Other Income	36	16	1	4	15
Overheads	(606)	(162)	(140)	(162)	(142)
Net Finance Costs	(21)	8	(9)	(12)	(8)
Share of results of associates	(31)	(17)	(4)	(5)	(5)
Profit before taxation	302	65	37	136	64
Taxation	(53)	(5)	(2)	(28)	(18)
Profit attributable to shareholders	249	61	35	107	46

### Chairperson's Report





Dan Danbolden, It is my pleasure to solute to gan the found legal and to fire my convents on the france results and the perferance of the Group politic for ending The 20 do 9.

#### RESULTS

2008/09 with positive volume and profit growth. For the first time Group turnover exceeded Rs 3.0 billion to reach Rs 3.2 billion, and profit after taxation rose from Rs 224.0 **OUTLOOK** million to Rs 249.5 million.

The health of the company is demonstrated by the following positive ratios:

#### **AMALGAMATION**

PBL has as from July 1,2008 been amalgamated with two of its wholly owned subsidiaries, namely Phoenix Camp Minerals Limited and Rodnix Limited. This is in line with our strategy to reduce costs and administrative complexities.

#### MGG SHAREHOLDING

In the course of the year PBL took the opportunity to purchase a further 24% of the shares of The (Mauritius) Glass Gallery, consolidating our position in this subsidiary which does sterling work in the recycling of

#### DIVIDEND

Your Board of Directors has declared and paid a dividend of Rs 6.50 per share. (2008: Rs 5.50 per share).

#### **QUALITY AWARDS**

I am pleased to record that PBL has again over these years. achieved international recognition with the receipt of 3 Gold medals at the 2009 Monde Selection competition, with Phoenix Beer winning two Gold Awards, and Stella Pils the company, and their support at Board level.

Your company had a successful year in the company's dedication to quality, and also like to thank the management team and commitment to maintain original recipes all the hard working personnel of PBL. and processes.

I am confident that the company has a well developed and well organized position in the Mauritian domestic market to continue to develop its business further, both in volume and profit terms.

Now that the company is fully equipped to service Export markets, and particularly to meet international packaging specifications, I expect to see incremental growth in this area.

Our restructuration of Rennie & Thony SARL, in line with our vision to become the leading beverage operator in the Indian Ocean, presents us with exciting growth prospects.

In Madagscar we await with impatience and excitement our long planned market entry in August 2009. This will provide us with both waste glass into functional and decorative items. volume and interesting profit opportunities.

#### **ACKNOWLEDGEMENTS**

This year, after II years of stalwart service, Marguerite Hugnin steps down as a Board member. I would like to express my appreciation for her dedication to the affairs of the company, her energy and her support

I would also like to thank my fellow Directors for their contributions to the development of

also collecting one. These awards highlight On behalf of the Board of Directors, I would

I would also like to acknowledge our key business partners, and in particular the Coca-Cola Company and the Diageo Group, who I thank for our long running collaboration.

Finally I would like to thank all our loyal customers and consumers who continue to select our products.



Thierry Lagesse Chairperson

August 5, 2008

### Chief Executive's Report





I am pleased to report to you on the operations and results of the Group for the year under review and to comment on future prospects.

PBL has enjoyed a year of positive growth in 2008/09, both in volume and in profit terms, with a particularly strong performance in the mature home market of Mauritius.

The company has achieved sales volume increases in all three major product categories:

Beer volumes have grown by 4.4%. We have this year, by 3.5%. successfully launched the Stella brand, which has shown very satisfactory growth within the first 6 months following its introduction into the market. Another success for us has been Phoenix Fresh, introduced in May 2008, this brand has shown consistent and highly satisfactory growth throughout the year.

Carbonated soft drinks volumes have increased by 3.2%, predominantly due to an improvement in performance and market share in the Mauritian market. The launch of Coca-Cola Zero, in August 2008, has played by 9.4% on the 2007/08 results. a major role in driving growth of Coca-Cola



products, and has in its first year already captured leadership of the "Light" segment. A new addition to our portfolio in the energy drink "Burn" - introduced in July 2009, this product, from the Coca-Cola company, is a useful addition to our range.

Sales of water products have also increased

#### **EXPORT PERFORMANCE HAS BEEN MIXED:**

We continue to make progress in the Reunion market, where our market share has again increased, and we have seen a resurgence of growth following the switch in the distribution of our products to our wholly owned subsidiary Rennie and Thony SARL. The latter has been reinforced to support the marketing and distribution of our products in the neighboring island, and to drive growth

### PBL has enjoyed a year of positive growth in 2008/09, both in volume and in profit terms

The sum total of all increases shows the of our beer and wine portfolios. company moving to an annual volume of slightly in excess of 1.2 million hectolitres. Group Profit has also grown substantially, with the Group yielding an EBIT of Rs 323.3M, up

Currency movements have rendered continued participation in the South African market commercially un-attractive; we have therefore scaled back our activities.

The worldwide recession has also impacted on our operations in Europe, with two key distributors going into liquidation.

We are encouraged by a very positive start of our business in Australia, with our flagship beer brand Phoenix being successfully launched in Perth, and now being rolled out to other regions.

marketing strategy, we are confident that this business will return to profit in 2009/10.

#### **OUR STRATEGIC INVESTMENTS OVERSEAS ARE NOT YET YIELDING PROFIT:**

Our long standing investment in Asia Pacific Breweries Lanka is maintained, but the Sri Lankan market has been badly affected by the war between Government forces and the Tamil Tigers – this conflict has eliminated the

We continue to make progress in the Reunion market, where our market share has again increased

Our trading business in Africa also continues to develop positively.

#### THE PERFORMANCE OF OUR SUBSIDIARIES HAS ALSO BEEN VARIED:

The rejuvenation and development of our Reunion subsidiary Rennie and Thony SARL to handle both our beer portfolio and an expanded wine portfolio has guickly yielded positive results. We have built a marketing and distribution operation on a lean template, outsourcing both warehousing and delivery, concentrating on commercial operations in house. We are quickly ramping up sales turnover and with the addition of new product lines, we have ambitious plans to grow this operation rapidly.

The downturn in tourism, both in terms of numbers of visitors and in reduced purchasing power, has meant for a lean year for the Mauritius Glass Gallery, with this company showing a loss at EBIT level of Rs 0.7M this year. Following a degree of internal restructuring, and a clear definition of

tourist industry, and the economy, and hence consumer purchasing power have been badly hit. The return to a more normalized situation should enable the market to recover, and for APB Lanka to claw back to profitable operation in the long term. This investment is not a cash drain on PBL. as the

Madagascar is due to come into commercial operation in August 2009 – the brewery is now complete and operational, but product launch is being delayed by administrative

#### **CAPITAL EXPENDITURE**

Our investments in the upgrading of our production lines at the brewery have paid major dividends in terms of increasing efficiency, reducing stock outs, and reducing energy consumption. This initiative is being completed with the replacement of the aged filler on Line 2, currently being installed, and the addition of modern flexible on line packaging facilities to enable multi-pack presentations, key to market entry in Export markets.

At the Limonaderie our investments have centered upon process quality improvements, modern post mix filling machines, and considerably increased investment to enlarge our bottle park, to meet current and future demand.

We are confident that our investment in both the Phoenix brand and across all aspects of our commercial operations will ensure that our beer business in the Mauritian market remains strong,

majority partner, Asia Pacific Breweries have undertaken to underpin the operation vis Preference shares.

Our new investment in Nouvelle Brasseries de

#### **FUTURE PROSPECTS**

We are confident that our investment in both the Phoenix brand and across all aspects of our commercial operations will ensure that

Chief Executive's Report (Continue)

remains strong, notwithstanding the reentry of a competitor. A key focus of our and further development of this segment of our business.

- we are well placed, both through our of the markets we operate in. extensive commercial and distribution operations, and with our partnership with An aspect of my role which I particularly

our beer business in the Mauritian market like to thank the Board of Directors for their guidance and direction.

2009/10 strategy is of course the defense. I have the privilege to work with a team which is both dedicated and highly professional my thanks go to all my colleagues, at all levels in the company, who work to maintain and We foresee continued growth in the develop our operations, to maintain our Carbonated Soft Drinks business in Mauritius product quality, and to meet the requirements

### Finally I would like to thank the most important element in our business chain — the consumer.

Coca-Cola, to continue to profitably develop enjoy is contact with our customers – we this segment.

Our Export plans remain aggressive - we now have further capabilities and flexibility from the investment in production facilities at the brewery, and we will be expanding in both product range and geographical footprint.

imminent entry into the Madagascan market, where we relish the challenge of participating in a growing and increasingly dynamic

We look forward to another year of solid performance for the year 2009/10.

#### **ACKNOWLEDGEMENTS**

Thierry Lagesse, our Chairperson, has given both my team and I close and committed support throughout the year, and has been particularly active and effective in furthering our new business development – I would like to thank him for his support. I would also

are lucky to work with a wide range of such cooperative and supportive customers, and I would like to say how much I appreciate their support, their suggestions, and their business.

Finally I would like to thank the most important element in our business chain -We are excited by the potential of our the consumer. Our focus is to bring to you, day after day, consistent, world class products. I thank you for your business.

> R.I. UN Richard Wooding Chief Executive

August 5, 2008



### Corporate Governance



PBL is committed to ensuring and maintaining a high standard of corporate governance within the Group to ensure transparency and protection of the interests of the Company's shareholders.

#### **COMPANY'S CONSTITUTION**

PBL was incorporated on September 9, 1960 as a public company.

In 2003, the shareholders adopted a new Constitution, in compliance with the provisions of The Companies Act 2001 and the Listing Rules of the Stock Exchange of Mauritius.

The salient features of the PBL's Constitution are:

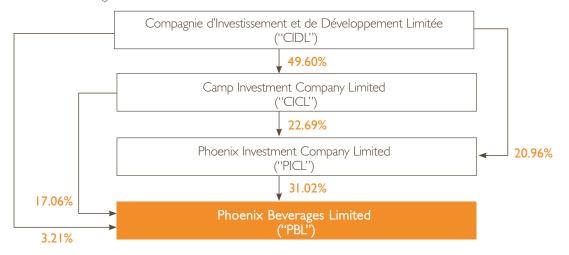
- the Company has wide objects and powers;
- the Company may acquire and hold its own shares;
- there are no pre-emptive rights attached to the shares;
- fully paid up shares are freely transferable;
- the Board may authorise a distribution by the Company if it is satisfied on reasonable grounds that the Company will satisfy the solvency test immediately after the distribution;
- the quorum for a shareholders' meeting is 5 shareholders present or represented and holding at least 50% of the share capital of the Company;
- the Board of Directors shall consist of not less than 10 or more than 12 Directors;
- a quorum for a meeting of the Board shall be fixed by the Board and if not so fixed shall be 6 Directors.
- in case of equality of votes at either a Board meeting or a shareholders' meeting, the Chairperson of the meeting has a casting vote;
- the Directors have the power to appoint any person to be a Director, either to fill a vacancy arising or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. Any Director so appointed shall hold office only until the next following Annual Meeting of shareholders and shall then be eligible for re-election;
- a Director is not required to hold shares in the Company; and
- the Company may indemnify and/or insure any Director or employee of the Company or a related company.

#### SHAREHOLDING STRUCTURE

PBL is listed on the Official Market of the Stock Exchange of Mauritius since 1993 and at the date of this Annual Report, PBL has 16,447,000 ordinary shares of Rs 10.- each in issue and 1,907 shareholders on its registry.



The cascade holding structure is as follows:



The Directors of the PBL who also sit on the Boards of these above mentioned companies are:

	PBL	PICL	CICL	CIDL
Thiomas I ACTCCT	**	**	**	**
Thierry LAGESSE Jan BOULLÉ	•	•	•	•
François DALAIS	•	•	•	
Vincent HAREL	•			*
Arnaud LAGESSE	•	•	•	*
J. Cyril LAGESSE	•	•	•	•
George WIEHE	•	•		

<sup>\*\*</sup> Chairperson

#### MAIN SHAREHOLDERS

The 10 largest shareholders of PBL at June 30, 2009 were as follows:

Main Shareholders	Number of shares owned	% holding
Phoenix Investment Company Limited	5,101,137	31.02
Camp Investment Company Limited	2,805,428	17.06
Compagnie d'Investissement et de Developpement Limit	ée 527,659	3.21
The Anglo Mauritius Assurance Society Ltd	413,525	2.5
Renaissance Africa Master Fund Limited	382,417	2.33
Société du Houblon	361,452	2.20
Hugnin Frères Ltée	223,136	1.36
Guinness Export Ltd	221,860	1.35
Les Ternans Ltd	196,913	1.20
National Pension Fund	187.748	1.14

<sup>\*</sup> Alternate Director

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#### SHAREHOLDING PROFILE

The share ownership and the categories of shareholders at June 30, 2009 are set out below:

Number of Shareholders	Size of Shareholding	Number of Shares Owned	% of Total Issued Shares
1,010	I - 500 shares	158,303	0.96
231	501 - 1,000 shares	174,869	1.06
421	1,001 - 5,000 shares	970,705	5.90
113	5,001 - 10,000 shares	808,487	4.92
109	10,001 - 50,000 shares	2,157,557	13.12
10	50,001 - 100,000 shares	723,347	4.40
12	100,001 - 250,000 shares	1,862,114	11.32
3	250,001 - 500,000 shares	1,157,394	7.04
3	Over 500,000 shares	8,434,224	51.28
1,912		16,447,000	100.00

Number of Shareholders	Category of Shareholders	Number of Shares Owned	% of Total Issued Shares
1,762	Individuals	4,040,645	24.57
19	Insurance and Assurance Companies	965,233	5.87
21	Pension and Provident Funds	522,357	3.17
17	Investment and Trust Companies	8,509,461	51.74
93	Other Corporate Bodies	2,409,304	14.65
1,912	·	16,447,000	100.00

#### SHARES IN PUBLIC HANDS

In accordance with the Listing Rules of the Stock Exchange of Mauritius, at least 25% of the shareholding of PBL is in the hands of the public.

#### SHARE REGISTRY AND TRANSFER OFFICE

PBL's Registry and Transfer Office is administered by Abax Corporate Administrators Ltd.

#### SHARE PRICE INFORMATION

Reflecting market confidence in PBL, the latter's share price has outperformed the market during the financial year 2008/09.

#### DIVIDENI

The Company has no formal set dividend policy. Payment of dividend is subject to the profitability of the Company, its cash flow, its future investments and growth opportunities.

PBL declares a final dividend in May/June each year, based on management forecasts when the trend in Group profitability is firmly established.

Key dividend information over the part 5 years is shown below:

	2005	2006	2007	2008	2009
Dividend per share (Rs)	4.50	4.50	5.00	5.50	6.50
Dividend cover (Number of times)	1.12	2.92	2.72	2.64	2.46
Dividend yield (%)	7.32	6.12	5.10	5.73	5.16

To date, a small number of warrants remain outstanding. Shareholders who have not yet received their dividend warrants are requested to contact Abax Corporate Administrators Ltd, the Company's Registry and Transfer Office.

#### SHAREHOLDERS' AGREEMENT

To the Company's knowledge at the time of writing, there is no shareholders' agreement between its direct shareholders.

#### SHAREHOLDERS' COMMUNICATION

PBL's Board of Directors places great importance on open and transparent communication with all shareholders. It also endeavours to keep them regularly informed on matters affecting the Company by official press announcements, disclosures in the Annual Report and at the Annual Meeting of Shareholders, which all Board members are requested to attend.

The Company's Annual Meeting provides an opportunity for shareholders to raise and discuss matters with the Board relating to the Company and its performance. The Chairpersons of the Audit and Corporate Governance Committees are normally available at the meeting to answer any questions relating to the work of these Board committees. The external auditors are also present to assist the Directors in addressing queries by the shareholders.

Shareholders are encouraged to attend the Annual Meeting to stay informed of the Group's strategy and goals.



#### **CALENDAR OF FORTHCOMING EVENTS**

September 2009 Annual Meeting of Shareholders

November 2009 Publication of first quarter results to September 30, 2009
February 2010 Publication of half-year results to December 31, 2009
May 2010 Publication of third quarter results to March 31, 2010

May/June 2010 Declaration of final dividend
June/July 2010 Payment of final dividend

August 2010 Publication of abridged end-of-year results to June 30, 2010

#### **BOARD OF DIRECTORS**

PBL's unitary Board of Directors currently comprises of I Executive Director, 9 Non-Executive Directors and 2 Independent Non-Executive Directors, having the appropriate mix of core competencies and diversity to direct and lead the Company to protect and enhance long-term shareholders' value. Board members ensure that their other responsibilities do not impinge on their responsibilities as a Director of PBL.

On July 1, 2009, Mrs Marguerite Hugnin resigned as Director and Mr Guillaume Hugnin, her Alternate Director, was appointed by the Board in replacement. On that same date, Mr Guillaume Hugnin appointed Mrs Marguerite Hugnin as his Alternate Director.

In addition to the appointment of Mr Guillaume Hugnin, which will to be submitted to the approval of the shareholders at the Annual Meeting of September 25, 2009, the Board of Directors will propose, following the recommendation of the Corporate Governance Committee, the re-election of Mr J. Cyril Lagesse as Director of the Company, under Section 138(6) of The Companies Act 2001, the election of Mrs Marguerite Hugnin as Alternate Director of Mr Guillaume Hugnin, under Section 138(6) of The Companies Act 2001, and the annual re-election of the other Directors of the Company, by way of separate resolutions.

PBL believes that a clear division of responsibilities between the Non-Executive Chairperson and the Chief Executive Officer ensures proper balance of power, increased accountability and greater capacity of the Board for independent decision-making. The posts of Non-Executive Chairperson and of Chief Executive Officer are held by MrThierry Lagesse and Mr Richard Wooding respectively and they are not related to each other.

The profiles of the Board members are set out on pages ....... to ......... of this Annual Report.

The Board of Directors is aware of its responsibility to ensure that the Company adheres to all relevant legislation, complies with the rules of the Stock Exchange of Mauritius and that the principles of good governance are followed and applied throughout the Group. It is also committed to fair financial disclosure for its shareholders and all stakeholders at large.

PBL believes rhat a prerequisite for success in any industry is a sound Board of Directors and a dynamic management team. Working in concert, they provide direction, formulate strategy and oversee the execution of regular operational tasks.

The main tasks of PBL's Board are to examine financial statements, approve the annual budget, discuss strategic choices, appoint executives and where applicable, examine Committees' reports. PBL's Board is also charged with promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in the best interests of the Company and they are fully aware of their collective and individual responsibilities to all shareholders for the manner in which the affairs of the Company are managed, controlled and operated. They are assisted in their duties by Board Committees that oversee particular aspects of the Company's affairs.

The key task of PBL's Management is the successful implementation of the strategy and direction set by the Board, applying business principles and ethics enshrined in the PBL Code of Conduct.

The Directors communicate directly with the management and the Company Secretary on all matters whenever they deem necessary.

The Board has also the right to seek independent professional advice as and when necessary to enable it to discharge its responsibilities effectively.

#### **NEWLY-APPOINTED DIRECTORS**

On appointment to the Board and its Committees, the Directors receive a complete induction pack from the Company Secretary, as well as a leaflet on his/her duties and responsibilities as Director. In addition, new Directors are invited to meet members of the senior management in order to rapidly acquire a comprehensive view of the Company's operations, risks and strategy.

#### **BOARD APPRAISAL**

During the year under review, the Corporate Governance Committee followed up the previous evaluation of the Board with a further exercise. The performance evaluation consisted of each Director completing the same wide-ranging appraisal questionnaire as the one used for the appraisal of 2006/07, based on the performance of the Board, its Committees, its Directors and its Chairperson.

On the whole, the responses confirmed the positive views on the functions and operation of the Board expressed in 2007. Board members considered that they were well informed on most matters, particularly the Group's business activities and accounting and financial issues. They appreciated the quality of Board-level discussions and exchanges with the management team. Some members identified areas where information and debate could be further improved. Directors' compensations were considered appropriate.





#### **BOARD MEETINGS**

Board meetings are convened by giving appropriate notice after obtaining approval of the Chairperson and of the Chief Executive Officer. As a general rule, detailed agenda, management reports and other explanatory statements are circulated in advance amongst the Directors to facilitate meaningful, informed and focused decisions at the meetings. To address specific urgent business needs, meetings are at times called at shorter notice. The Board also occasionally passes resolutions by circulation, but only for such matters which are of utmost urgency.

The Directors may ask for any explanations or the production of additional information and, more generally, submit to the Chairperson any request for information or access to information which might appear to be appropriate to him/her. The Board is also regularly informed of the state of business in the sector and its developments and competition.

A quorum of 6 Directors is currently required for a Board meeting and in case of equality of votes; the Chairperson has a casting vote. In addition to Directors, key management personnel and outside consultants are invited to attend Board meetings when necessary.

The Board met 3 times during the financial year ended June 30, 2009 with an attendance rate of 72%. Meetings lasted 2 hours on average. Decisions were also taken by way of resolutions in writing, agreed and signed by all the Directors then entitled to receive notice of the meeting.

During its meetings, the Board considered and approved, amongst other items:

- the annual financial statements at June 30, 2008 and the relevant abridged audited consolidated results for publication;
- the annual report 2008;
- the operating budget for 2008/09;
- the convening of the Shareholders' Annual Meeting 2008;
- the negotiations with The Coca-Cola Company Ltd;
- the unaudited quarterly & half-yearly consolidated results at December 31, 2008 for publication;
- the follow-up of the investment in Nouvelle Brasserie de Madagascar;
- the reorganisation of the subsidiary Rennie et Thony SARL, in Reunion Island;
- the adoption of the "Operational Excellence" project;
- the updates on the competitive environment both locally and in the region;
- other development projects;
- the follow-up of the situation of the associated company, APB Lanka Ltd;
- the update on new regulations i.e Competition Act and Advertising ban on alcoholic products;
- the unaudited quarterly & nine months consolidated results at March 31, 2009 for publication;
- a second exercise of Board evaluation;
- the estimated results at June 30, 2009; and
- the declaration of a final dividend for the year ended June 30, 2009.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary and are entered in the Minutes Book. The minutes of each Board Meeting are submitted for confirmation at its next meeting and these are then signed by the Chairperson and the Company Secretary.

#### **BOARD COMMITTEES**

To facilitate effective management, the Board delegates clearly defined responsibilities to its specialised committees for the preparation of specific topics submitted for its approval.

Two Board Committees handle subjects in the area for which they have been given responsibility and submit their opinions and recommendations to the Board namely, the Corporate Governance Committee and the Audit Committee.

These two Board Committees function within clearly defined terms of reference and operating procedures, report regularly to the Board and make recommendations to the Board for approval.

The Company Secretary acts as secretary to the Board Committees. The minutes of each Board Committee meeting are submitted for confirmation at the following meeting and then signed by the Chairperson of the Board Committee and the Company Secretary.

Each member of the Board has access to minutes of Board Committee meetings, regardless of whether the Director is a member of such Board Committee.

#### **CORPORATE GOVERNANCE COMMITTEE**

The Board has decided that the Corporate Governance Committee also acts as the Nomination Committee.

The Committee operates under the terms of reference set by the Board of Directors and is authorised to obtain, at the Company's expense, professional advice both within and outside the Company in order for it to perform its duties.

The mandate of the Corporate Governance Committee is to assist the Board in fulfilling its oversight responsibilities to ensure that the Company complies with prevailing corporate governance principles. The Committee is responsible for monitoring corporate governance developments, emerging best practices and the effectiveness of the Company's corporate governance practices.

In its role as Nomination Committee, the Corporate Governance Committee is responsible for reviewing the structure, size and composition of the Board, making recommendations to the Board on matters relating to appointment or re-appointment of Directors and succession planning for Directors and also assessing the independence of the Independent Non-Executive Directors.

The criterion for independence is based on the definition given in the Code of Corporate Governance for Mauritius. The Committee considers an "Independent" Director as one who:

- is not a representative or member of the immediate family of a shareholder who has the ability to control or significantly influence the Board or management:
- has not been employed by PBL or the group of which PBL currently forms part, in any executive capacity for the preceding three financial years;
- is not a professional advisor to PBL or the group of which PBL currently forms part other than in a Director capacity;
- is not a significant supplier to, debtor or creditor of, or customer of PBL or the group of which PBL currently forms part, or does not have a significant influence in a group related company in any one of the above roles;
- has no significant contractual relationship with PBL or the group of which PBL currently forms part; and
- is free from any business or other relationship which could be seen to materially impede the individual's capacity to act in an independent manner.

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Mr Guillaume Hugnin was appointed as member of the Committee on July 1, 2009 in replacement of Mrs Marguerite Hugnin.

As a result, the current Corporate Governance Committee membership is as follows:

Members	Category
J. Cyril LAGESSE - Chairperson	Non-Executive Director
Guillaume HUGNIN	Non-Executive Director
Seewoocoomar SEWRAZ	Independent Non-Executive Director
Richard WOODING	Executive Director

During the year under review, the Committee met on 2 occasions with an attendance rate of 100%.

During these meetings, the Corporate Governance Committee has:

- examined corporate governance issues;
- approved the corporate governance section of the Annual Report 2008;
- recommended to the Board the re-election of 2 Board members in accordance with Section 138(6) of The Companies Act 2001;
- made recommendations to the Board for the re-election of the other Directors of the Company through separate resolutions;
- approved a detailed questionnaire in connection with a further evaluation exercise of the Board as a whole, of the Directors individually and of the Chairperson of the Board; and
- recommended to the Board the appointment of Mr Guillaume Hugnin as Director in replacement of Mrs Marguerite Hugnin.

The Corporate Governance Committee has met its responsibilities for the year under review, in compliance with its terms of reference.

#### **AUDIT COMMITTEE**

The Audit Committee operates under the terms of reference set by the Board of Directors and under a formally approved Audit Committee Charter, modelled closely on the provisions of the Code of Corporate Governance for Mauritius.

There has been no change in the composition of the Audit Committee during the year under review and the roles of the members also remained unchanged.

The Audit Committee membership is as follows:

Members	Category			
Didier KOENIG - <i>Chairperson</i>	Independent Non-Executive Director			
Jan BOULLÉ	Non-Executive Director			
George WIEHE	Non-Executive Director			

#### In attendance (when deemed appropriate)

Chief Executive Officer
Senior Manager Finance and Administration
Internal Audit Manager
External Auditors

Executive Director Senior Manager Independent Service Provider Independent Service Provider

All the members of the Audit Committee have insight to interpret and understand financial statements.

The main tasks of the Audit Committee are to verify accounting and financial statements, to oversee internal control and risk management procedures, to ensure compliance with legal and regulatory requirements, to monitor external audits and to supervise the appointment and remuneration of the external auditors.

The Audit Committee has also the authority to conduct or authorise investigations into any matters within its scope of responsibilities. The Committee is empowered to engage, at the Company's expense, any firm of accountants, lawyers or other professionals as the Committee sees fit to provide the independent counsel and advice.

The Committee met 3 times during the year under review with an attendance rate of 89%. Meetings lasted 2 hours on average. A quorum of 2 members is currently required for an Audit Committee meeting. The Chief Executive Officer, the Senior Manager Finance & Administration, the Internal Auditors and the External Auditors attended the meetings by invitation.

During the financial year ended June 30, 2009, the Audit Committee's work mainly related to the following issues:

- review and recommendation to the Board for approval, the annual financial statements at June 30, 2008 and the relevant abridged audited consolidated results for publication;
- examination of the reports and the corrective action plans, in accordance with the internal audit plan;
- review of the effectiveness of the internal control system and that of risk management;
- recommendation to the Board for the nomination of BDO De Chazal Du Mée as Internal Auditors in replacement of the Internal Audit Manager, who assumed other responsibilities within the Group;
- review and recommendation to the Board for approval, the unaudited quarterly & half-yearly consolidated results at December 31, 2008 for publication; and
- review and recommendation to the Board for approval, the unaudited quarterly & nine months consolidated results at March 31, 2009 for publication.

The Audit Committee has satisfied its responsibilities for the year under review, in compliance with its terms of reference.

As in previous years, the Audit Committee will focus in the 2009/10 financial year on the continued examination and review of the internal control environment and risk management system within the Group.



#### INTERNAL AUDIT FUNCTION

The Audit Committee oversees the functioning of internal audit and approves its charter, including the mission and scope, accountability, independence, responsibilities and authority.

The mission of internal audit is to provide independent, objective assurance designed to:

- ensure the adequacy and effectiveness of the internal control framework;
- assist in the improvement of the processes by which risks are identified and managed; and
- assist in the strengthening of the organisation's internal control framework.

Upon recommendation of the Audit Committee, the Board has during the year appointed BDO De Chazal Du Mee to carry out the role of Internal Auditors.

The Internal Auditors work according to an audit plan agreed with the Audit Committee. This plan is based on the principles of risk management to align coverage and effort to the degree of risk attributable to areas audited. Special reviews and assignments are also made at the request of management and the Audit Committee, as required.

The Internal Auditors provide regular reports on areas audited and completion status on corrective action plans. These reports are shared with the External Auditors in order to obtain best possible values in audit coverage and to develop synergies.

The Internal Auditors have full, free and unrestricted access to the Audit Committee and to all functions, records, property and personnel of the Group.

#### **INTERNAL CONTROL**

The Board is satisfied that a continual process for identifying, evaluating and managing significant risks has been in place for the financial year and up to the date of this Annual Report. To date, no material financial problems have been identified that would affect the results reported in these financial statements. The Board confirms that if significant weaknesses had been identified during this review, the Board would have taken the necessary steps to remedy them.

#### **RISK MANAGEMENT**

The Board views risk management as integral to its objectives of effective management of assets and the creation of shareholders' value. The Audit Committee has a responsibility, on behalf of the Board, to oversee the implementation of the risk management policy and risk mitigation action plans.

A Management Risk Committee, composed of the Senior Managers of the Company and chaired by the Chief Executive Officer, has been set up, operating under the terms of reference approved by the Audit Committee.

The main objectives of the Management Risk Committee are as follows:

- to implement an integrated, dynamic and enterprise-wide approach to risk management;
- to review the risk philosophy, strategy and policies;
- to perform enterprise risk assessment to identify the areas of risk and prioritise the critical risks;
- to assess and measure material risks, and adopt cost effective strategies to manage the Group's exposure;

- to monitor external development relating to the practice of corporate accountability and risk management, including emerging and prospective impacts on the Group; and
- to report status and action plans to the Audit Committee.

A consistent approach has been adopted by the Management Risk Committee, whereby on a regular basis, a complete review of the internal and external events that might affect the achievement of the Group's objectives is made. Risks faced by the Group have thus been identified and analysed. The probability and frequency of occurrence and the potential severity of damage of each risk have been carefully assessed, and are regularly reviewed by the Management Risk Committee.

The business risks, which may be strategic, operational, financial, environmental or simply relating to the Group's reputation, are thus well understood.

Consequently, sub-committees have been constituted for each identified major risk, chaired by the responsible Senior Manager sitting on the Management Risk Committee and assisted by managers and staff required, for an effective risk assessment, risk response strategies and measures, monitoring, control and communication.

In addition to the major risks so identified, the Group is also subject to a number of risks and uncertainties which are handled by the management team in their normal day to day operations.

The Audit Committee advises the Board and reports on the status of the major risks to the Company and its subsidiaries on the basis of reports provided by the Management Risk Committee.

Some of the principal risks facing the Group, which have been considered by the Management Risk Committee are detailed below:

#### Industry risk

Regulation constraints and restrictions on alcoholic products, including sales and marketing activities have recently been strengthened and management interacts with the relevant authorities wherever appropriate.

#### Market risk

The ongoing development and reengineering of the marketing and additions in the brand portfolios put the Group in a leading position to benefit from changing consumer preferences in the market. However, the Mauritian market continue to evolve and competitors' activities are increasing and should the Group fail to ensure the relevance and attractiveness of its products and brands, there is the risk that growth opportunities may not be realised, or the Group may simply loose market share.

#### Insurance risk

In view of protecting the Group against any liability due to inadequate coverage, the Group reviews its insurance policies on a yearly basis or more frequently if need be with professionals.

#### Volatility of input costs

The costs of raw and packaging materials have been on the rising trend in recent years. Should the Group fail to ensure an adequate supply of these materials at competitive prices, there is the risk of reduction in the Group's margin. Procurement strategies have thus been put in place for managing the risks involved and mitigating its impact.

#### Financial risk factors

For the financial risk factors, please refer to page ...... Notes to the Financial Statements.

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#### **DIRECTORS' DIRECTORSHIPS**

The directorships of the Directors of PBL in other companies listed on the Official Market of the Stock Exchange of Mauritius as at June 30, 2009 are shown in the table below:

	вмн	IGF	IBL	MSM	NRL	SRL	SWAN	UBP
Directors								
Thierry LAGESSE		•	•	•		•	•	• **
Jan BOULLÉ	•							
Arnaud LAGESSE			•	• **	• **			• *
J. Cyril LAGESSE			•	•	•	•	•	•
Alternate Directors								
Jean Pierre DALAIS			•			• *		
Jan BOULLÉ Arnaud LAGESSE J. Cyril LAGESSE Alternate Directors	•	•	•	• **		•		• *

<sup>\*\*</sup> Chairberson

The other Directors of the Company do not have any directorships in companies listed on the Official Market of the Stock Exchange of Mauritius.

#### **ABBREVIATIONS**

BMH: Belle Mare Holding Limited

IGF: IPRO Growth Fund Ltd

IBL: Ireland Blyth Limited

MSM: Mauritius Stationery Manufacturers Limited

NRL: Naïade Resorts Ltd

SRL: Sun Resorts Limited

SWAN: Swan Insurance Co. Ltd

UBP: The United Basalt Products Ltd

#### DIRECTORS' AND OFFICERS' INTEREST IN PBL SHARES

In accordance with The Companies Act 2001, written records of the interests of the Directors and their closely related parties in PBL shares are kept in a Register of Directors' Interests. Consequently, as soon as a Director becomes aware that he/she is interested in a transaction, or that his/her holdings or his/her associates' holdings have changed, the interest should be reported to the Company in writing. The Register of Interests is updated with any subsequent transactions entered into by the Directors and persons closely associated with them.

All new Directors are required to notify in writing to the Company Secretary their direct and indirect holdings in PBL shares. According to PBL's Constitution, a Director is not required to hold shares in the Company.

Moreover, pursuant to The Securities Act 2005, PBL registered itself as a reporting issuer with the Financial Services Commission ("FSC") and makes every effort to follow the relevant disclosure requirements. The Company keeps a Register of its Insiders and the said register is updated with the notification of interest in securities submitted by the Directors, the officers and the other insiders of PBL.

The Directors and officers of PBL having direct and/or indirect interests in the ordinary shares of the Company at June 30, 2009 were as follows:

	Direct	Indirect		
	Interes	t	Interest	
Directors	No. of shares	%	%	
Marguerite Hugnin	47,509	0.29	1.48	
Arnaud Lagesse	-	-	0.20	
J. Cyril Lagesse	921	0.01	-	
Richard Wooding	1,900	0.01	-	
Alternate Directors				
Jean Pierre Dalais	8,223	0.05	-	
Officers				
Patrick Rivalland	2,857	0.02	-	
DidierVallet	2,000	0.01	-	

None of the Directors and officers had any interest in the equity of subsidiaries of PBL.

#### DIRECTORS' AND OFFICERS' DEALINGS IN PBL SHARES

The Directors of PBL use their best endeavours to abide by the absolute prohibition principles and notification requirements of the Model Code on Securities Transactions by Directors as stipulated in Appendix 6 of the Listing Rules of the Stock Exchange of Mauritius.

PBL has set up a procedure whereby any Director wishing to deal in the shares of the Company should first notify the Chairperson of the Company and receive a dated written acknowledgement. In his own case, the Chairperson of the Company should first notify the Board at a Board meeting and receive a dated written acknowledgement.

The Directors and officers of the Company are prohibited from dealing in the shares of PBL at any time when in possession of unpublished price-sensitive information, or for the period of one month prior to the publication of the Company's quarterly and yearly results and to the announcement of dividends and distributions to be paid or passed, as the case may be, and ending on the date of such publications/ announcements.

Moreover, Directors and officers of PBL are also expected to observe the insider trading laws at all times even when dealing in securities within permitted trading periods.

During the year under review, Mr Arnaud Lagesse bought indirectly 100 shares, Mr Richard Wooding sold directly 3,000 shares and Mr Patrick Rivalland bought directly 200 shares.

The other Directors and officers of PBL did not deal with the shares of the Company either directly or indirectly.

<sup>\*</sup> Alternate Director



#### DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION

The Directors and officers of PBL benefit from an indemnity insurance cover for liabilities incurred while performing their duties, to the extent permitted by law.

#### STATEMENT OF REMUNERATION PHILOSOPHY

All Directors receive a Board remuneration consisting of a fixed fee and an additional attendance fee for each Board meeting. Any changes to Board remuneration are submitted to the Annual Meeting of Shareholders for approval.

In addition, the Directors who are Board Committee members receive a further fixed fee, with Chairpersons of Board Committees being remunerated at a higher rate. All Board Committee fees are approved by the Board of Directors.

The Board and Board Committee fees at June 30, 2009 were as follows:

Board Service	Meeting Fees
Annual Directors' fee	Rs 120,000
Attendance fee	Rs 10,000
Corporate Governance Committee Service	
Chairperson's fee	Rs 50,000
Member's fee	Rs 35,000
Audit Committee Service	
Chairperson's fee	Rs 75,000
Member's fee	Rs 50,000

Besides, pursuant to a management contract with Phoenix Management Company Ltd, the Executive Director and the key management personnel of the Company are remunerated by the latter, after taking into consideration the financial well-being of PBL and market norms and practices.

Information on the management contract is given below.

#### MANAGEMENT CONTRACT

Pursuant to a management contract, Phoenix Management Company Ltd ("PMC"), a subsidiary of Camp Investment Company Limited, provides to companies within the Phoenix Beverages Group a range of administrative, financial, commercial, technical, marketing and communication services. PMC employs and remunerates the executive personnel of the Phoenix Beverages Group.

The management fee paid by PBL during the year under review amounted to Rs 64,4 million (2008: Rs 57,1 million) while expenses incurred by PMC in providing the above mentioned services amounted to Rs 40,0 million (2008: Rs 50,6 million) for the same period.

Please refer to pages ...... to ...... for the Senior Managers' profiles.

#### ATTENDANCE REPORT AND DIRECTORS' REMUNERATION AND BENEFITS

The attendance report of the Directors and their remuneration and benefits for the year ended June 30, 2009 are set out in the table below:

Directors	Board	Audit Committee	Corporate Governance Committee	Annual Meetir of Shareholder (held on September 26, 20	<u> </u>
Thierry Lagesse	3 of 3			yes	Rs 150,000
Alan Barnes	0 of 3			,	Rs 120,000
		2 . (2		no	
Jan Boullé	l of 3	2 of 3		yes	Rs 180,000
François Dalais	I of 3			no	Rs 130,000
Vincent Harel	2 of 3			no	Rs 140,000
Marguerite Hugnin	2 of 3		2 of 2	yes	Rs 175,000
Guillaume Hugnin (Alt.)	I of 3			no	Rs 10,000
Didier Koenig	2 of 3	3 of 3		no	Rs 215,000
Arnaud Lagesse	3 of 3			no	Rs 150,000
J. Cyril Lagesse	3 of 3		2 of 2	no	Rs 200,000
Seewoocoomar Sewraz	3 of 3		2 of 2	yes	Rs 185,000
George Wiehe	2 of 3	3 of 3		yes	Rs 190,000
Richard Wooding**	3 of 3	3 of 3*	2 of 2	yes	Rs 185,000
In attendance Patrick RIVALLAND** Senior Manager Finance and Administration	3 of 3	3 of 3		yes	nil

Senior Manager Finance and Administration

The Directors of PBL did not receive any remuneration and benefits either from the Company's subsidiaries or from companies on which the Directors serve as representatives of PBL.

Please refer to page ...... and ...... – Statutory Disclosures.

<sup>\*</sup> In attendance – not a member

<sup>\*\*</sup> Messrs Richard Wooding and Patrick Rivalland are employed and remunerated by Phoenix Management Company Ltd, the management company of PBL.





#### **COMPANY SECRETARY**

The Directors have access to the advice and services of the Company Secretary, GML Services Financiers et Juridiques Ltée represented by Mrs. Nathalie Gallet, who is responsible for providing guidance to the Directors as to their duties, responsibilities and powers.

The Company Secretary administers, attends and prepares minutes of all Board meetings, specialised Committee meetings and Shareholders' meetings. She assists the Chairperson in ensuring that Board procedures are followed and that the Company's Constitution and relevant rules and regulations are complied with. The Company Secretary also assists the Chairperson and the Board in implementing and strengthening good governance practices and processes with a view to enhance long-term shareholders' value.

Moreover, the Company Secretary is the primary channel of communication between the Company and the Stock Exchange of Mauritius Ltd.

#### **CODE OF ETHICS**

PBL believes that it is essential that all its employees act in a professional manner and extend the highest courtesy to co-workers, visitors, vendors and clients. A cheerful and positive attitude is essential to its commitment to outstanding customer service while conducting business. In this respect, continuous training is being given to employees, especially to the Company's front-liners.

#### CORPORATE SOCIAL & ENVIRONMENTAL RESPONSIBILITY

Please refer to page ....... for information on the Group's Corporate Social & Environmental Responsibility.

#### **POLITICAL CONTRIBUTIONS**

As in the previous year, the Group and Company did not make any donations to political parties.

#### **EMPLOYEE SHARE OPTION PLAN**

PBL does not have an Employee Share Option Plan.

#### PROVISION FOR PENSION BENEFITS

The details of the total amount of provisions booked or otherwise recognised by the Company for payment of pensions are provided on page ...... Notes to the Financial Statements.

#### **RELATED PARTY TRANSACTIONS**

For details on related party transactions, please refer to page ...... - Notes to the Financial Statements.

C Gastet

Nathalie Gallet GML Services Financiers et Juridiques Ltée

Company Secretary

August 5, 2009

## Corporate Social & **Environmental Responsibility**

PBL has been actively participating in the social life of Mauritians since years. Its involvement took different forms such as – Donations, for the sum of Rs 240,000 per year. sponsorships, activities etc.

During the year 2008/09, PBL reviewed its Corporate Social & Environmental Responsibility ("CSER") strategy (participation in social life) and implemented a structured CSER: 4 areas of interest were thus identified where PBG would concentrate its 'efforts'.

Sports, Health, Education and Environment are the 4 pillars on which PBL has based its • Primary Education CSER programme.

However it is PBL's philosophy to put its • Tertiary – mainly for enrolment fees employees first. As such, the CSER concept does include an internal part.

#### I) SPORTS

#### Internal

In view of promoting sports and team spirit, PBL has participated in the sponsorship of Curepipe Starlight Sports Club, so that its employees can beneficiate of all the infrastructure of the club.

An inter-company event was organised on April 18, 2009 and PBL finished second overall and won 3 trophies.

The club's infrastructure is comprised of football, volleyball, basketball grounds and indoor games equipments. All these facilities are now accessible to all PBG employees with a minimum participation fees.

#### External

PBG continues its sponsorship to the "Federation Mauricienne des Sports Corporatifs". Moreover, the Group has

committed itself to support the boxer Richarno Colin over a period of two years

#### II) EDUCATION

#### Internal

PBG has developed a scheme for its employees who need some assistance to enable their children to pursue their studies. The scheme classifies the needs for sponsorship under 4 categories and up to 35% of the cost incurred is sponsored by the Company;

- Secondary Education mainly for the External payment of examination fees.
- PC acquisition when required for studies.

#### External

Since 2004, under the co-aegis of the "Federation Espoir et Developpement" and the Ministry of Education, PBG has been participating in the ZEP Project. The Group has been collaborating with the Candos Government School in many different projects and events.

A common project was set up with "l'Association Mauricienne de Lecture" in view of promoting reading and text comprehension;

PBG financially supports the cost incurred by giving classroom tuition, within the school premises, to help the pupils improve;

The Group is also involved in organising and participating in different school events such as recreational excursions, sports, Music and Independence Days and End of Year festivities where a lunch and a present is offered to each and every pupil.

The results achieved by the Candos Government School on two factors, namely: absenteeism rate and percentage pass at the CPE exams have been so satisfactory that PBG has reiterated its support to this school.

#### III) HEALTH

#### Internal

PBG offers its support to every one of its employees, particularly those on long term sickness or with incurable diseases and who may face financial difficulties for their treatment.

It is undeniable that PILS has, since its creation, accomplished much in terms of information and prevention on AIDS for the Mauritian population and also in terms of moral support and access to treatments for HIV positive Mauritians. Since long ago, PBG has been one of the main sponsors of PILS. This year again the Group has financially supported this pro-active NGO.

For at least the last two decades the Radiotherapy Unit of Candos Hospital has been relying of PBG's support and visits to its patients. The Group has this year again offered its help in terms of equipments and other utilities.

#### IV) ENVIRONMENT

PBG contributes to environmental protection through the following measures introduced in year 2008/09:

PBG, in partnership with its gas supplier, has set up an on-site LPG gas station; which is a first in the Indian Ocean region. This infrastructure has permitted both the elimination of usual

left-over in the 15Kgs cylinders and the Rodrigues reduction of 5 deliveries of cylinders to 1 bulk delivery per week. The positive impact on the global carbon footprint of the supply process is consequent.

#### Transforming Phoenix House into a 'Green Building'

As a first step in this transformational process heat-blocking films have been installed on all glass panes. These films considerably Fondation Joseph Lagesse reduce the sunlight glare and the radiant heat. Consequently the interior temperature is reduced by 4 degrees and ultimately the demand for air-conditioning is reduced.

The second measure resides in the modification of the centralized air conditioning system into individual office units.

Thirdly all old electric hand dryers have been replaced by new advanced touchless hand paper-towel apparatus. Not only running costs are substantially reduced but over-consumption and wastage are also eliminated.

#### V) OTHER ACTIONS WITHIN THE FRAME OF PBG'S CSER

#### Mauritius Glass Gallery – Helping Hands

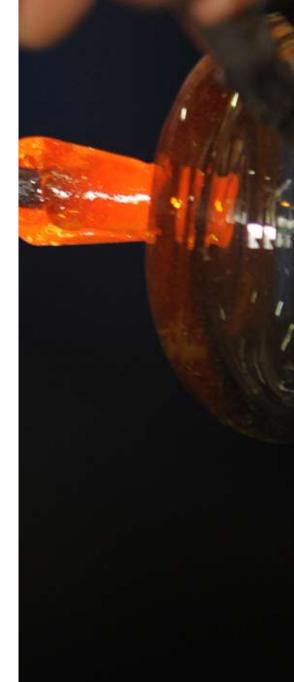
On April 30, 2009, the Helping Hands Foundation a subsidiary company of the Mauritius Glass Gallery, itself a subsidiary company of Phoenix Beverages Group it is cared for, the better it is. has remitted Rs 400,000 to two charitable institutions, the Soroptimists' Afternoon Children's Care Centre at Camp LeVieux and to the Shelter for Children in Distress Trust Fund. (Rs 200,000 each).

Approximately Rs 55,000 in terms of products, mainly Fanta, was donated on the occasion of the Festival Creole which was held in Rodrigues on October 12, 2008.

For the closing ceremony of the 3rd Rodrigues Games held on the December 14, 2008 Rs 400.000 were donated.

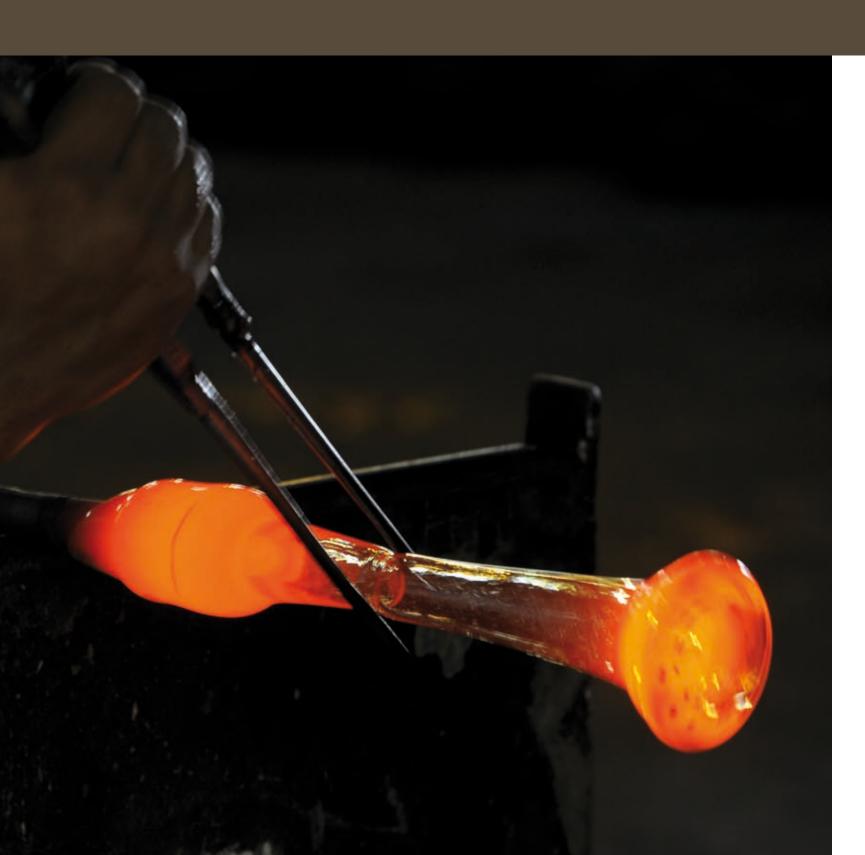
PBL is satisfied to have, during the year under review, met its obligations towards Fondation Joseph Lagesse ("FJL") in assigning Rs 1,195,000 representing 0.5% of its 2007/08 net profits. This financial commitment undoubtedly indicates PBL's determination to supporting FJL constant endeavours towards the needy.

Among other appraising projects in different sectors, PBL is particularly proud to have this year a share in the concretisation of FIL's project in the launching, since lanuary 2009, of five 'Centres d'Eveil' in collaboration with Caritas Ile Maurice in underprivileged regions. These 'Centres d'Eveil' are an honourable project where children in their early childhood are being followed up to awakening their senses in order to get them better chances in their future schooling. Through this action, PBL clearly shares FJL deep-rooted conviction that it is impossible to circumvent education and that the earlier



### Statement of Directors' Responsibilities





The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company and comply with The Companies Act 2001 and International Financial Reporting Standards.

They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Other main responsibilities of the Board of Directors include assessment of the management team's performance relative to corporate objectives, overseeing the implementation and upholding of good corporate governance practices, acting as the central coordination body for the monitoring and reporting of sustainability performance of the Group and ensuring timely and comprehensive communication to all stakeholders on events significant to the Group.

#### ACCOUNTING RECORDS TO BE KEPT

The Board of Directors shall cause accounting records to be kept that:

- correctly record and explain the transactions of the Company;
- shall at any time enable the financial position of the Company to be determined with reasonable accuracy; and
- enable the Directors to prepare financial

statements that comply with The governance best practice. Companies Act 2001 and International Financial Reporting Standards.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether or not The Companies Act 2001 and International Financial Reporting Standards have been adhered to and explain material departures thereto; and
- prepare these financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with International Financial Reporting Standards and the responsibility of external auditors to report on these financial statements. The Board also acknowledges its responsibility for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

The Board of Directors confirms that it endeavours to implement corporate

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting policies supported by reasonable and prudent judgements and estimates that fairly present the state of affairs of the Group and the Company.

The Board of Directors confirms that it is satisfied that Phoenix Beverages Limited has adequate resources to continue in business for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

Thierry Lagesse

Chairberson

George Wiehe Director