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Statutory Disclosures - June 30, 2009

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)

PRINCIPAL ACTIVITIES

The principal activities of the Group consist of:
- brewing of beer, bottling and sale of beer, soft drinks, table water and alternative beverages; and
- production and sale of glass-made products.

DIRECTORS

The name of the Directors of Phoenix Beverages Limited and its subsidiaries holding office as at June 30, 2009 were as follows:

	Phoenix Beverages Limited	Helping Hands Foundation	Mauritius Breweries International Ltd	MBL Offshore Ltd	Phoenix Beverages Overseas Ltd	Phoenix Camp Minerals Offshore Ltd	Phoenix Distributors Ltd	Rennie and Thony SARL	The (Mauritius) Glass Gallery Ltd
Directors									
Thierry Lagesse	•				•	•			
Alan Barnes	•								
Jan Boullé	•								
François Dalais	•		•	•	•		•		
Vincent Harel	•								
Marguerite Hugnin	•								
Didier Koenig	•								
Arnaud Lagesse	•			•					
J. Cyril Lagesse	•	•	•	•	•	•	•		•
Marc Piat									•
Charles Prettejohn									•
Patrick Rivalland		•							•
Paul Rose		•							
Seewoocoomar Sewraz	•								
George Wiehe	•								
Richard Wooding	•	•	•	•	•		•	•	•
Alternate Directors									
Jean Pierre Dalais	•								
(Alternate to François Dalais)									
Guillaume Hugnin	•								
(Alternate to Marguerite Hugnin)									
Arnaud Lagesse	•								
(Alternate to J. Cyril Lagesse)									

The following changes occurred in the directorship:

Phoenix Camp Minerals Limited and Rodnix Limited
These two subsidiaries were amalgamated with Phoenix Beverages Limited on July 1, 2008.

Helping Hands Foundation
Messrs Richard Wooding and Patrick Rivalland were appointed as Directors on October 16, 2008.

The (Mauritius) Glass Gallery Ltd
Mr Paul Rose resigned as Director on June 14, 2009.

Statutory Disclosures - June 30, 2009

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)

Directors' service contracts

One Director of Phoenix Beverages Limited has a service contract with an expiry term with Phoenix Management Company Ltd, a subsidiary of Camp Investment Company Limited.

A Director of The (Mauritius) Glass Gallery Ltd had a service contract with the said company until February 28, 2009.

Directors' and Senior Officers' interests in shares

The direct and indirect interest of the Directors and Senior Officers in the securities of the Company as at June 30, 2009 were:

	Direct Interest		Indirect Interest
Directors	**No. of Shares**	**%**	**%**
Thierry Lagesse	-	-	-
Alan Barnes	-	-	-
Jan Boullé	-	-	-
François Dalais	-	-	-
Vincent Harel	-	-	-
Marguerite Hugnin	47,509	0.289	1.478
Didier Koenig	-	-	-
Arnaud Lagesse	-	-	0.204
J. Cyril Lagesse	921	0.006	-
Seewoocoomar Sewraz	-	-	-
George Wiehe	-	-	
Richard Wooding	1,900	0.012	-
Alternate Directors			
Jean Pierre Dalais	8,223	0.050	-
Guillaume Hugnin	-	-	-
Senior Managers			
Patrick Rivalland	2,857	0.017	-
Jaganaden Chellum	-	-	-
Jean François Henri	-	-	-
Gervais Rambert	-	-	-
Hugues Rivet	-	-	-
Antis Treebhoobun	-	-	-
Didier Vallet	2,000	0.012	-
Company Secretary			
GML Services Financiers et Juridiques Ltée	-	-	-

The Directors, the Alternate Directors, the Senior Managers and the Company Secretary did not hold any shares in the subsidiaries of the Company whether directly or indirectly.

Contracts of significance

During the year under review, there was no contract of significance to which Phoenix Beverages Limited, or one of its subsidiaries, was a party and in which a Director of Phoenix Beverages Limited was materially interested, either directly or indirectly.

Directors' remuneration and benefits

Total of the remuneration and benefits received, or due and receivable, by the Directors from the Company and its subsidiaries are disclosed below:

	2009		2008	
	Executive Directors	**Non-Executive Directors**	Executive Directors	Non-Executive Directors
	Rs'000	**Rs'000**	Rs'000	Rs'000
The Company				
Phoenix Beverages Limited	185	1,845	125	1,195
The Subsidiaries				
Helping Hands Foundation	-	-	-	-
Mauritius Breweries International Ltd	-	-	-	-
MBL Offshore Ltd	-	-	-	-
Phoenix Beverages Overseas Ltd	-	-	-	-
Phoenix Camp Minerals Offshore Ltd	-	-	-	-
Phoenix Distributors Ltd	-	-	-	-
Rennie and Thony SARL	-	-	-	-
The (Mauritius) Glass Gallery Ltd	1,238	-	1,686	-

All the Executive Directors are engaged in full-time employment.

Indemnity Insurance

During the year, the indemnity insurance cover was renewed in respect of the liability of the Directors and key officers of the Company and its subsidiaries.

SHAREHOLDERS

Substantial Shareholders

The following shareholders are directly interested in 5% or more of the ordinary share capital of the Company:

	Interest	Number of shares
Camp Investment Company Limited	17.06%	2,805,428
Phoenix Investment Company Limited	31.02%	5,101,137

Except for the above, no shareholder has any material interest of 5% or more of the equity share capital of the Company.

Statutory Disclosures - June 30, 2009

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)

Contract of significance with controlling shareholders

The Company has a management contract with Phoenix Management Company Ltd, a subsidiary of Camp Investment Company Limited. The key management personnel of the Company is remunerated by the latter.

DONATIONS	**2009**	2008
	Rs'000	Rs'000
The Company		
Phoenix Beverages Limited: - Political	**-**	-
- Others	**1,262**	1,799
The Subsidiaries		
The (Mauritius) Glass Gallery Ltd	**1**	5

The other subsidiaries have not made any donation during the years 2009 and 2008.

AUDITORS' REMUNERATION

The fees payable to the Auditors for audit and other services were:

	2009		2008	
	Audit	**Other services**	Audit	Other services
	Rs'000	**Rs'000**	Rs'000	Rs'000
Kemp Chatteris Deloitte				
The Company				
Phoenix Beverages Limited	**950**	**25**	-	-
The Subsidiaries				
Helping Hands Foundation	**-**	**-**	-	-
Mauritius Breweries International Ltd	**5**	**-**	-	-
MBL Offshore Ltd	**15**	**5**	-	-
Phoenix Beverages Overseas Ltd	**65**	**5**	-	-
Phoenix Camp Minerals Offshore Ltd	**15**	**5**	-	-
Phoenix Distributors Ltd	**5**	**-**	-	-
The (Mauritius) Glass Gallery Ltd	**115**	**10**	-	-
	1,170	**50**	-	-
BDO De Chazal Du Mée				
The Company				
Phoenix Beverages Limited			500	54
The Subsidiaries				
Helping Hands Foundation			-	-
Mauritius Breweries International Ltd			5	-
MBL Offshore Ltd			5	4
Phoenix Beverages Overseas Ltd			30	4
Phoenix Camp Minerals Limited			200	45
Phoenix Camp Minerals Offshore Ltd			5	4
Phoenix Distributors Ltd			5	6
Rodnix Limited			75	10
The (Mauritius) Glass Gallery Ltd			50	7
			875	134

Secretary's certificate - June 30, 2009

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended June 30, 2009, all such returns as are required of the Company under the Mauritius Companies Act 2001.

Nathalie Gallet
GML Services Financiers et Juridiques Ltée
Company Secretary

August 5, 2009

Independent Auditors' Report to the Shareholders of Phoenix Beverages Limited

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Phoenix Beverages Limited set out on pages 70 to 119 which comprise the balance sheet at 30 June 2009 and the income statement, the statement of changes in equity and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and Financial Reporting Act 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

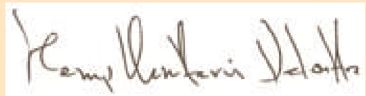
Opinion

In our opinion, the financial statements set out on pages 70 to 119 give a true and fair view of the financial position of the Group and the Company at 30 June 2009, and of their financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Companies Act 2001 and Financial Reporting Act 2004.

REPORT ON OTHER LEGAL REQUIREMENTS

In accordance with the requirements of the Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the Company or any of its subsidiaries other than in our capacities as auditors and tax advisors and dealings in the ordinary course of business;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of these records.



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Kemp Chatteris Deloitte
Chartered Accountants

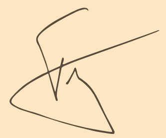
Per Jacques de C du Mée, ACA

August 5, 2009

Balance sheets - June 30, 2009

	Notes	THE GROUP 2009 Rs'000	THE GROUP 2008 Rs'000	THE COMPANY 2009 Rs'000	THE COMPANY 2008 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**2,092,785**	1,895,263	**2,086,240**	1,483,860
Intangible assets	6	**12,640**	5,762	**4,771**	5,762
Investments in subsidiaries	7	**-**	-	**64,280**	511,125
Investments in associates	8	**140,854**	162,912	**195,365**	187,433
Investments in financial assets	9	**12,794**	575	**11,788**	575
		2,259,073	2,064,512	**2,362,444**	2,188,755
Current assets					
Inventories	10	**416,987**	369,057	**395,488**	313,435
Trade and other receivables	11	**201,658**	221,229	**172,670**	229,112
Bank and cash balances	27(b)	**94,770**	52,057	**77,199**	23,816
		713,415	642,343	**645,357**	566,363
Non-current assets classified as held for sale	12	**-**	12,224	**-**	11,213
Total assets		**2,972,488**	2,719,079	**3,007,801**	2,766,331
EQUITY AND LIABILITIES					
Capital and reserves	13	**366,962**	366,962	**366,962**	366,962
Stated capital	14	**644,762**	637,613	**682,838**	699,431
Other reserves		**1,078,945**	945,124	**1,085,050**	879,339
Retained earnings		**2,090,669**	1,949,699	**2,134,850**	1,945,732
Shareholders' interest		**2,724**	4,955	**-**	-
Minority interest		**2,093,393**	1,954,654	**2,134,850**	1,945,732
Non-current liabilities	15	**75,993**	119,323	**75,563**	93,349
Borrowings	16	**148,555**	135,499	**148,510**	99,215
Deferred tax liabilities	17	**30,506**	41,596	**30,238**	41,357
Retirement benefit obligations		**255,054**	296,418	**254,311**	233,921
Current liabilities					
Borrowings	15	**72,102**	131,543	**71,980**	100,405
Trade and other payables	18	**414,738**	212,259	**409,481**	387,770
Current tax liabilities	19(a)	**30,295**	33,746	**30,273**	8,044
Proposed dividends	20	**106,906**	90,459	**106,906**	90,459
		624,041	468,007	**618,640**	586,678
Total equity and liabilities		**2,972,488**	2,719,079	**3,007,801**	2,766,331

These financial statements have been approved and authorised for issue by the Board of Directors on August 5, 2009.



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Thierry Lagesse
Chairperson

George Wiehe
Director

The notes on pages 70 to 119 form an integral part of these financial statements. Auditors' report on page 68 - 69.

FINANCIAL STATEMENTS

Income Statements - Year ended June 30, 2009

	Notes	THE GROUP 2009 Rs'000	THE GROUP 2008 Rs'000	THE COMPANY 2009 Rs'000	THE COMPANY 2008 Rs'000
Revenue	2(n)	**3,202,342**	2,897,155	**3,137,266**	2,792,399
Manufacturing costs	21	**1,565,928**	1,450,941	**1,546,953**	1,579,209
Excise duty	21	**711,745**	670,736	**711,745**	621,712
Cost of sales		**2,277,673**	2,121,677	**2,258,698**	2,200,921
Gross profit		**924,669**	775,478	**878,568**	591,478
Other income	23	**31,522**	59,249	**24,860**	143,258
Marketing, warehousing, selling and distribution expenses	21	**(390,635)**	(322,492)	**(375,762)**	(285,585)
Administrative expenses	21	**(215,439)**	(183,840)	**(192,174)**	(168,300)
		350,117	328,395	**335,492**	280,851
Movement on reduction of shares in associate	8(a)	**3,734**	-	**-**	-
Profit before finance costs	24	**353,851**	328,395	**335,492**	280,851
Finance costs	25	**(21,314)**	(22,997)	**(21,297)**	(16,470)
Share of results of associates	8(a)	**(30,545)**	(32,957)	**-**	-
Profit before taxation		**301,992**	272,441	**314,195**	264,381
Taxation	19(b)	**(52,537)**	(48,433)	**(51,303)**	(25,449)
Profit for the year		**249,455**	224,008	**262,892**	238,932
Attributable to:					
Equity holders of the company		**249,362**	221,579	**262,892**	238,932
Minority interest		**93**	2,429	**-**	-
		249,455	224,008	**262,892**	238,932
Earnings per share (Rs.cs)	26	**15.16**	13.47		

The notes on pages 70 to 119 form an integral part of these financial statements.
Auditors' report on page 68 - 69.

Statements of Changes in Equity - Year ended June 30, 2009

THE GROUP

	Note	Stated capital	Share premium	Revaluation and other reserves	Fair value reserve	Retained earnings	Total	Minority Interest	Total
		(Attributable to equity holders of the company)							
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2008		164,470	202,492	642,265	(4,652)	945,124	1,949,699	4,955	1,954,654
Exchange differences		-	-	(1,197)	-	-	(1,197)	-	(1,197)
Other movement on associates		-	-	-	(289)	-	(289)	-	(289)
Transfer from fair value to retained earnings		-	-	-	8,635	(8,635)	-	-	-
Net (expense)/income recognised directly in equity		-	-	(1,197)	8,346	(8,635)	(1,486)	-	(1,486)
Adjustment arising on increase in shareholding by group		-	-	-	-	-	-	(2,324)	(2,324)
Profit for the year		-	-	-	-	249,362	249,362	93	249,455
Total recognised (expense) /income for 2009		-	-	(1,197)	8,346	240,727	247,876	(2,231)	245,645
Dividends	20	-	-	-	-	(106,906)	(106,906)	-	(106,906)
At June 30, 2009		**164,470**	**202,492**	**641,068**	**3,694**	**1,078,945**	**2,090,669**	**2,724**	**2,093,393**
At July 1, 2007		164,470	202,492	624,960	(4,304)	814,004	1,801,622	4,728	1,806,350
Issue of shares to minority		-	-	-	-	-	-	3	3
Exchange differences		-	-	17,305	-	-	17,305	-	17,305
Other movement on associates		-	-	-	381	-	381	-	381
Net income recognised directly in equity		-	-	17,305	381	-	17,686	3	17,689
Release to income statement on disposal of securities		-	-	-	(729)	-	(729)	-	(729)
Profit for the year		-	-	-	-	221,579	221,579	2,429	224,008
Total recognised income /(expense) for 2008		-	-	17,305	(348)	221,579	238,536	2,432	240,968
Dividends	20	-	-	-	-	(90,459)	(90,459)	-	(90,459)
Dividends payable to minority shareholders		-	-	-	-	-	-	(2,205)	(2,205)
At June 30, 2008		**164,470**	**202,492**	**642,265**	**(4,652)**	**945,124**	**1,949,699**	**4,955**	**1,954,654**

The notes on pages 75 to 119 form an integral part of these financial statements.
Auditors' report on pages 6 - 7.

THE COMPANY

	Note	Stated capital	Share premium	Revaluation and other reserves	Fair value reserve	Retained earnings	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2008		164,470	202,492	432,851	266,580	879,339	1,945,732
Increase in fair value of securities		-	-	-	29,668	-	29,668
Net income recognised directly in equity		-	-	-	29,668	-	29,668
Amalgamation adjustments		-	-	191,788	(238,049)	49,725	3,464
Profit for the year		-	-	-	-	262,892	262,892
Total recognised income/(expense) for 2009		-	-	191,788	(208,381)	312,617	296,024
Dividends	20	-	-	-	-	(106,906)	(106,906)
At June 30, 2009		**164,470**	**202,492**	**624,639**	**58,199**	**1,085,050**	**2,134,850**
At July 1, 2007		164,470	202,492	432,851	258,065	730,866	1,788,744
Increase in fair value of securities		-	-	-	9,244	-	9,244
Net income recognised directly in equity		-	-	-	9,244	-	9,244
Release to income statement on disposal of securities		-	-	-	(729)	-	(729)
Profit for the year		-	-	-	-	238,932	238,932
Total recognised income for 2008		-	-	-	8,515	238,932	247,447
Dividends	20	-	-	-	-	(90,459)	(90,459)
At June 30, 2008		**164,470**	**202,492**	**432,851**	**266,580**	**879,339**	**1,945,732**

The notes on pages 75 to 119 form an integral part of these financial statements.
Auditors' report on page 6 - 7.

FINANCIAL STATEMENTS

Cash Flow statements - Year ended June 30, 2009

	Notes	THE GROUP 2009 Rs'000	THE GROUP 2008 Rs'000	THE COMPANY 2009 Rs'000	THE COMPANY 2008 Rs'000
Cash flows from operating activities					
Cash generated from operations	27(a)	**682,793**	381,269	**672,051**	264,270
Interest received		**2,048**	3,610	**1,936**	2,459
Interest paid		**(21,314)**	(23,072)	**(21,297)**	(16,470)
Tax paid		**(42,923)**	(27,985)	**(41,055)**	(3,320)
Net cash generated from operating activities		**620,604**	333,822	**611,635**	246,939
Cash flows from investing activities					
Purchase of plant and equipment		**(392,701)**	(232,355)	**(389,669)**	(225,369)
Proceeds from disposal of property, plant and equipment		**7,390**	19,937	**7,081**	18,303
Purchase of intangible assets		**(2,338)**	(126)	**(440)**	(218)
Proceeds from disposal of securities		**-**	3,024	**-**	3,024
Acquisition of shares from minority Shareholder		**(8,500)**	-	**(8,500)**	-
Investment in associate		**(7,213)**	(168,280)	**(7,213)**	(168,280)
Dividends received		**126**	228	**11,391**	96,789
Net cash used in investing activities		**(403,236)**	(377,572)	**(387,350)**	(275,751)
Cash flows from financing activities					
Repayment of borrowings		**(22,045)**	(29,060)	**(22,045)**	(10,565)
Finance leases principal payments		**(15,335)**	(20,495)	**(15,227)**	(13,992)
Dividends paid to minority shareholders		**(735)**	(2,205)	**-**	-
Dividends paid to company's shareholders		**(90,459)**	(82,235)	**(90,459)**	(82,235)
Net cash used in financing activities		**(128,574)**	(133,995)	**(127,731)**	(106,792)
Increase/(decrease) in cash and cash equivalents		**88,794**	(177,745)	**96,554**	(135,604)
Movement in cash and cash equivalents					
At July 1,		**(43,423)**	136,055	**(52,375)**	74,351
Effect of foreign exchange rate changes		**19,310**	(1,733)	**16,908**	8,878
Amalgamation adjustments		**-**	-	**(13,977)**	-
Increase/(decrease)		**88,794**	(177,745)	**96,554**	(135,604)
At June 30,	27(b)	**64,681**	(43,423)	**47,110**	(52,375)

FINANCIAL STATEMENTS

Notes to the Financial Statements June 30, 2009

1. GENERAL INFORMATION

Phoenix Beverages Limited is a public limited company incorporated and domiciled in Mauritius. The Directors regard Phoenix Investment Company Limited and Compagnie d'Investissement et de Développement Limitée as the holding company and ultimate holding company of Phoenix Beverages Limited respectively. All three companies are incorporated in Mauritius and their registered office is at 11th floor, Swan Group Centre, 10, Intendance Street, Port Louis.

On July 1, 2008, the Company has amalgamated with Phoenix Camp Minerals Limited and Rodnix Limited (two wholly owned subsidiaries).

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

The Company is quoted on the official list of the Stock Exchange of Mauritius.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of Phoenix Beverages Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:
(i) Certain property, plant and equipment are carried at revalued amounts; and
(ii) available-for-sale financial assets are stated at their fair value as disclosed in the accounting policies hereafter.

The financial statements include the consolidated financial statements of the holding company and its subsidiaries (the group) and the separate financial statements of the holding company (the Company).

<u>Adoption of new and revised Standards and Interpretations</u>

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on July 1, 2008. The adoption of the new IFRS did not result in substantial changes to the Group's accounting policies and did not have a significant impact on the Group's financial statements in the current financial year or in the previous financial periods.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated.

IAS 1 Presentation of Financial Statements - ***Comprehensive revision including requiring a statement of comprehensive income (effective 1 January 2009)***

IAS 1 Presentation of Financial Statements - ***Amendments relating to disclosure of puttable instruments and obligations arising on liquidation (effective 1 January 2009)***

IAS 7 Statement of Cash Flows - Amendments resulting from April 2009 Annual Improvements to IFRS ***(effective 1 January 2010)***

IAS 1 Presentation of Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs ***(effective 1 January 2009)***

Notes to the Financial Statements June 30, 2009 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (Cont'd)

Adoption of new and revised Standards and Interpretations (Cont'd)

IAS 16 Property, Plant and Equipment - Amendments resulting from May 2008 Annual Improvements to IFRSs *(effective 1 January 2009)*

IAS 19 Employee Benefits - ***Amendments resulting from May 2008 Annual improvement to IFRSs (effective 1 January 2009)***

IAS 20 Government Grants and Disclosure of Government Assistance - ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)***

IAS 23 Borrowing Costs - ***Comprehensive revision to prohibit immediate expensing (effective 1 January 2009)***

IAS 23 Borrowing Costs - ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)***

IAS 27 Consolidated and Separate Financial Statements - ***Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)***

IAS 27 Consolidated and Separate Financial Statements - ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)***

IAS 27 Consolidated and Separate Financial Statements - ***Amendment relating to cost of an investment on first time adoption (effective 1 January 2009)***

IAS 28 Investments in Associates - ***Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)***

IAS 28 Investments in Associates - ***Amendments resulting from May 2008 Annual improvements to IFRSs (effective 1 January 2009)***

IAS 29 Financial Reporting in Hyperinflationary Economies - ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)***

IAS 31 Interests in Joint Ventures - ***Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)***

IAS 31 Interests in Joint Ventures - ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)***

IAS 32 Financial Instruments: Presentation - ***Amendments relating to puttable instruments and obligations arising on liquidation (effective 1 January 2009)***

IAS 36 Impairment of Assets - ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)***

IAS 36 Impairment of Assets - ***Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)***

IAS 38 Intangible Assets - ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)***

IAS 38 Intangible Assets - ***Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 July 2009)***

IAS 39 Financial Instruments: Recognition and Measurement - ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)***

IAS 39 Financial Instruments: Recognition and Measurement - ***Amendments for eligible hedged items (effective 1 July 2009)***

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (Cont'd)

Adoption of new and revised Standards and Interpretations (Cont'd)

IAS 39 Financial Instruments:Recognition and Measurement – ***Amendments for Embedded derivatives when reclassifying financial instruments (effective 1 July 2009)***

IAS 39 Financial Instruments: Recognition and Measurement – ***Amendments resulting from April 2009 Annual Improvements to IFRS (effective 1 January 2010)***

IAS 40 Investment Property - ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)***

IAS 41 Agriculture: ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)***

IFRS 1 First-time Adoption of International Financial Reporting Standards - ***Amendments relating to cost of an investment on first-time adoption (effective 1 January 2009)***

IFRS 2 Share-based Payment - ***Amendment relating to vesting conditions and cancellations (effective 1 January 2009)***

IFRS 2 Share-based Payment - ***Amendment resulting from April 2009 Annual Improvements to IFRSs (effective 1 July 2009)***

IFRS 2 Share-based Payment - ***Amendment relating to group cash-settled share-based payment transactions (effective on 1 January 2010)***

IFRS 3 Business Combinations - ***Comprehensive revision on applying the acquisition method (effective 1 July 2009)***

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - ***Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 July 2009)***

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - ***Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)***

IFRS 7 Financial Instruments: Disclosures - ***Amendments enhancing disclosures about fair value and liquidity risk (effective 1 January 2009)***

IFRS 8 Operating Segments ***(effective 1 January 2009)***

IFRS 8 Operating Segments - ***Amendments resulting from April 2009 Annual improvements to IFRSs (effective 1 January 2010)***

IFRIC 15 Agreements for the Construction of Real Estate ***(effective 1 January 2009)***

IFRIC 16 Hedges of a Net Investment in a Foreign Operations ***(effective 1 October 2008)***

IFRIC 17 Distribution of Non-Cash Assets to Owners ***(effective 1 July 2009)***

IFRIC 18 Transfers of Assets from Customers ***(effective 1 July 2009)***

The Board of Directors anticipates that the adoption of these standards on the effective dates in future periods will have no material impact on the financial statements of the Group and the Company.

(b) Investment in subsidiaries

Company

Investments in subsidiaries are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Notes to the Financial Statements June 30, 2009 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investment in subsidiaries (Cont'd)

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company and its subsidiaries up to June 30 each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the income statement of the group from the effective date of their acquisition or up to the effective date of their disposal.

The financial statements of the group have been prepared in accordance with the purchase method. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as 'goodwill'. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement in the year of acquisition.

All significant intercompany transactions and balances are eliminated on consolidation.

(c) Investments in associates

Company

Investments in associates are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control. Investments in associates are accounted for under the equity method. The group's investments in associates includes goodwill (2(d) (ii) (net of any accumulated impairment loss)) identified on acquisition. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of the individual investments.

When the group's share of losses exceeds the carrying amount of the investment, the investment is reported at nil value and recognition is discontinued except to the extent of the group's commitment on behalf of the associates.The results of associates acquired or disposed of during the year are included in the Group's income statement from the effective date of their acquisition or up to the effective date of their disposal.

(d) Intangible assets

(i) Intangible assets include relooking of Phoenix Beer and computer software.

Intangible assets are initially recorded at cost and amortised using the straight-line method over their estimated usefull life.

The carrying amount of each intangible asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

The estimated useful life of the intangible assets are:

	Years
Relooking of Phoenix Beer	5
Computer software	5

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Intangible assets (Cont'd)

(ii) Goodwill

Goodwill represents the excess of cost of acquisition over the Group's interest in the fair value of the net identifiable assets of the acquired subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill arising on the acquisitions of subsidiaries is included in intangible assets. Any net excess of the Group's interest in the net fair value of acquiree's net identifiable assets over cost is recognised in the income statement. Goodwill on acquisitions of associates is included in investments in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(e) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Mauritian Rupees, which is the Group's and the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(iii) Group companies

On consolidation, the assets and liabilities of the Group's overseas entities are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences, if any arising, are taken to equity.

Such translation differences are recognised as income or as expense in the year in which the equity is disposed of.

(f) Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. Land and buildings, plant and machinery held for use in the production or supply of goods or land and buildings held for administrative purposes are subsequently stated at their fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings and plant and machinery. All other property, plant and equipment are stated at historical cost less depreciation and impairment losses.

Notes to the Financial Statements June 30, 2009 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment (cont'd)

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the income statement.

Properties in the course of construction for production, rental or administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Depreciation on other assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on a straight line method to write off the cost of assets or the revalued amounts, to their residual values over their estimated useful lives as follows :

	Years
Yard	10
Freehold buildings	10 - 50
Plant and machinery	5 - 25
Motor vehicles	5 - 15
Furniture, computer, office and other equipments	5 - 10
Containers	5 - 10

Land is not depreciated.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with carrying amount and are included in the income statement.

(g) Impairment of assets

Assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(h) Leases

Leases in which a significant portion of risks and rewards and ownership are retained by the lessor are classified as operating leases. Payments made under operating lease are charge to the income statement on a straight line basis over the period of the lease.

Leases are classified as finance lease where the terms of the lease transfer substantially all risks and rewards of ownership to the lessee.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Operating lease payments are recognised as an expense on a straight-line basis over the lease terms, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all costs incurred in bringing the inventories to its present condition and location. The cost of finished goods and work in progress comprises purchase cost or raw materials, direct labour, other direct costs and related production overheads, but excludes interest expenses. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(j) Financial assets

Categories of financial assets
The Group classifies its financial assets as available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

The Group's accounting policies in respect of the main financial instruments are set out below.

(i) Available-for-sale financial assets

Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Initial measurement
Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Subsequent measurement
Available-for-sale financial assets are subsequently carried at their fair values.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from disposal of investment securities.

If the market for the financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These includes the use of recent arm's length transactions, reference to other instruments that are substantially the same, net assets and capitalised earnings method.

Impairment of financial assets
The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss-measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement for a financial asset classified as available-for-sale are not reversed through the income statement.

Notes to the Financial Statements June 30, 2009 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (Cont'd)

(ii) Trade and other receivables

Trade receivables are recognised at fair value and subsequently measured at amortised cost less provision for impairment. The amount of provision is the difference between the assets' carrying amount and the present value of estimated future cash flows. The amount of provision is recognised in income statement. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

(iii) Borrowings

Borrowings are recorded at the proceeds received, net of direct issue costs.

(iv) Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(v) Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

(k) Deferred income taxes

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. If the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

(l) Alternative Minimum Tax (AMT)

Alternative Minimum Tax (AMT) is provided for, where the company which has a tax liability of less than 7.5% of its book profit pays a dividend. AMT is calculated at the lower of 10% of the dividend paid and 7.5% of book profit.

(m) Retirement benefit obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined contributions and defined benefit plans.

Defined contribution plan
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The group operates a defined contribution retirement benefit plan with a residual defined benefit top-up arrangements for certain employees. Payments to defined contribution retirement plans are charged as an expense as they fall due.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Retirement benefit obligations (Cont'd)

Defined benefit plan
A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet is the present value of defined benefit obligation at the balance sheet date less the fair value of plan assets, together with actuarial adjustments. The defined benefit obligation is calculated annually by independent actuaries.

Accounting policy for actuarial gains and losses
The company applies maximal deferred recognition of actuarial gains and losses in accordance with the limits specified in IAS 19.

General description of defined benefit plans
All employees are members of the Group Mon Loisir Pension Fund (GMLPF).

The GMLPF is a multi-employer defined contribution scheme with various categories of membership. All deferred pensions (for members who have left the service of the employer but who have retained a deferred entitlement in the scheme), and all pensions due under the scheme, are effectively insured within the scheme and are no longer a liability for the employer. Active members fall into 2 broad categories : those who benefit from a "No Worse Off Guarantee" (NWOG) provision and those who do not.

"NWOG" refers to the employer's commitment that membership of the GMLPF scheme will not generate benefits lower than would otherwise have been due under membership of pre-existing schemes.

Scheme members who do not qualify for the NWOG provision nevertheless will not receive benefits of lesser value than the retirement gratuities due under the Employment Rights Act 2008.

Expected return on plan assets
The expected return on total plan assets is determined as the weighted average of the expected returns by major asset category. The expected returns by category, and the weights (i.e the relative proportions by fair value of each asset category) are included in the disclosure figures.

Past-service costs are recognised immediately in income unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(n) Revenue recognition

Revenue comprises the fair value for the sale of goods and from the provision of services, net of Value Added Tax and discounts, and after eliminating sales within the Group.

Sales of goods are recognised when goods are delivered and title has passed. Revenue from provision of services are recognised in the accounting year in which the services are rendered.

Other income earned by the Group are recognised on the following bases:
• Interest income - as it accrues unless collectibility is in doubt.
• Dividend income - when the shareholder's right to receive payment is established.

Notes to the Financial Statements June 30, 2009 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Non-current assets classified as held-for-sale

Non-current assets classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continued use.

(p) Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

Provisions for reorganisation costs are recognised when the Group has a detailed plan for the reorganisation which has been notified to the affected parties.

(r) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

3. FINANCIAL RISK MANAGEMENT

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. Risk in the widest sense includes market risk, credit risk, liquidity risk, operation risk and commercial risk.The most significant risks faced by the Group include those pertaining to the economic environment, the supply chain, regulations, skills and people, technology as well as foreign currency and interest rates. These risks are included in the risk management programme. Sub-committees have been set up, chaired by the respective senior managers sitting on the Management Risk Committee, to make detailed identification, assessment, measurement and finally to develop and implement risk response strategies.

3.1 Financial risk factors and risk management policies

A description of the significant risk factors is given below together with the risk management policies applicable.

The Group's activities expose it to a variety of financial risks, including:
• Market risk (including currency risk, price risk and cash flow and fair value interest rate risk);
• Credit risk; and
• Liquidity risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in note 2 to the financial statements.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors and risk management policies (cont'd)

(a) Market risk

(i) **Currency risk management**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Ariary, Euro and US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Foreign currency sensitivity analysis

The Group
At June 30, 2009, if the Rupee had weakened/strengthened by 5% against the Ariary, Euro and US Dollar with all other variables held constant, post-tax profit for the year would have been Rs.5,197,923 (2008 : Rs.1,953,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Ariary, Euro and US Dollar denominated trade receivables and trade payables.

The Company
At June 30, 2009, if the Rupee had weakened/strengthened by 5% against the Euro and US Dollar with all other variables held constant, post-tax profit for the year would have been Rs7,679,000 (2008 : Rs.1,732,550) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro and US Dollar denominated trade payables.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) **Price risk**

The Group and the Company are exposed to equity securities price risk because of investments held by the Group and the Company classified on the balance sheet as investments in financial assets.

Equity investments are held for strategic rather than for trading purposes. The group and the company do not actively trade these investments.

Equity price sensitivity analysis
The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's equity at the reporting date.The analysis is based on the assumption that the fair value had increased/decreased by 5% with all other variables held constant.

	Impact on equity			
Categories of investments:	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Investments in financial assets	**640**	28	**589**	28
Non-current assets classified as held-for-sale	**-**	611	**-**	561
Investments in subsidiaries	**-**	-	**3,214**	25,556
Investments in associates	**7,043**	8,146	**9,768**	9,372
	7,683	8,785	**13,571**	35,517

Notes to the Financial Statements June 30, 2009 (continued)

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors and risk management policies (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrows at both fixed and variable rates. In respect of the latter, it is exposed to risk associated with the effect of fluctuations in the prevailing level of market interest rates on its financial position and cash flows.

The risk is managed by maintaining an appropriate mix between fixed and floating interest charges on borrowings.

Interest rate sensitivity analysis

At June 30, 2009, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant post-tax profit for the year would have been lower/higher as shown in the table below, mainly as a result of higher/lower interest expense on floating rate borrowings as shown below:

Rupee-denominated borrowings

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Effect higher/lower on post tax profit	**633**	1,088	**630**	787

Other currencies - denominated borrowings

If interest rates on borrowings denominated in Euro had been 50 basis points higher/lower with all other variables held constant post-tax profit would not be materially impacted.

Interest rates are disclosed in note 15 (e).

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and these counterparties being unrelated and having different characteristics.

The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Credit exposure is controlled by counterparty limits that are continuously reviewed.

(c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The Group's financial liabilities analysed into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date has been disclosed in note 15(b). All trade and other payables are due within one year.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation of financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods namely the capitalised earnings, net asset basis and dividend yield and makes assumptions that are based on market conditions existing at each balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of those financial assets and liabilities not presented on the Group's balance sheets at the fair values are not materially different from their carrying amounts.

3.3 Capital risk management

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group's overall strategy remains unchanged from 2008.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio.This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the Balance sheet) less cash and bank balances. Adjusted capital comprises all components of equity (i.e. stated capital, share premium, minority interest, retained earnings, and revaluation reserve).

The gearing ratios at June 30, 2009 and at June 30, 2008 were as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debt (Note 15)	**148,095**	250,866	**147,543**	193,754
Less: bank and cash balances (Note 27(b))	**94,770**	52,057	**77,199**	23,816
Net debt	**53,325**	198,809	**70,344**	169,938
Total equity	**2,093,393**	1,954,654	**2,134,850**	1,945,732
Gearing ratio	**3%**	10%	**3%**	9%

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.4 Categories of financial instruments

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
Available-for-sale investments	**12,794**	575	**11,788**	575
Loans and receivables *	**241,472**	257,345	**215,649**	243,396
	254,266	257,920	**227,437**	243,971
Financial liabilities				
Amortised costs	**669,739**	553,584	**663,930**	671,983

* Including cash and equivalents but excluding prepayments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 (d) (ii).

(b) Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(c) Unquoted investments in subsidiaries and associates

Determining whether investments in subsidiaries or associates are impaired requires an estimate of the value in use of the investments. In considering the value in use, the directors have taken into consideration the audited accounts, management accounts and expected future results of the subsidiary and the associate. The actual results could, however, differ from the estimate.

5. PROPERTY, PLANT AND EQUIPMENT

		Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipments	Containers	Total
	2009 - THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a)	COST OR VALUATION							
	At July 1, 2008	373,363	451,985	912,012	166,330	274,538	484,069	2,662,297
	Additions	1,419	12,017	91,860	16,343	36,802	81,180	239,621
	Disposals	(5,001)	-	(11,887)	(16,574)	(47,378)	(84,961)	(165,801)
	Exchange differences	-	-	-	-	241	-	241
	At June 30, 2009	**369,781**	**464,002**	**991,985**	**166,099**	**264,203**	**480,288**	**2,736,358**
	DEPRECIATION							
	At July 1, 2008	10,017	21,443	174,259	108,923	153,535	347,657	815,834
	Charge for the year	1,388	9,029	76,225	13,230	24,384	58,902	183,158
	Disposal adjustments	(5,001)	-	(2,887)	(15,800)	(47,344)	(82,653)	(153,685)
	Exchange differences	-	-	-	-	146	-	146
	At June 30, 2009	**6,404**	**30,472**	**247,597**	**106,353**	**130,721**	**323,906**	**845,453**
	NET BOOK VALUES							
	At June 30, 2009	**363,377**	**433,530**	**744,388**	**59,746**	**133,482**	**156,382**	**1,890,905**
	Capital expenditure in progress	**-**	**2,209**	**176,184**	**-**	**23,487**	**-**	**201,880**
	TOTAL PROPERTY, PLANT AND EQUIPMENT	**363,377**	**435,739**	**920,572**	**59,746**	**156,969**	**156,382**	**2,092,785**

Notes to the Financial Statements June 30, 2009 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2008 - THE GROUP	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipments	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(b) COST OR VALUATION							
At July 1, 2007	370,696	445,832	825,778	153,890	361,904	446,850	2,604,950
Additions	2,667	6,153	89,962	20,773	38,053	63,745	221,353
Disposals	-	-	(3,728)	(8,333)	(454)	(18,295)	(30,810)
Scrapped	-	-	-	-	(124,970)	(8,231)	(133,201)
Exchange differences	-	-	-	-	5	-	5
At June 30, 2008	**373,363**	**451,985**	**912,012**	**166,330**	**274,538**	**484,069**	**2,662,297**
DEPRECIATION							
At July 1, 2007	8,946	12,498	86,666	104,893	253,456	300,410	766,869
Charge for the year	1,071	8,945	89,376	12,255	25,391	59,665	196,703
Disposal adjustments	-	-	(1,783)	(8,225)	(344)	(4,187)	(14,539)
Scrapped	-	-	-	-	(124,970)	(8,231)	(133,201)
Exchange differences	-	-	-	-	2	-	2
At June 30, 2008	**10,017**	**21,443**	**174,259**	**108,923**	**153,535**	**347,657**	**815,834**
NET BOOK VALUES							
At June 30, 2008	**363,346**	**430,542**	**737,753**	**57,407**	**121,003**	**136,412**	**1,846,463**
Capital expenditure in progress	**-**	**15**	**47,537**	**-**	**1,248**	**-**	**48,800**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**363,346**	**430,557**	**785,290**	**57,407**	**122,251**	**136,412**	**1,895,263**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2009 - THE COMPANY	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipments	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(c) COST OR VALUATION							
At July 1, 2008	277,779	370,267	625,397	133,916	219,694	375,094	2,002,147
Amalgamation adjustments	95,584	80,229	286,523	24,761	44,644	108,975	640,716
Additions	1,419	12,017	91,377	16,343	34,252	81,180	236,588
Disposals	(5,001)	-	(11,887)	(15,179)	(47,378)	(84,961)	(164,406)
At June 30, 2009	**369,781**	**462,513**	**991,410**	**159,841**	**251,212**	**480,288**	**2,715,045**
DEPRECIATION							
At July 1, 2008	10,017	14,391	97,497	77,367	108,660	252,629	560,561
Amalgamation adjustments	43	5,600	76,366	24,761	38,824	95,028	240,622
Charge for the year	1,388	9,029	75,881	12,922	23,709	58,902	181,831
Disposal adjustments	(5,001)	-	(2,887)	(14,444)	(47,344)	(82,653)	(152,329)
At June 30, 2009	**6,447**	**29,020**	**246,857**	**100,606**	**123,849**	**323,906**	**830,685**
NET BOOK VALUES							
At June 30, 2009	**363,334**	**433,493**	**744,553**	**59,235**	**127,363**	**156,382**	**1,884,360**
Capital expenditure in progress	**-**	**2,209**	**176,184**	**-**	**23,487**	**-**	**201,880**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**363,334**	**435,702**	**920,737**	**59,235**	**150,850**	**156,382**	**2,086,240**

Notes to the Financial Statements June 30, 2009 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2008 - THE COMPANY	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipments	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(d) COST OR VALUATION							
At July 1, 2007	275,112	355,414	553,734	119,919	198,794	340,181	1,843,154
Additions	2,667	14,853	75,391	20,796	36,621	56,818	207,146
Disposals	-	-	(3,728)	(6,799)	-	(15,663)	(26,190)
Scrapped	-	-	-	-	(15,721)	(6,242)	(21,963)
At June 30, 2008	**277,779**	**370,267**	**625,397**	**133,916**	**219,694**	**375,094**	**2,002,147**
DEPRECIATION							
At July 1, 2007	8,946	7,085	49,755	72,432	102,595	216,792	457,605
Charge for the year	1,071	7,306	49,525	11,626	21,786	43,851	135,165
Disposal adjustments	-	-	(1,783)	(6,691)	-	(1,772)	(10,246)
Scrapped	-	-	-	-	(15,721)	(6,242)	(21,963)
At June 30, 2008	**10,017**	**14,391**	**97,497**	**77,367**	**108,660**	**252,629**	**560,561**
NET BOOK VALUES							
At June 30, 2008	**267,762**	**355,876**	**527,900**	**56,549**	**111,034**	**122,465**	**1,441,586**
Capital expenditure in progress	**-**	**15**	**41,011**	**-**	**1,248**	**-**	**42,274**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**267,762**	**355,891**	**568,911**	**56,549**	**112,282**	**122,465**	**1,483,860**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(e) (i) In respect of property, plant and equipment of Phoenix Beverages Limited:
- Plant and machinery were revalued at its fair value on 20 July 2006 by Engineering, Technical and Management Services Ltd, Consulting Engineers.
- Freehold land and buildings were revalued at open market in 2007 by Société D'Hotman De Speville.

(ii) In respect of property, plant and equipment of Phoenix Camp Minerals Limited:
- Freehold land was revalued in 2007 at open market value by Société D'Hotman De Speville and Gexim Real Estate Ltd.
- Freehold buildings were revalued in 2007 at open market value by Société D'Hotman De Speville.
- Plant and machinery were revalued at its fair value on 20 July 2006 by Engineering, Technical and Management Services Ltd, Consulting Engineers.

(f) Bank borrowings are secured by fixed and floating charges over the assets of the Group, including property, plant and equipment.

(g) Assets held under finance leases

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Motor Vehicles acquired under finance lease during the year	**-**	651	**-**	-

The assets held under finance leases comprise of the following:

THE GROUP	Plant and machinery		Motor vehicles		Total	
	2009	2008	**2009**	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Cost - capitalised finance leases	**52,027**	64,998	**18,567**	22,383	**70,594**	87,381
Accumulated depreciation	**(18,721)**	(19,532)	**(13,029)**	(13,276)	**(31,750)**	(32,808)
Net book values	**33,306**	45,466	**5,538**	9,107	**38,844**	54,573

THE COMPANY	Plant and machinery		Motor vehicles		Total	
	2009	2008	**2009**	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Cost - capitalised finance leases	**52,027**	52,027	**17,882**	21,698	**69,909**	73,725
Accumulated depreciation	**(18,721)**	(14,991)	**(12,858)**	(13,242)	**(31,579)**	(28,233)
Net book values	**33,306**	37,036	**5,024**	8,456	**38,330**	45,492

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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(h) Depreciation

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of sales	**143,780**	157,134	**143,365**	99,576
Selling and distribution	**26,992**	25,356	**26,696**	21,703
Administrative expenses	**12,386**	14,213	**11,770**	13,886
	183,158	196,703	**181,831**	135,165

(i) If the freehold land, yard and buildings, and plant and machinery were stated on the historical cost basis, the amounts would be as follows:

	Freehold land and yard	Freehold buildings	Plant and machinery	Total
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2009				
Cost	**178,798**	**380,585**	**1,211,757**	**1,771,140**
Accumulated depreciation	**(6,448)**	**(79,695)**	**(665,064)**	**(751,207)**
Net Book Values	**172,350**	**300,890**	**546,693**	**1,019,933**
At June 30, 2008				
Cost	182,044	367,443	1,273,669	1,823,156
Accumulated depreciation	(10,017)	(63,132)	(756,498)	(829,647)
Net Book Values	172,027	304,311	517,171	993,509
THE COMPANY				
At June 30, 2009				
Cost	**178,798**	**380,585**	**1,207,241**	**1,766,624**
Accumulated depreciation	**(6,448)**	**(79,695)**	**(662,388)**	**(748,531)**
Net Book Values	**172,350**	**300,890**	**544,853**	**1,018,093**
At June 30, 2008				
Cost	125,848	313,972	761,486	1,201,306
Accumulated depreciation	(10,017)	(43,151)	(365,163)	(418,331)
Net Book Values	115,831	270,821	396,323	782,975

6. INTANGIBLE ASSETS

	THE GROUP				THE COMPANY		
	Relooking Phoenix Beer	Computer software	Goodwill	Total	Relooking Phoenix Beer	Computer software	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) COST							
At July 1, 2008	7,486	7,328	-	14,814	7,486	7,152	14,638
Additions		2,338	-	2,338	-	440	440
Arising during the year	-	-	6,175	6,175	-	-	-
Exchange differences	-	54	-	54	-	-	-
At June 30, 2009	**7,486**	**9,720**	**6,175**	**23,381**	**7,486**	**7,592**	**15,078**
AMORTISATION							
At July 1, 2008	7,486	1,566	-	9,052	7,486	1,390	8,876
Charge for the year	-	1,681	-	1,681	-	1,431	1,431
Exchange differences	-	8	-	8	-	-	-
At June 30, 2009	**7,486**	**3,255**	**-**	**10,741**	**7,486**	**2,821**	**10,307**
NET BOOK VALUES							
At June 30, 2009	**-**	**6,465**	**6,175**	**12,640**	**-**	**4,771**	**4,771**

	THE GROUP			THE COMPANY		
	Relooking Phoenix Beer	Computer software	Total	Relooking Phoenix Beer	Computer software	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(b) COST						
At July 1, 2007	7,486	7,202	14,688	7,486	6,934	14,420
Additions	-	126	126	-	218	218
At June 30, 2008	**7,486**	**7,328**	**14,814**	**7,486**	**7,152**	**14,638**
AMORTISATION						
At July 1, 2007	6,750	176	6,926	6,750	-	6,750
Charge for the year	736	1,390	2,126	736	1,390	2,126
At June 30, 2008	**7,486**	**1,566**	**9,052**	**7,486**	**1,390**	**8,876**
NET BOOK VALUES						
At June 30, 2008	**-**	**5,762**	**5,762**	**-**	**5,762**	**5,762**

The Directors have assessed impairment at the reporting date and are satisfied that no impairment loss should be recognised.

Notes to the Financial Statements June 30, 2009 (continued)

7. INVESTMENTS IN SUBSIDIARIES

(a) Unquoted

	THE COMPANY 2009 Rs'000	2008 Rs'000
At July 1,	**511,125**	501,881
Amalgamation adjustments	**(485,053)**	-
Additions	**8,500**	-
Increase in fair value of securities	**29,708**	9,244
At June 30,	**64,280**	511,125

Investments in subsidiaries comprise of unquoted equity securities, whose fair values have been based on a weighted average of earnings and asset value.

(b) Details of the company's subsidiaries are as follows:

Name of company	Country of operation and incorporation	Year ended	Main business	Class of shares held	Stated capital (Rs)	Percentage holding and voting power: Group companies 2009	Group companies 2008	The Company 2009	The Company 2008
The (Mauritius) Glass Gallery Ltd	Mauritius	June 30	Manufacture and sale of glass related products	Ordinary	5,110,000	**-**	16.30%	**76.00%**	34.70%
MBL Offshore Ltd	Mauritius	June 30	Investment	Ordinary	27,215,400	**-**	-	**100.00%**	100.00%
Mauritius Breweries International Ltd	The British Virgin Islands	June 30	Investment	Ordinary	27	**100.00%**	100.00%	**-**	-
Phoenix Beverages Overseas Ltd	Mauritius	June 30	Export of beverages	Ordinary	25,000	**-**	-	**99.96%**	99.96%
Rodnix Limited *	Mauritius	June 30	Distributor of beverages and other commodities in Rodrigues	Ordinary	3,000,000	**-**	-	**-**	100.00%
Helping Hands Foundation	Mauritius	June 30	Charitable institution	Ordinary	10,000	**52.00%**	52.00%	**48.00%**	48.00%
Phoenix Camp Minerals Ltd *	Mauritius	June 30	Bottling of soft drinks and table water	Ordinary	52,750,000	**-**	-	**-**	100.00%
Phoenix Camp Minerals Offshore Ltd	Mauritius	June 30	Investment	Ordinary	86	**100.00%**	100.00%	**-**	-
Phoenix Distributors Ltd	Mauritius	June 30	Distributor of beverages	Ordinary	206,000	**97.33%**	97.33%	**-**	-
Rennie and Thony SARL	Reunion	June 30	Distributor of beverages	Ordinary	342,640	**100.00%**	100.00%	**-**	-

* These companies have been amalgamated into Phoenix Beverages Limited with effect from July 1, 2008.

8. INVESTMENTS IN ASSOCIATES

(a) THE GROUP

	2009 Rs'000	2008 Rs'000
At July 1,	**162,912**	10,490
Additions	**7,213**	168,280
Movement on reduction of shares in associate	**3,734**	-
Share of net results	**(30,545)**	(32,957)
Consolidation adjustments	**-**	(240)
Other movement in reserves	**(2,460)**	17,339
At June 30,	**140,854**	162,912

(b) THE COMPANY

	2009 Rs'000	2008 Rs'000
At July 1,	**187,433**	19,153
Additions	**7,213**	168,280
Amalgamation adjustments	**759**	-
Decrease in fair value of securities	**(40)**	-
At June 30,	**195,365**	187,433

Investments in associates comprise of unquoted equity securities, whose fair values have been assessed on a cost and weighted average basis of net asset value and capitalised earnings method as appropriate.

Notes to the Financial Statements June 30, 2009 (continued)

8. INVESTMENTS IN ASSOCIATES (CONT'D)

(c) The principal associated companies, all of which are unlisted, are as follows:

2009

Name of company	Country of incorporation	Year ended	Main business	Class of shares held	% Holding Group Companies	% Holding The Company	Assets	Liabilities	Revenues	Loss
							Rs'000	Rs'000	Rs'000	Rs'000
Crown Corks Industries Ltd	Mauritius	June 30	Manufacture and sale of closures	**Ordinary**	-	**30.36%**	**16,028**	**(527)**	**3,913**	**(58)**
*Asia Pacific Brewery (Lanka) Limited	Sri Lanka	September 30	Brewing, bottling and selling of beer	**Ordinary**	**20.00%**	-	**170,300**	**(112,774)**	**306,865**	**(36,094)**
•* Nouvelle Brasserie de Madagascar	Republic of Malagasy	December 31,	Brewing, bottling and selling of beer	**Ordinary**	-	**40.00%**	**816,527**	**(475,228)**	**13,822**	**(76,257)**

* Management financial statements have been used for associates with different reporting dates.

• Nouvelle Brasserie de Madagascar has started its operation in July 2009.

2008

Name of company	Country of incorporation	Year ended	Main business	Class of shares held	% Holding Group Companies	% Holding The Company	Assets	Liabilities	Revenues	Profit/(loss)
							Rs'000	Rs'000	Rs'000	Rs'000
Crown Corks Industries Ltd	Mauritius	June 30	Manufacture and sale of closures	Ordinary	**15.18%**	**15.18%**	**17,072**	(480)	21,518	737
*Asia Pacific Brewery (Lanka) Limited	Sri Lanka	September 30	Brewing, bottling and selling of beer	Ordinary	**20.00%**	-	**138,474**	(325,867)	233,345	(58,241)
•* Nouvelle Brasserie de Madagascar	Republic of Malagasy	December 31,	Brewing, bottling and selling of beer	Ordinary	-	**50.00%**	**386,692**	(76,990)	-	(66,487)

(d) Investment in Asia Pacific Brewery (Lanka) Limited (APBL) by a subsidiary has been impaired and accounted for accordingly in year 2002. APBL has a deficit of assets and the Group has discontinued recognising its share of loss in the associate, as the Group has not given any guarantee or incurred any obligations on behalf of APBL.

	2009	2008
Unrecognised losses:	**Rs'000**	Rs'000
Opening accumulated losses	**(77,318)**	(65,670)
Share of loss for the year	**(7,219)**	(11,648)
Share of accumulated losses at end of the year	**(84,537)**	(77,318)

9. INVESTMENTS IN FINANCIAL ASSETS

	THE GROUP 2009	THE GROUP 2008	THE COMPANY 2009	THE COMPANY 2008
(a) Available-for-sale financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At July 1,	**575**	575	**575**	575
Transfer from non-current assets classified as held for sale (note 12)	**12,219**	-	**11,213**	-
At June 30,	**12,794**	575	**11,788**	575

	THE GROUP 2009	THE GROUP 2008	THE COMPANY 2009	THE COMPANY 2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Available-for-sale financial assets include the following :				
Equity securities at fair value:				
- Quoted on Development and Enterprise Market	**11,143**	-	**11,143**	-
- Unquoted	**1,651**	575	**645**	575
Total available-for-sale financial assets	**12,794**	575	**11,788**	575

Available-for-sale financial assets are denominated in the following currencies

	THE GROUP 2009	THE GROUP 2008	THE COMPANY 2009	THE COMPANY 2008
Currencies	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Rupee	**11,788**	575	**11,788**	575
Euro	**1,006**	-	**-**	-
	12,794	575	**11,788**	575

The directors are of opinion that cost represents the fair value of unlisted securities.

None of the financial assets are impaired.

10. INVENTORIES

	THE GROUP 2009	THE GROUP 2008	THE COMPANY 2009	THE COMPANY 2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Raw and packaging materials	**187,553**	134,250	**184,876**	84,678
Consumable materials and spare parts	**40,586**	52,915	**40,586**	50,537
Finished goods	**151,135**	134,988	**132,313**	131,339
Work in progress	**29,435**	26,338	**29,435**	26,315
Goods in transit	**8,278**	20,566	**8,278**	20,566
	416,987	369,057	**395,488**	313,435

The inventories have been pledged as security for borrowings and are valued at cost.

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Notes to the Financial Statements June 30, 2009 (continued)

11. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**146,341**	205,208	**114,582**	112,448
Prepayments and other receivables	**54,956**	15,941	**34,220**	9,532
Receivables from group companies				
- Intermediate holding company	**361**	80	**211**	-
- Subsidiary companies	**-**	-	**23,657**	107,132
	201,658	221,229	**172,670**	229,112

Before accepting any new customer, the group assesses the potential customer's credit quality and defines credit limits for the customer. Limits and scoring attributed to customers are reviewed twice a year. Of the trade receivables balance at end of the year Rs.11.8m (2008:Rs.11m) is due from the Group's largest customer. There are no other customers who represent more than 10% of the total balance of trade receivables.

The average credit period is 30 days end of month for the company.

(a) At June 30, 2009, the amount of the provision was Rs.19,184,000 (2008: Rs.10,457,000) for the Group and Rs.16,026,000 (2008: Rs.6,871,000) for the Company. The individually impaired receivables mainly related to debtors with overdue balances. It was assessed that a proportion of the receivables is expected to be recovered.The ageing of these receivables is as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
3 to 6 months	**5,811**	-	**5,811**	-
Over 6 months	**13,373**	10,457	**10,215**	6,871
	19,184	10,457	**16,026**	6,871

(b) At June 30, 2009, trade receivables of Rs.49,637,000 (2008: Rs.70,606,000) for the Group and for the Company Rs.41,653,000 (2008: Rs.43,972,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Less than 3 months	**41,520**	36,556	**41,520**	36,556
3 to 6 months	**177**	28,620	**133**	7,416
Over 6 months	**7,940**	5,430	**-**	-
	49,637	70,606	**41,653**	43,972

(c) The carrying amounts of trade receivables are denominated in the following currencies.

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritian Rupee	**94,727**	113,567	**114,582**	112,448
US Dollar	**10,381**	51,738	**-**	-
Euro	**41,233**	39,903	**-**	-
	146,341	205,208	**114,582**	112,448

(d) Movement in the provision for impairment of trade receivables are as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**10,457**	13,154	**6,871**	9,004
Provision for receivable impairment	**10,659**	3,500	**9,912**	3,500
Receivables written off during the year as uncollectible	**(1,581)**	(5,668)	**(757)**	(5,449)
Unused amount reversed	**(351)**	(529)	**-**	(184)
At June 30,	**19,184**	10,457	**16,026**	6,871

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

(e) The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

The carrying amount of trade and other receivables approximate their fair values.

12. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets classified as held for sale comprised of investment in available-for-sale financial assets which were to be disposed of in the near future.

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
Available-for-sale financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At July 1,	**12,224**	13,801	**11,213**	12,817
Transfer to investment in financial assets (note 9)	**(12,219)**	-	**(11,213)**	-
Disposals	**-**	(1,604)	**-**	(1,604)
Exchange differences	**(5)**	27	**-**	-
At June 30,	**-**	12,224	**-**	11,213
Analysed as follows :				
Quoted on Development and Enterprise Market	**-**	11,143	**-**	11,143
Unquoted	**-**	1,081	**-**	70
	-	12,224	**-**	11,213

Notes to the Financial Statements June 30, 2009 (continued)

13. STATED CAPITAL

THE GROUP AND THE COMPANY	Number of shares	Ordinary shares	Share premium	Total
Issued and fully paid		Rs'000	Rs'000	Rs'000
At July 1, and at June 30,	16,447,000	164,470	202,492	366,962

The holders of the fully paid ordinary shares carry one voting right per share and carry a right to dividends.

The total number of ordinary shares issued is 16,447,000 (2008: 16,447,000) with a par value of Rs.10 per share each (2008: Rs.10 per share each). All issued shares are fully paid.

14. OTHER RESERVES

(a) THE GROUP

	REVALUATION AND OTHER RESERVES				
	Revaluation reserve	Capital reserve	Translation reserve	Fair value reserve	Total Rs'000
2009	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	622,967	1,694	17,604	(4,652)	637,613
Other movement on associates	-	-	-	(289)	(289)
Exchange differences	-	-	(1,197)	-	(1,197)
Transfer to retained earnings	-	-	-	8,635	8,635
At June 30,	**622,967**	**1,694**	**16,407**	**3,694**	**644,762**
2008					
At July 1,	622,967	1,694	299	(4,304)	620,656
Release to income statement on disposal of securities	-	-	-	(729)	(729)
Other movement on associates	-	-	-	381	381
Exchange differences	-	-	17,305	-	17,305
At June 30,	**622,967**	**1,694**	**17,604**	**(4,652)**	**637,613**

(b) THE COMPANY

	REVALUATION AND OTHER RESERVES			
	Revaluation reserve	Capital reserve	Fair value reserve	Total
2009	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	431,157	1,694	266,580	699,431
Increase in fair value of securities	-	-	29,668	29,668
Amalgamation adjustments	191,650	138	(238,049)	(46,261)
At June 30,	**622,807**	**1,832**	**58,199**	**682,838**
2008				
At July 1,	431,157	1,694	258,065	690,916
Increase in fair value of securities	-	-	9,244	9,244
Release to income statement on disposal of securities	-	-	(729)	(729)
At June 30,	**431,157**	**1,694**	**266,580**	**699,431**

15. BORROWINGS

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
Current	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Bank overdrafts (note 27(b))	**30,089**	95,480	**30,089**	76,191
Bank loans	**27,078**	21,521	**27,078**	12,560
Obligations under finance lease (see note (c) below)	**14,935**	14,542	**14,813**	11,654
	72,102	131,543	**71,980**	100,405
Non-current				
Bank loans (see note (d) below)	**75,309**	102,911	**75,309**	80,726
Obligations under finance lease (see note (c) below)	**684**	16,412	**254**	12,623
	75,993	119,323	**75,563**	93,349
Total borrowings	**148,095**	250,866	**147,543**	193,754

(a) The borrowings include secured liabilities (bank overdrafts, bank loans and finance leases) amounting to Rs.148,095,000 (2008: Rs.250,866,000) for the Group and Rs.147,543,000 (2008: Rs.193,754,000) for the Company. The borrowings are secured by fixed and floating charges over the borrowing companies' assets and bearing interest at 8.75% - 12% per annum (2008: 9.25% - 12% per annum).

(b) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
After one year and before two years	**23,496**	41,082	**23,358**	27,997
After two years and before three years	**20,847**	27,406	**20,555**	18,975
After three years and before five years	**31,650**	50,835	**31,650**	46,377
	75,993	119,323	**75,563**	93,349

(c) Finance leases liabilities - minimum lease payments:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts payable				
- within one year	**15,749**	17,077	**15,567**	13,562
- after one year and before two years	**436**	16,744	**254**	13,229
- after two years and before three years	**182**	182	**-**	-
- after three years and before five years	**143**	325	**-**	-
	16,510	34,328	**15,821**	26,791
Future finance charges on finance leases	**(891)**	(3,374)	**(754)**	(2,514)
Present value of finance lease liabilities	**15,619**	30,954	**15,067**	24,277
Representing present value of minimum lease payments:				
- within one year	**14,935**	14,542	**14,813**	11,654
- after one year and before two years	**392**	15,983	**254**	12,623
- after two years and before three years	**155**	138	**-**	-
- after three years and before five years	**137**	291	**-**	-
	15,619	30,954	**15,067**	24,277

Notes to the Financial Statements June 30, 2009 (continued)

15. BORROWINGS (CONT'D)

The fair value of finance lease liabilities is approximately equal to their carrying amount.

The average lease term is 5 years for the year ended 30 June 2009, the average effective borrowing rate was 9.75% p.a.

Leasing arrangements

Finance leases relate to equipment and motor vehicles with lease terms of 5 years on average. The Group has options to purchase the equipment and motor vehicles for a nominal amount at the conclusion of the lease arrangements. The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

(d) The carrying amounts of non-current borrowings are not materially different from their fair values.

Non current borrowings can be analysed as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
- After one year and before two years				
Bank loans	**23,104**	25,100	**23,104**	15,374
- After two years and before three years				
Bank loans	**20,555**	27,268	**20,555**	18,975
- After three years and before five years				
Bank loans	**31,650**	50,543	**31,650**	46,377
	75,309	102,911	**75,309**	80,726

(e) The effective interest rates at the balance sheet date were as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	%	%	**%**	%
Bank overdrafts	**8.87% - 10.85%**	10.55% - 11.50%	**8.87% - 10.85%**	10.55% - 11.50%
Bank loans	**8.75% - 10.00%**	11.00% - 11.75%	**8.75% - 10.00%**	11.00% - 11.75%
Finance leases	**9.25% - 12.00%**	9.25% - 12.00%	**9.25% - 12.00%**	9.25% - 12.00%

(f) The borrowings are denominated in Mauritian Rupees.

16. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when they relate to the same fiscal authority. The following amounts are shown in the balance sheets:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax liabilities	**148,555**	135,499	**148,510**	99,215

16. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax liabilities are calculated on all temporary differences under the liability method at tax rate of 15% (2008: 15%). The movements on the deferred income tax account are as follows :

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**135,499**	123,457	**99,215**	82,623
Charge to income statement for the year (note 19)	**13,056**	12,042	**13,177**	16,592
Amalgamation adjustments	**-**	-	**36,118**	-
At June 30,	**148,555**	135,499	**148,510**	99,215

Deferred tax assets and liabilities, deferred tax charge/(credit) in the income statement are attributable to the following items:

(a) THE GROUP

	At July 1, 2008	Charge/ (credit) to income statement	**At June 30, 2009**
	Rs'000	Rs'000	**Rs'000**
Deferred tax liabilities			
Accelerated tax depreciation	86,799	15,307	**102,106**
Asset revaluations	54,970	(3,750)	**51,220**
	141,769	11,557	**153,326**
Deferred tax assets			
Tax losses carried forward	-	(164)	**(164)**
Retirement benefit obligations	(6,270)	1,663	**(4,607)**
	(6,270)	1,499	**(4,771)**
Net deferred tax liabilities	135,499	13,056	**148,555**

(b) THE COMPANY

	At July 1, 2008	Amalgamation adjustments	Charge/ (credit) to income statement	**At June 30, 2009**
	Rs'000	Rs'000	Rs'000	**Rs'000**
Deferred tax liabilities				
Accelerated tax depreciation	76,127	10,479	15,259	**101,865**
Asset revaluations	29,292	25,639	(3,750)	**51,181**
	105,419	36,118	11,509	**153,046**
Deferred tax assets				
Retirement benefit obligations	(6,204)	-	1,668	**(4,536)**
	(6,204)	-	1,668	**(4,536)**
Net deferred tax liabilities	99,215	36,118	13,177	**148,510**

Notes to the Financial Statements June 30, 2009 (continued)

17. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts recognised in the balance sheets:				
Pension scheme (note (a) (i))	**30,506**	41,596	**30,238**	41,357
Income statement release				
- Pension benefits (note (a) (ii))	**(890)**	(4,475)	**(919)**	(4,534)

(a) Pension scheme

The assets of the funded plan are held independently in a registered superannuation fund (GML Pension Fund). Retirement benefit obligations have been provided for based on the report from Novilis Pensions Limited dated June 12, 2009.

(i) The amounts recognised in the Balance Sheets are as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligations	**143,901**	62,512	**143,901**	62,233
Fair value of plan assets	**(85,340)**	(91,582)	**(85,340)**	(91,569)
	58,560	(29,070)	**58,561**	(29,336)
Present value of unfunded obligations	**25,615**	23,386	**25,231**	23,386
Unrecognised actuarial (loss)/gain	**(53,669)**	47,280	**(53,554)**	47,307
Liability in the balance sheets	**30,506**	41,596	**30,238**	41,357

(ii) The amounts recognised in the Income Statements are as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**2,686**	2,977	**2,685**	2,939
Interest cost	**8,928**	7,172	**8,899**	7,148
Expected return on plan assets	**(10,053)**	(9,531)	**(10,052)**	(9,528)
Actuarial gain recognised	**(2,451)**	(5,093)	**(2,451)**	(5,093)
	(890)	(4,475)	**(919)**	(4,534)

(iii) Movement in the liability recognised in the Balance Sheets:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**41,596**	58,891	**41,357**	58,891
Total reversal as above (note 22)	**(890)**	(4,475)	**(919)**	(4,534)
Effect of restatement	**-**	228	**-**	-
Contributions paid *	**(10,200)**	(13,048)	**(10,200)**	(13,000)
At June 30,	**30,506**	41,596	**30,238**	41,357

* The figures are in respect of residual defined benefit liabilities on top of the defined contributions part of the GML Pension Fund and exclude cash payments which are treated as defined contributions and amounted to Rs.17,384,000 (2008: Rs.19,495,000) for the Group and Rs.16,928,000 (2008: Rs.19,283,000) for the Company.

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	2009	2008
	%	%
Discount rate	**10.0**	10.5
Expected rate of return on plan assets	**10.0**	10.5
Expected salary increases	**8.5**	9.0
Future pension increases	**3.5**	4.0

(c) Reconciliation of the present value of defined benefit obligation

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligation at start of year	**62,512**	46,791	**62,233**	46,791
Present value of unfunded obligation at start of year	**23,386**	25,477	**23,386**	25,477
Amalgamation adjustments	**2,538**	-	**2,538**	-
Restatement loss	**-**	242	**-**	-
Current service cost	**2,686**	2,977	**2,685**	2,939
Interest cost	**8,928**	7,172	**8,899**	7,148
Benefit paid	**(6,985)**	(8,407)	**(6,985)**	(8,382)
Actuarial loss on obligation	**76,450**	11,646	**76,376**	11,646
Present value of obligation at end of year	**169,516**	85,898	**169,132**	85,619

(d) Reconciliation of fair value of plan assets

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
Fair value of plan assets at start of year	**91,582**	88,432	**91,569**	88,432
Amalgamation adjustments	**2,592**	-	**2,592**	-
Restatement loss	**-**	15	**-**	-
Expected return on plan assets	**10,054**	9,529	**10,052**	9,527
Employer contributions	**6,721**	9,823	**6,721**	9,775
Benefits paid	**(3,507)**	(5,182)	**(3,507)**	(5,157)
Actuarial loss on plan assets	**(22,102)**	(11,035)	**(22,088)**	(11,008)
Fair value of plan assets at end of year	**85,340**	91,582	**85,340**	91,569
Actual return on plan assets	**(12,049)**	(1,506)	**(12,036)**	(1,481)

(e) Distribution of plan assets at end of year

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
Percentage of assets at end of year	**%**	%	**%**	%
Local equities	**29**	46	**29**	46
Local bonds	**18**	14	**18**	14
Property	**9**	6	**9**	6
Local others	**9**	6	**9**	6
Overseas bonds and equities	**30**	26	**30**	26
Others	**5**	2	**5**	2
Total	**100**	100	**100**	100

Where the plan is funded, the overall expected rate of return on plan assets is determined by reference to market yields on bonds and expected yield differences on other types of assets held.

Notes to the Financial Statements June 30, 2009 (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(f) Additional disclosure on assets issued or used by the reporting entity

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	%	%	**%**	%
Percentage of assets at end of year				
Assets held in the entity's own financial instruments	**-**	-	**-**	-
Property occupied by the entity	**-**	-	**-**	-
Other assets used by the entity	**-**	-	**-**	-

(g) History of obligations, assets and experience adjustments

THE GROUP

	2009	2008	2007	2006
	Rs'000	Rs'000	Rs'000	Rs'000
Fair value of plan assets	**85,340**	91,582	88,432	56,642
Present value of defined benefit obligation	**(169,516)**	(85,898)	(72,268)	(108,985)
(Deficit)/surplus	**(84,176)**	5,684	16,164	(52,343)
Asset experience (loss)/gain during the year	**(54,882)**	(11,035)	15,404	
Liability experience (loss)/gain during the year	**(22,163)**	(11,646)	44,927	

THE COMPANY

	2009	2008	2007	2006
	Rs'000	Rs'000	Rs'000	Rs'000
Fair value of plan assets	**85,340**	91,569	88,432	55,012
Present value of defined benefit obligation	**(169,132)**	(85,619)	(72,268)	(107,496)
(Deficit)/surplus	**(83,792)**	5,950	16,164	(52,484)
Asset experience (loss)/gain during the year	**(54,868)**	(11,008)	14,935	
Liability experience (loss)/gain during the year	**(22,088)**	(11,646)	44,685	

(h) Expected contributions to post-employment benefit plan for the year ending 30 June 2010 are Rs28.6 Million (2009: Rs17.88 Million)

18. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**256,100**	96,197	**255,221**	55,758
Deposits from customers (see note (b) below)	**37,526**	36,200	**37,526**	36,200
Amounts due to Group companies:				
- Intermediate holding company	**2,019**	1,107	**2,019**	-
- Subsidiaries	**-**	-	**8,674**	232,872
Accrued expenses and other payables	**119,093**	78,755	**106,041**	62,940
	414,738	212,259	**409,481**	387,770

The carrying amounts of trade and other payables approximate their fair values.

(a) The average credit period on purchase of goods is 30 days. No interest is charged on the trade payables. The Group has policies to ensure that all payables are paid within the credit timeframe.

(b) Deposits from customers on containers

	THE GROUP AND THE COMPANY	
	2009	2008
	Rs'000	Rs'000
At July 1,	**36,200**	34,866
Net increase in deposits	**9,368**	1,334
	45,568	36,200
Release to Income Statement	**(8,042)**	-
At June 30,	**37,526**	36,200

19. CURRENT TAX LIABILITIES

Income tax is calculated at 15%/33.33% (2008: 15%/33.33%) on the profit for the year as adjusted for income tax purposes.

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Balance Sheets				
Current tax on the adjusted profit for the year 15%/33.33% (2008 : 15%/33.33%)	**38,505**	35,703	**37,063**	8,044
Tax paid	**(8,115)**	(1,903)	**(6,781)**	-
Foreign tax credit	**(86)**	(54)	**-**	-
Tax deducted at source	**(9)**	-	**(9)**	-
	30,295	33,746	**30,273**	8,044

Notes to the Financial Statements June 30, 2009 (continued)

19. CURRENT TAX LIABILITIES (CONT'D)

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
(b) Income Statements	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Current tax on the adjusted profit for the year 15%/33.33% (2008 : 15%/33.33%)	**38,505**	35,703	**37,063**	8,044
Foreign tax credit	**(86)**	(54)	**-**	-
Alternative minimum tax	**-**	-	**-**	-
Tax deducted at source	**(9)**	-	**(9)**	-
Underprovision in previous year	**1,071**	742	**1,072**	813
	39,481	36,391	**38,126**	8,857
Deferred tax charge to Income Statements (note 16)	**13,056**	12,042	**13,177**	16,592
Taxation charge	**52,537**	48,433	**51,303**	25,449

(c) The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Group and the Company as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation	**301,992**	272,441	**314,195**	264,381
Tax calculated at the rate of 15% (2008 : 15%)	**45,299**	40,866	**47,129**	39,657
Tax effect of:				
Income not subject to tax	**(4,293)**	(18,418)	**(1,581)**	(17,767)
Expenses not deductible for tax purposes	**3,534**	3,147	**1,840**	2,172
Differential in tax rate	**(104)**	-	**-**	-
Foreign tax credit	**(86)**	(54)	**-**	-
Underprovision in previous year	**1,071**	742	**1,072**	813
Depreciation of non-qualifying assets	**632**	630	**630**	626
Deferred tax not accounted for in previous year	**2,213**	-	**2,213**	-
Consolidation adjustments	**4,271**	21,591	**-**	-
Utilisation of tax losses not accounted for in previous years	**-**	(19)	**-**	-
Tax losses under recognised previously	**-**	(52)	**-**	(52)
Tax charge	**52,537**	48,433	**51,303**	25,449

20. PROPOSED DIVIDENDS

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Final ordinary dividend of Rs 6.50 per share declared on June 8, 2009 (2008: Rs.5.50 per share)	**106,906**	90,459	**106,906**	90,459

21. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation (note 5)	**183,158**	196,703	**181,831**	135,165
Amortisation of intangible assets (note 6)	**1,681**	2,126	**1,431**	2,126
Employee benefit expense (note 22)	**365,575**	328,729	**348,858**	277,236
Changes in inventories of finished goods and work in progress	**(19,244)**	(57,581)	**(4,094)**	(72,467)
Purchases of finished goods, raw materials and consumables used	**1,084,016**	1,084,223	**1,067,858**	1,349,515
Excise duty	**711,745**	670,736	**711,745**	621,712
Marketing, warehousing, selling and distribution expenses	**196,575**	134,120	**182,854**	109,387
Other expenses	**360,241**	268,953	**336,151**	232,132
Total cost of sales, warehousing, selling and marketing and administrative expenses	**2,883,747**	2,628,009	**2,826,634**	2,654,806

22. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**335,235**	302,554	**321,400**	252,990
Social security costs	**13,846**	11,155	**11,449**	9,497
Pension costs - defined benefit plans (note 17(a)(ii))	**(890)**	(4,475)	**(919)**	(4,534)
Pension costs - defined contribution plans	**17,384**	19,495	**16,928**	19,283
	365,575	328,729	**348,858**	277,236

23. OTHER INCOME

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	**2,048**	3,611	**1,936**	2,459
Dividend income	**126**	119	**6,391**	106,155
(Loss)/profit on disposal of plant and equipment (excluding securities)	**(4,726)**	3,666	**(4,996)**	2,360
Profit on diposal of securities	**-**	2,147	**-**	2,147
Sundry income	**19,678**	19,540	**17,617**	13,593
Net foreign exchange transactions gain	**14,396**	30,166	**3,912**	16,544
	31,522	59,249	**24,860**	143,258

24. PROFIT BEFORE FINANCE COSTS

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before finance costs is arrived at after				
crediting:				
Profit on disposal of plant and equipment	**-**	3,666	**-**	2,360
and charging:				
Cost of inventories expensed	**2,277,673**	2,121,677	**2,258,698**	2,200,921
Depreciation on property, plant and equipment				
- owned assets	**176,221**	188,368	**175,031**	128,161
- leased assets under finance lease	**6,937**	8,335	**6,800**	7,004
Loss on disposal of plant and equipment	**4,726**	-	**4,996**	-
Amortisation of intangible assets (note 6)	**1,681**	2,126	**1,431**	2,126
Employee benefit expense (note 22)	**365,575**	328,729	**348,858**	277,236
Impairment recognised on receivables	**8,727**	-	**9,155**	-

Notes to the Financial Statements June 30, 2009 (continued)

25. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank overdrafts	**6,445**	859	**6,445**	574
Bank and other loans	**12,600**	17,396	**12,692**	12,454
Finance lease	**2,269**	4,742	**2,160**	3,442
	21,314	22,997	**21,297**	16,470

26. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
Profit attributable to equity holders of the company (Rs'000)	**249,362**	221,579	**262,892**	238,932
Number of ordinary shares in issue	**16,447,000**	16,447,000	**16,447,000**	16,447,000
Basic earnings per share (Rs.cs)	**15.16**	13.47	**15.98**	14.53

27. NOTES TO THE CASH FLOW STATEMENTS

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) **Cash generated from operations**				
Profit before taxation	**301,992**	272,441	**314,195**	264,381
Adjustments for:				
Depreciation (note 5)	**183,158**	196,703	**181,831**	135,165
Amortisation of intangible assets (note 6)	**1,681**	2,126	**1,431**	2,126
Loss/(profit) on sale of plant and equipment	**4,726**	(3,666)	**4,996**	(2,360)
Movement on reduction of shares in associate	**(3,734)**	-	**-**	-
Profit on sale of securities	**-**	(2,147)	**-**	(2,147)
Exchange differences	**(19,473)**	4,719	**(15,778)**	(8,632)
Provision for doubtful debts	**10,659**	3,500	**9,912**	3,500
Inventories written off	**-**	593	**-**	-
Investment income	**(126)**	(119)	**(6,391)**	(106,155)
Interest income	**(2,048)**	(3,611)	**(1,936)**	(2,459)
Decrease in pension provision	**(11,090)**	(17,295)	**(11,119)**	(17,534)
Interest expense	**21,314**	22,997	**21,297**	16,470
Share of results of associates	**30,545**	32,957	**-**	-
	517,604	509,198	**498,438**	282,355
Changes in working capital				
- Trade and other receivables	**10,775**	(5,796)	**(3,928)**	26,125
- Inventories	**(47,413)**	(111,378)	**(26,149)**	(131,038)
- Trade and other payables	**201,827**	(10,755)	**203,690**	86,828
Cash generated from operations	**682,793**	381,269	**672,051**	264,270

27. NOTES TO THE CASH FLOW STATEMENTS (CONT'D)

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank and cash balances	**94,770**	52,057	**77,199**	23,816
Bank overdrafts (Note 15)	**(30,089)**	(95,480)	**(30,089)**	(76,191)
Cash and cash equivalents	**64,681**	(43,423)	**47,110**	(52,375)

28. SEGMENTAL INFORMATION

THE GROUP

(a) Primary reporting format - geographical segments

The Group is organised into the following main geographical segments:

June 30, 2009	Local	Overseas	Eliminations	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Revenues				
External revenue	3,032,674	169,668	-	3,202,342
Intersegment revenue	102,061	17,332	(119,393)	-
Total revenue	**3,134,735**	**187,000**	**(119,393)**	**3,202,342**
Segment results	328,933	21,184	-	350,117
Share of results of associates	(42)	(30,503)	-	(30,545)
	328,891	(9,319)	-	319,572
Movement on reduction of shares in associate				3,734
Finance cost				(21,314)
Profit before taxation				301,992
Taxation				(52,537)
Profit for the year				249,455

Revenues consist of sales of goods.

June 30, 2009	Local	Overseas	Unallocated	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	2,733,280	98,354	-	2,831,634
Associates	4,707	136,147	-	140,854
	2,737,987	234,501	-	2,972,488
Segment liabilities	386,744	27,992	-	414,736
Unallocated corporate liabilities	-	-	464,357	464,357
	386,744	27,992	464,357	879,093
Capital expenditure	390,967	4,072	-	395,039
Depreciation	182,922	236	-	183,158
Amortisation of intangible assets	1,423	258	-	1,681

Notes to the Financial Statements June 30, 2009 (continued)

28. SEGMENTAL INFORMATION (CONT'D)

June 30, 2008	Local	Overseas	Eliminations	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Revenues				
External revenue	2,719,399	177,756	-	2,897,155
Intersegment revenue	988,611	3,618	(992,229)	-
Total revenue	3,708,010	181,374	(992,229)	2,897,155
Segment results	300,662	27,733	-	328,395
Share of results of associates	286	(33,243)	-	(32,957)
	300,948	(5,510)	-	295,438
Finance cost				(22,997)
Profit before taxation				272,441
Taxation				(48,433)
Profit for the year				224,008

June 30, 2008	Local	Overseas	Unallocated	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	2,441,139	115,028	-	2,556,167
Associates	5,087	157,825	-	162,912
	2,446,226	272,853	-	2,719,079
Segment liabilities	210,070	2,189	-	212,259
Unallocated corporate liabilities	-	-	552,166	552,166
	210,070	2,189	552,166	764,425
Capital expenditure	231,915	561	-	232,476
Depreciation	196,638	65	-	196,703
Amortisation of intangible assets	2,126	-	-	2,126

Segment assets consist primarily of property, plant and equipment, motor vehicles, intangible assets, inventories, receivables and exclude investment in associates. Segment liabilities comprise of operating liabilities and exclude items such as taxation, dividend payable and certain borrowings. Capital expenditure comprises additions to property, plant and equipment, motor vehicles, office equipment and intangible assets.

(b) Secondary reporting format - business segments

The business segments of the Group comprise of "beverages" and "glass & related products". No information in respect of each business segment has been disclosed as:

(i) the revenue from sales for the "glass & related products" segment is less than 10 per cent of the total enterprise revenue from sales to all external customers; and

(ii) the segment assets for the same business segment is less than 10 per cent of the total assets of all business segments.

29. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party respectively of the Group are Phoenix Investment Company Limited and Compagnie d'Investissement et de Développement Limitée, both incorporated in Mauritius.

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Details of transactions between the Group and other related parties and outstanding balances due from/to related parties are disclosed below:

(a) THE GROUP	Dividend income	Sale of goods or services	Purchase of goods or services	Management fees/Interest paid	Management fees/Interest received	Amount owed to related parties	Amount owed by related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2009							
Associates	**114**	**3,782**	**440**	**-**	**-**	**-**	**7,328**
Enterprises in which ultimate holding company has significant interest	**-**	**-**	**68,600**	**230**	**758**	**3,908**	**-**
Fellow subsidiaries	**13**	**5,944**	**-**	**64,447**	**-**	**2,019**	**211**
2008							
Associates	-	-	11,626	-	-	-	22
Enterprises in which ultimate holding company has significant interest	-	-	41,968	-	152	1,107	2,564
Fellow subsidiaries	2	-	-	-	57,084	-	-

Notes to the Financial Statements June 30, 2009 (continued)

29. RELATED PARTY TRANSACTIONS (CONT'D)

(b) THE COMPANY

	Dividend income	Sale of goods or Services	Rechargeable cost	Purchase of goods or services	Management fees/Interest paid	Management fees/Interest received	Loan granted to related parties	Loan granted by related parties	Amount owed to related parties	Amount owed by related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2009										
Ultimate holding	**-**	**-**	**-**	**-**	**-**	**27**	**-**	**-**	**-**	**-**
Subsidiaries	**6,265**	**102,819**	**-**	**764**	**95**	**-**	**-**	**-**	**8,674**	**23,657**
Associates	**114**	**3,782**	**-**	**440**	**-**	**-**	**-**	**-**	**-**	**7,328**
Enterprises in which ultimate holding company has significant interest	**-**	**-**	**-**	**68,600**	**230**	**758**	**-**	**-**	**3,908**	**-**
Fellow subsidiaries	**13**	**5,944**	**-**	**-**	**64,447**	**-**	**-**	**-**	**2,019**	**211**
2008										
Subsidiaries	106,040	181,408	6,780	874,974	-	-	-	-	232,872	107,132
Associates	-	-	-	11,626	-	-	-	-	-	22
Enterprises in which ultimate holding company has significant interest	-	-	-	41,968	-	152	-	-	-	2,564
Fellow subsidiaries	2	-	-	-	57,084	-	-	-	-	-

Sales of goods or services to related parties were made at the Group's usual list prices. Purchases were made at market price.

The amounts outstanding are unsecured, interest free and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year under review for bad or doubtful debts in respect of the amounts owed by related parties.

(c) **Compensation to Key Management Personnel**

Compensation to Key Management Personnel is borne by a subsidiary of an intermediate holding company for the two years ended 30 June 2009.

30. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2007
	Rs'000	Rs'000	**Rs'000**	Rs'000
Capital commitments contracted for and not provided in the financial statements:				
Property, plant and equipment	**93,089**	131,283	**93,089**	131,283

Operating lease commitments - where the Group is the lessee.

Operating lease relate to land and motor vehicles with renewal options for the land only. The group does not have an option to purchase the leased assets.

The future aggregate minimum lease payments under operating leases are as follows:

	THE GROUP	
	2009	2008
	Rs'000	Rs'000
Not later than one year	**6,074**	105
Later than one year and not later than five years	**18,222**	315
Later than five years	**-**	420
	24,296	840

31. CONTINGENT LIABILITIES

Bank guarantees

At June 30, 2009, the Group had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

Notes to the Financial Statements June 30, 2009 (continued)

32. AMALGAMATION

	Rodnix Limited	Phoenix Camp Minerals Limited	TOTAL
	Rs 000	**Rs 000**	**Rs 000**
Property, plant and equipment	-	406,620	406,620
Investments in subsidiaries and associates	-	4,401	4,401
Inventories	-	55,904	55,904
Trade and other receivables	2	260,430	260,432
Bank and cash balances	439	4,873	5,312
Borrowings	-	(56,452)	(56,452)
Deferred tax liabilites	-	(36,118)	(36,118)
Trade and other payables	-	(52,781)	(52,781)
Current tax liabilities	-	(25,158)	(25,158)
Proposed dividends	-	(70,000)	(70,000)
Net assets	**441**	**491,719**	**492,160**

As from July 1, 2008, the Company has amalgamated with two of its subsidiaries namely Rodnix Limited and Phoenix Camp Minerals Limited and is now operating as Phoenix Beverages Limited. As at that date all the assets and liabilities of these companies have been transferred into Phoenix Beverages Limited at their carrying values.

33. THREE YEAR SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES

THE GROUP	**2009**	2008	2007
	Rs'000	Rs'000	Rs'000
Income Statements			
Revenue	**3,202,342**	2,897,155	2,709,546
Share of results of associates	**(30,545)**	(32,957)	(6,896)
Profit before taxation	**301,992**	272,441	258,239
Taxation (charge)/credit	**(52,537)**	(48,433)	8,683
Profit for the year	**249,455**	224,008	266,922
Attributable to:			
Equity holders of the company	**249,362**	221,579	269,222
Minority interest	**93**	2,429	(2,300)
	249,455	224,008	266,922
Rate of dividends (%)	**65**	55	50
Earnings per share (Rs.cs)	**15.16**	13.47	16.37

33. THREE YEAR SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES (CONT'D)

Balance Sheets			
Non-current assets	**2,259,073**	2,064,512	1,894,660
Current assets	**713,415**	642,343	615,082
Non-current assets classified as held for sale	**-**	12,224	13,801
Total assets	**2,972,488**	2,719,079	2,523,543
Capital and reserves	**2,090,669**	1,949,699	1,801,622
Minority interest	**2,724**	4,955	4,728
Non-current liabilities	**255,054**	296,418	335,984
Current liabilities	**624,041**	468,007	381,209
Total equity and liabilities	**2,972,488**	2,719,079	2,523,543

THE COMPANY	**2009**	2008	2007
	Rs'000	Rs'000	Rs'000
Income Statements			
Revenue	**3,137,266**	2,792,399	2,453,207
Profit before taxation	**314,195**	264,381	194,994
Taxation (charge)/credit	**(51,303)**	(25,449)	28,447
Profit for the year	**262,892**	238,932	223,441
Rate of dividends (%)	**65**	55	50
Earnings per share (Rs.cs)	**15.98**	14.53	13.59
Balance Sheets			
Non-current assets	**2,362,444**	2,188,755	1,938,874
Current assets	**645,357**	566,363	506,119
Non-current assets classified as held-for-sale	**-**	11,213	12,822
Total assets	**3,007,801**	2,766,331	2,457,815
Capital and reserves	**2,134,850**	1,945,732	1,788,744
Non-current liabilities	**254,311**	233,921	256,993
Current liabilities	**618,640**	586,678	412,078
Total equity and liabilities	**3,007,801**	2,766,331	2,457,815

CORPORATE & SHAREHOLDERS' INFORMATION

HEAD OFFICE
Pont Fer
Phoenix
Mauritius
Tel: (230) 601 2000 / Fax: (230) 686 6920
Email: pbl@pbg.mu
Website: www.phoenixbeveragesgroup.com

REGISTERED OFFICE
11th Floor, Swan Group Centre
10 Intendance Street
Port Louis
Mauritius

COMMERCIAL UNIT
Tel: (230) 601 2200 / Fax: (230) 697 2967 (Sales, Marketing & Distribution)
(230) 696 0455 (New business Development)

FINANCE AND ADMINISTRATION
Tel: (230) 601 2000 / Fax: (230) 697 6480 (Finance)
(230) 697 5028 (Procurement)
(230) 686 9204 (Information Technology)

TECHNICAL AND PRODUCTION
Tel: (230) 601 2000 / Fax: (230) 686 7197 (Brewery)
Tel: (230) 601 1800 / Fax: (230) 697 1394 (Limo)

REGISTRY & TRANSFER OFFICE
If you are a shareholder and have inquiries regarding your account, wish to change your name or address, or have questions about lost share certificates, share transfers or dividends. Please contact our Registry and Transfer Office:

Abax Corporate Administrators Ltd
Level 6, One Cathedral Square
Jules Koenig Street
Port Louis
Mauritius

SECRETARY
GML Services Financiers et Juridiques Ltée
11th Floor, Swam Group Centre
10 Interdance Street
Port Louis
Mauritius

AUDITORS
Kemp Chatteris Deloitte
Chartered Accountants

BANKERS
AfrAsia Bank Limited
Barclays Bank PLC
State Bank of Mauritius Ltd
The Hong Kong and Shanghai Banking Corporation Ltd
The Mauritius Commercial Bank Ltd

REGIONAL BRANCH

RODRIGUES:
PHOENIX BEVERAGES LIMITED (EX Rodnix Ltd)
Pointe L'Herbe
Rodrigues
Tel: 831 0982
Fax: 831 2181

REUNION:
RENNIE ET THONY SARL
7, rue de l'Armagnac
ZI no. 1, BP 90027
Ile de la Réunion
Tel: (262) 241 730

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of Shareholders of **Phoenix Beverages Limited** will be held at 1st Floor, Swan Group Centre, 10 Intendance Street, Port Louis on **Friday, September 25, 2009** at **10.00 hours** to transact the following business in the manner required for the passing of ORDINARY RESOLUTIONS:

AGENDA

1. To consider the Annual Report 2009 of the Company.

2. To receive the report of Messrs Kemp Chatteris Deloitte, the auditors of the Company.

3. To consider and approve the Group's and Company's audited financial statements for the year ended June 30, 2009.

4. To re-elect, on the recommendation of the Corporate Governance Committee, as Director of the Company to hold office until the next Annual Meeting in accordance with Section 138 (6) of The Companies Act 2001, Mr J. Cyril Lagesse[1], who offers himself for re-election.

5. To elect, on the recommendation of the Corporate Governance Committee, as Director of the Company, Mr Guillaume Hugnin[1] who has been nominated by the Board and who offers himself for election.

6. To authorise Mrs Marguerite Hugnin[1] to continue to hold office as Alternate Director of the Company, until the next Annual Meeting, in accordance with Section 138 (6) of The Companies Act 2001.

7-16. To re-elect as Directors of the Company to hold office until the next Annual Meeting, the following persons[1] who have been recommended by the Corporate Governance Committee and who offer themselves for re-election (as separate resolutions):

7. Mr Thierry Lagesse

8. Mr Alan Barnes

9. Mr Jan Boullé

10. Mr François Dalais

11. Mr Vincent Harel

12. Mr Didier Koenig

13. Mr Arnaud Lagesse

14. Mr Seewoocoomar Sewraz

15. Mr George Wiehe

16. Mr Richard Wooding

17. To fix the remuneration of the Directors for the year to June 30, 2010 and to ratify the emoluments paid to the Directors for the year ended June 30, 2009.

18. To take note of the automatic reappointment of Messrs Kemp Chatteris Deloitte as auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.

19. To ratify the remuneration paid to the auditors for the financial year ended June 30, 2009.

BY ORDER OF THE BOARD

Nathalie Gallet
GML Services Financiers et Juridiques Ltée
Company Secretary

August 5, 2009

NOTICE OF ANNUAL MEETING

NOTES:

1. A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2. The instrument appointing a proxy or any general power of attorney shall be deposited at the Share Registry and Transfer Office of the Company, Abax Corporate Administrators Ltd, Level 6, One Cathedral Square, Jules Koenig Street, Port Louis, by Thursday, September 24, 2009 at 10.00 hours and in default, the instrument of proxy shall not be treated as valid.

3. A proxy form is included in this Annual Report and is also available at the registered office of the Company.

4. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120 (3) of The Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting shall be those shareholders whose names are registered in the share register of the Company as at August 31, 2009.

5. The minutes of the Annual Meeting held on September 26, 2008 are available for consultation by the shareholders during office hours at the registered office of the Company, 11th Floor Swan Group centre, 10 Intendance Street, Port Louis.

6. The minutes of the Annual Meeting to be held on September 25, 2009 will be available for consultation and comments during office hours at the registered office of the Company, 11th Floor Swan Group centre, 10 Intendance Street, Port Louis, from November 2 to 13, 2009.

   Footnote 1: The profiles and categories of the Directors proposed for election/re-election are set out at pages 59 and 61 of the Annual Report 2009.

SHAREHOLDERS' CORNER

MEETING PROCEDURES

Q Who can attend the Annual Meeting?
A In compliance with Section 120(3) of The Companies Act 2001, the Board has resolved that anyone who is registered in the share register of PBL as at August 31, 2009, is entitled to attend the meeting.

Q Who can vote at the Annual Meeting?
A If you are registered in the share register of PBL as at August 31, 2009, you have the right to vote at the meeting.

Q How many votes does a shareholder have?
A Every shareholder, present in person or by proxy, shall have one vote on a show of hands. Where a poll is taken, each shareholder shall have the number of votes that corresponds to the number of shares held by him/her in the Company.

Q How many shareholders do you need to reach a quorum?
A A quorum is reached where five (5) shareholders holding at least fifty percent (50%) of the share capital of the Company are present or represented. At the date of this report, PBL has 16,447,000 ordinary shares in issue.

Q How are the votes counted?
A On a show of hands, the Chairperson shall count the votes. However, if a poll is demanded, the counting will be done by the auditors of the Company who will be acting as scrutineers.

Q How can I obtain a copy of the minutes of proceedings of the last Annual Meeting of the Company?
A You can make such a request to the Company Secretary prior to the Annual Meeting.

VOTING PROCEDURES

Q What is the voting procedure?
A Voting at the Annual Meeting is generally by show of hands. However, if a poll is demanded for a particular resolution, then ballot papers shall be distributed and shareholders will be requested to cast their votes thereon.

Q How do I appoint someone else to go to the Annual Meeting and vote my share(s) for me?
A The Chairperson of the meeting has been named in the proxy to represent shareholders at the meeting. You can appoint someone else to represent you at the meeting. Just complete a proxy form by inserting the person's name in the appropriate space on the proxy form. The person you appoint does not need to be a shareholder but must attend the meeting to vote your share(s).

Q Is there a deadline for my proxy to be received?
A Yes. Your proxy must be received by PBL's Share Registry and Transfer Office, Abax Corporate Administrators Ltd (Level 6, One Cathedral Square, Jules Koenig Street, Port Louis), no later than 10.00 hours on Thursday, September 24, 2009.

Q How will my share(s) be voted if I return a proxy?
A By completing and returning a proxy, you are authorising the person named in the proxy to attend the Annual Meeting and vote your share(s) on each item of business according to your instructions. If you have appointed the Chairperson of the meeting as your proxy and you do not provide him with instructions, he will exercise his discretion as to how he votes.

Q What if I change my mind?
A If you are a registered shareholder and have voted by proxy, you may revoke your proxy by delivering to PBL's Share Registry and Transfer Office, a duly executed proxy with a later date or by delivering a form of revocation of proxy. This new proxy must be received by PBL's Share Registry and Transfer Office, Abax Corporate Administrators Ltd (Level 6, One Cathedral Square, Jules Koenig Street, Port Louis), no later than 10.00 hours on Thursday, September 24, 2009.
Or, you may revoke your proxy and vote in person at the meeting, or any adjournment thereof, by delivering a form of revocation of proxy to the Company Secretary at the meeting before the vote in respect of which the proxy is to be used is taken.
In any case, you are advised to attach an explanatory note to such amended proxy form to explain the purpose of the amended document and expressly revoke the proxy form previously signed by you.

NOTES

PROXY FORM

I/We,..of
....being a member/members of
Phoenix Beverages Limited, do hereby appoint:
....of
....or failing him/
her, ...of ....
.... or failing him/her the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the **Annual Meeting** of the Company to be held at 1st Floor, Swan Group Centre, 10 Intendance Street, Port Louis on **Friday, September 25, 2009** at **10.00 hours** and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

		FOR	AGAINST	ABSTAIN
1.	To consider the Annual Report 2009 of the Company.			
2.	To receive the report of Messrs Kemp Chatteris Deloitte, the auditors of the Company.			
3.	To consider and approve the Group's and Company's audited financial statements for the year ended June 30, 2009.			
4.	To re-elect, on the recommendation of the Corporate Governance Committee, as Director to hold office until the next Annual Meeting, in accordance with Section 138 (6) of The Companies Act 2001, Mr J. Cyril Lagesse, who offers himself for re-election.			
5.	To elect, on the recommendation of the Corporate Governance Committee, as Director of the Company, Mr Guillaume Hugnin who has been nominated by the Board and who offers himself for re-election.			
6.	To authorise Mrs Marguerite Hugnin to continue to hold office as Alternate Director of the Company, until the next Annual Meeting, in accordance with Section 138 (6) of The Companies Act 2001.			
7 - 16.	To re-elect as Directors of the Company to hold office until the next Annual Meeting, the following persons who have been recommended by the Corporate Governance Committee and who offer themselves for re-election (as separate resolutions):			
7.	Mr Thierry Lagesse			
8.	Mr Alan Barnes			
9.	Mr Jan Boullé			
10.	Mr François Dalais			
11.	Mr Vincent Harel			
12.	Mr Didier Koenig			
13.	Mr Arnaud Lagesse			
14.	Mr Sewoocoomar Sewraz			
15.	Mr George Wiehe			
16.	Mr Richard Wooding			
17.	To fix the remuneration of the Directors for the year to June 30, 2010 and to ratify the emoluments paid to the Directors for the year ended June 30, 2009.			
18.	To take note of the automatic reappointment of Messrs Kemp Chatteris Deloitte as auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.			
19.	To ratify the remuneration paid to the auditors for the year ended June 30, 2009.			

Signed this ...... day of .... 2009.

....

Signature(s)

Notes:

1. A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2. Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will be entitled to vote or abstain from voting as he/she thinks fit.

3. The instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Share Registry and Transfer Office of the Company, Abax Corporate Administrators Ltd, Level 6, One Cathedral Square, Jules Koenig Street, Port Louis, by Thursday, September 24, 2009 at 10.00 hours and in default, the instrument of proxy shall not be treated as valid.