



# Phoenix Beverages Limited

## CONDENSED BALANCE SHEETS

	GROUP			COMPANY		
	As at 31.12.05 UNAUDITED	As at 30.06.05 AUDITED	As at 31.12.04 UNAUDITED	As at 31.12.05 UNAUDITED	As at 30.06.05 AUDITED	As at 31.12.04 UNAUDITED
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>ASSETS EMPLOYED</b>						
<b>Non Current Assets</b>						
Property, plant and equipment	1,446,083	1,435,185	1,468,286	1,135,368	1,107,480	1,127,220
Investments and others	19,312	285,974	265,055	332,485	624,786	657,433
	<b>1,465,395</b>	<b>1,721,159</b>	<b>1,733,341</b>	<b>1,467,853</b>	<b>1,732,266</b>	<b>1,784,653</b>
<b>Current Assets</b>						
Investments classified as held for sale	128,410	-	-	127,007	-	-
Other Current Assets	457,089	456,626	534,860	429,173	332,979	395,983
	<b>585,499</b>	<b>456,626</b>	<b>534,860</b>	<b>556,180</b>	<b>332,979</b>	<b>395,983</b>
	<b>2,050,894</b>	<b>2,177,785</b>	<b>2,268,201</b>	<b>2,024,033</b>	<b>2,065,245</b>	<b>2,180,636</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity and Reserves</b>						
Equity holders' interest	1,266,825	1,179,985	1,197,104	1,312,576	1,289,731	1,349,821
Minority interests	9,315	7,847	7,949	-	-	-
<b>Total Equity and Reserves</b>	<b>1,276,140</b>	<b>1,187,832</b>	<b>1,205,053</b>	<b>1,312,576</b>	<b>1,289,731</b>	<b>1,349,821</b>
<b>Non Current Liabilities</b>	<b>509,162</b>	<b>505,546</b>	<b>491,920</b>	<b>413,994</b>	<b>420,057</b>	<b>408,724</b>
<b>Current Liabilities</b>	<b>265,592</b>	<b>484,407</b>	<b>571,228</b>	<b>297,463</b>	<b>355,457</b>	<b>422,091</b>
	<b>2,050,894</b>	<b>2,177,785</b>	<b>2,268,201</b>	<b>2,024,033</b>	<b>2,065,245</b>	<b>2,180,636</b>

## CONDENSED STATEMENT OF CHANGES IN EQUITY

	GROUP						
	Attributable to Equity Holders of the Company						
	Share Capital	Share Premium	Revaluation and Other Reserves	Fair Value Reserve	Retained Earnings	Total	Minority Interests
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance at 01 July 2004</b>	164,470	202,492	146,233	159,916	448,616	1,121,727	7,726
Increase in fair value of securities	-	-	-	17,226	-	17,226	-
Net profit for the period	-	-	-	-	58,151	58,151	223
<b>Balance at 31 December 2004</b>	<b>164,470</b>	<b>202,492</b>	<b>146,233</b>	<b>177,142</b>	<b>506,767</b>	<b>1,197,104</b>	<b>7,949</b>
<b>Balance at 01 July 2005</b>	164,470	202,492	146,996	198,288	467,739	1,179,985	7,847
Increase in fair value of securities	-	-	-	20,922	-	20,922	-
Release to income statement on disposal of securities	-	-	-	(126,929)	-	(126,929)	-
Exchange differences on retranslation	-	-	(77)	-	-	(77)	-
Net profit for the period	-	-	-	-	192,924	192,924	1,468
<b>Balance at 31 December 2005</b>	<b>164,470</b>	<b>202,492</b>	<b>146,919</b>	<b>92,281</b>	<b>660,663</b>	<b>1,266,825</b>	<b>9,315</b>

	COMPANY					
	Share 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
<b>Balance at 01 July 2004</b>	164,470	202,492	147,608	302,737	439,081	1,256,388
Increase in fair value of securities	-	-	-	56,641	-	56,641
Net profit for the period	-	-	-	-	36,792	36,792
<b>Balance at 31 December 2004</b>	<b>164,470</b>	<b>202,492</b>	<b>147,608</b>	<b>359,378</b>	<b>475,873</b>	<b>1,349,821</b>
<b>Balance at 01 July 2005</b>	164,470	202,492	147,608	327,221	447,940	1,289,731
Decrease in fair value of securities	-	-	-	(38,909)	-	(38,909)
Release to income statement on disposal of securities	-	-	-	(114,587)	-	(114,587)
Net Profit for the period	-	-	-	-	176,341	176,341
<b>Balance at 31 December 2005</b>	<b>164,470</b>	<b>202,492</b>	<b>147,608</b>	<b>173,725</b>	<b>624,281</b>	<b>1,312,576</b>

### Notes:

The above condensed interim financial statements for the half year to 31 December 2005 are unaudited. They have been prepared using the same accounting policies and methods of computation followed per the audited financial statements for the year ended 30 June 2005. Copies of the Interim Report are available to the public free of charge at the registered office of the Company. The above summary financial statements are issued pursuant to Listing Rule 12.21. The Board of Directors of Phoenix Beverages Limited accepts full responsibility for the accuracy of the information contained in these summary financial statements.

## CONDENSED INCOME STATEMENTS

	GROUP			COMPANY		
	Half year to 31.12.05 UNAUDITED	Year ended 30.06.05 AUDITED	Half year to 31.12.04 UNAUDITED	Half year to 31.12.05 UNAUDITED	Year ended 30.06.05 AUDITED	Half year to 31.12.04 UNAUDITED
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Turnover	1,193,576	2,199,598	1,161,548	1,125,043	2,087,543	1,107,767
Costs of sales	(608,740)	(1,057,291)	(534,795)	(604,317)	(1,086,743)	(563,653)
Excise duty	(269,971)	(506,313)	(274,203)	(269,970)	(506,313)	(274,203)
Gross profit	314,865	635,994	352,550	250,756	494,487	269,911
Other operating income	6,184	6,450	3,501	5,710	3,095	1,517
Operating costs	(246,424)	(485,022)	(247,973)	(218,727)	(433,157)	(213,201)
Operating profit	74,625	157,422	108,078	37,739	64,425	58,227
Other income	7,258	15,988	6,458	24,781	80,460	26,277
Profit on disposal of investments	148,354	5,148	2,267	138,935	5,148	2,267
Redundancy costs	(6,391)	(32,079)	(30,000)	(6,391)	(32,079)	(30,000)
Finance costs	(23,529)	(47,395)	(22,667)	(16,182)	(33,376)	(16,337)
Share of results of associates	867	6,233	4,324	-	-	-
Profit before taxation	201,184	105,317	68,460	178,882	84,578	40,434
Taxation	(6,792)	(8,969)	(8,861)	(2,541)	(1,708)	(3,642)
Profit from ordinary activities	194,392	96,348	59,599	176,341	82,870	36,792
Minority interests	(1,468)	(2,081)	(1,448)	-	-	-
<b>Net profit attributable to shareholders</b>	<b>192,924</b>	<b>94,267</b>	<b>58,151</b>	<b>176,341</b>	<b>82,870</b>	<b>36,792</b>
<b>Share Data</b>						
Earnings (Rs '000)	192,924	94,267	58,151	176,341	82,870	36,792
Shareholders' interests (Rs '000)	1,266,825	1,179,985	1,197,104	1,312,576	1,289,731	1,349,821
Number of shares in issue ('000)	16,447	16,447	16,447	16,447	16,447	16,447
Dividend per share (Rs/Cs)	-	4.50	-	-	4.50	-
Earnings per share (Rs/Cs)	11.73	5.73	3.54	10.72	5.04	2.24
Net Assets per share (Rs/Cs)	77.02	71.74	72.79	79.81	78.42	82.07

## CONDENSED CASH FLOW STATEMENTS

	GROUP			COMPANY		
	Half year to 31.12.05 UNAUDITED	Year ended 30.06.05 AUDITED	Half year to 31.12.04 UNAUDITED	Half year to 31.12.05 UNAUDITED	Year ended 30.06.05 AUDITED	Half year to 31.12.04 UNAUDITED
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Net cash from/ (used in) operating activities	4,295	259,218	163,086	(39,928)	68,177	81,421
Net cash from/(used in) investing activities	121,969	(112,871)	(109,861)	98,781	16,172	(34,101)
Net cash used in financing activities	(79,811)	(115,794)	(63,706)	(49,981)	(88,132)	(77,953)
Increase / (decrease) in cash and cash equivalents	46,453	30,553	(10,481)	8,872	(3,783)	(30,633)
Opening cash and cash equivalents	(1,974)	(32,527)	(32,527)	7,672	11,455	11,455
Closing cash and cash equivalents	44,479	(1,974)	(43,008)	16,544	7,672	(19,178)

## COMMENTS

### Results

PBL achieved a 4% and 48% growth in local and export sales volume respectively for the half year to 31st December 2005 when compared to last year's corresponding period. These growths were mainly attributable to the soft drinks and table water segments while a slight decrease was noted in the alcoholic beverages segment.

Significant increases in the costs of imported raw and packaging materials brought the Group operating profit down to Rs 74.6m.

### Disposal of Investments

As part of its strategy to revise its financial structure, the Group has disposed, between October 2005 & December 2005, about 65 % of its non-core investment portfolio, mainly in listed securities, thus realising a profit of Rs 148.4m. The remaining investments are expected to be disposed of by the end of the current financial year.

### Outlook

Although trading conditions remain challenging, sales growth prospects for 2006 look positive.

The recent re-engineering of the operations of Phoenix Beverages Group is having a positive effect on the Group's operating costs and we expect this trend to be maintained. Actions are also being taken to improve gross profit margin which has been affected by the recent significant increases in the cost of raw and packaging materials.

The Group is also pursuing actively its plans for strengthening its presence in the region.

**For and on behalf of the Board of Directors**  
**GML Services Financiers et Juridiques Ltée**  
**Secretary**

29th March 2006