



PLEASS BEVERAGES AND PACKAGING

PLEASS GLOBAL LIMITED

16 Amra St., Walu Bay, Suva, Fiji
Phone: (+ 679) 3308803

www.pleass.net
Email: sales@pleass.net

PO Box 10241, LBE, Suva, Fiji
Fax: (+679) 3308804

17th August, 2011

MARKET ANNOUNCEMENT
South Pacific Stock Exchange, Suva

SUBJECT: COMMENTARY - HALF YEAR REPORT 2011

For Half Year 2011, Pleass Beverages recorded a net profit after tax (NPAT) of \$182,453. This was an 18% decrease on the six month period ending 30 June 2010 (NPAT \$223,667). The result reflected a sharp increase in operating expenses due mainly to energy costs, wage costs due to the introduction of the Employment Relations Promulgation and some losses on theft and write-offs (amounting to \$30,000).

Once the theft was rectified, the company instigated immediate termination of staff who were involved and the matter was forwarded to the Police for further investigation. Management reviewed and made changes to the current processes and also have installed IP Cameras at main locations.

We have rationalised delivery routes to minimise overtime, fuel and repair & maintenance expenses and made significant reductions in other consumables and costs. We have reluctantly made some staff redundant and moved others between departments to avoid redundancies where possible. Our target is to reduce wages and salaries by 10% from October 1 against June 2011 actuals. This is all to enhance dividends to shareholders and return profit levels to budgeted levels against the backdrop of increasing costs in raw materials, electricity and wages.

Encouragingly, Sales grew by 13% compared to the corresponding period in 2010.

Our bottled water business generated 19.5% more in sales revenue versus June 2010. Water, which currently accounts for 47% of our sales, is growing at a steady rate both domestically and in export territories.

Despite the difficult economic conditions, the Packaging business, achieved a 7.6% year on year growth in June 2011.


Pleass Beverages achieved an EBITDA profit of \$373,999 for the first half, up 4% on the previous corresponding period 2010. The first 6 months of 2011 sees higher depreciation due to investments in new plant for both Packaging and Water, plus the addition of one delivery vehicle.

EBIT profit was \$204,493, 11% down from the previous corresponding period.

Cash flow from operating activities for the half year is \$133,546 compared with \$11,723 for the corresponding half year 2010. Higher receipts from customers and lower income tax payments were off-set by higher payments to suppliers and employees and higher borrowing costs.

Earnings per share were 2 cents, down from 3 cents for the comparable 2010 half year.

In spite of the current economic climate, the board and management of Pleass Beverages feel that the fundamentals of the Company remains solid and are optimistic about the business outlook for the second half of the year and beyond.



Warwick Pleass
Chairman, Managing Director



PROFIT & LOSS STATEMENT (unaudited)
PLEASS GLOBAL LIMITED
FOR HALF YEAR ENDED: 30 JUNE 2011

CONSOLIDATED

1. OPERATING REVENUE

- (a) Sales Revenue
- (b) Other revenue
- (c) Total Operating Revenue

2. (a) Net Profit/Loss before Tax

- (b) Income tax Expense
- (c) **Net Profit/Loss after Tax**

3. (a) Extraordinary item after tax

- (b) **Net Profit/Loss after Tax & Extraordinary Item**

4. (a) OEI in net profit and extraordinary items after income tax

- (b) **Net Profit/Loss after Extraordinary Items and Income Tax Attributable to Members of the Company**

- (c) Retained Profit at Beginning
- (d) **Total available for appropriation**

- (e) Ordinary dividend provided for
- (f) Preference dividend provided for
- (g) Transfer to general reserves
- (h) Total appropriations
- (i) Retained profit at year end

5. Earnings Per Share

- (a) Basic earnings per share
- (b) Diluted earnings per share

Current Half Year FJD	*Increase/Decrease %	Previous corresponding Half Year FJD
2,974,036	13%	2,626,858
307		14,252
2,974,343		2,641,110
182,453	-18%	223,667
(36,491)		(44,733)
145,962		178,934
-		-
145,962		178,934
-		-
145,962	-18%	178,934
1,307,095		1,246,783
1,453,057		1,425,717
(60,099)		(180,212)
		-
		-
		-
1,392,959	12%	1,245,505

0.02		0.03

*Delete as required



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Director



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Director

STATEMENT OF ASSETS LIABILITIES & SHAREHOLDERS EQUITY (unaudited)
PLEASS GLOBAL LIMITED
FOR HALF YEAR ENDED: 30 JUNE 2011

CONSOLIDATED

6. CURRENT ASSETS

- (a) Cash Assets
- (b) Trade receivables
- (c) Other receivables
- (d) Inventories
- (e) Short-term investment
- (f) Other assets
- (g) Total Current Assets**

At end of current Half Year FJD	As shown in last Annual Report FJD	If half yearly as shown in last Half Yearly Report FJD
37,063	27,016	25,451
972,154	1,142,655	849,324
19,301	35,232	20,012
1,691,673	1,864,980	1,570,671
		-
2,720,190	3,069,883	2,465,458

NON-CURRENTS ASSETS

- (h) Property, plant and equipment
- (i) Long-term investment
- (j) Term deposit
- (k) Future Income tax benefit
- (l) Intangible assets
- (m) Other
- (n) Total Non-Current Assets**
- (o) Total Assets**

1,380,987	1,404,393	1,039,125
1,389,035	1,207,144	1,205,375
33,344	33,344	42,072
63,222	53,576	12,924
		-
2,866,588	2,698,457	2,299,496
5,586,778	5,768,340	4,764,954

7. CURRENT LIABILITIES

- (a) Trade payables
- (b) Other payables and accruals
- (c) Current tax liabilities
- (d) Interest-bearing borrowings
- (e) Term loan - secured
- (f) Bank overdraft
- (g) Unsecured advance
- (h) Inter-company loan
- (i) Provisions
- (j) Other
- (k) Total Current Liabilities**

240,626	541,220	189,719
1,087,931	1,250,172	928,977
476,802	340,979	114,281
95,406	164,590	163,746
1,900,765	2,296,961	1,396,723

NON-CURRENT LIABILITIES

- (l) Term loan - secured
- unsecured
- (m) Unsecured advance
- (n) Inter-company loan
- (o) Deferred tax liabilities
- (p) Provisions
- (q) Other
- (r) Total Non-Current Liabilities**
- (s) Total Liabilities**
- (t) NET ASSETS**

		-
		-
		-
322,471	264,284	200,861
-	-	21,865
		-
70,583		-
393,054	264,284	222,726
2,293,819	2,561,245	1,619,449
3,292,959	3,207,095	3,145,505

8. EQUITY

- (a) Contributed equity
- (b) Reserves
- (c) Retained profits/accumulated losses
- (d) Equity Attributable to Members**

1,200,000	1,200,000	1,200,000
700,000	700,000	700,000
1,392,959	1,307,095	1,245,505
3,292,959	3,207,095	3,145,505

OEI in Controlled Entities

- (e) Contributed equity
- (f) Reserves
- (g) Retained profits/accumulated losses
- (h) Total Outside Equity Interest in Controlled Entities**
- (i) TOTAL EQUITY**

-	-	-
3,292,959	3,207,095	3,145,505



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Director



Director

STATEMENT OF CASH FLOWS (unaudited)
PLEASS GLOBAL LIMITED
FOR HALF YEAR ENDED: 30 JUNE 2011

	Current half year	Previous corresponding half year
9. CASH FLOW FROM OPERATING ACTIVITIES		
(a) Cash Received from Trading activities	3,147,275	2,788,962
(b) Cash Payments	-3,016,096	-2,745,345
(c) Interest Received		
(d) Dividend Received		
(e) Interest Paid	-12,412	-5,819
(f) Income Tax Paid	-60,854	-66,000
(g) Net VAT Paid	75,633	39,925
(h) Net Cash Inflow from Operating Activities	133,546	11,723
10. CASH FLOWS FROM INVESTING ACTIVITIES		
(a) Acquisition of Fixed Assets	-257,407	-192,749
(b) Proceeds from Sale of Fixed Assets		7,700
(c) Acquisition of Investment		
(d) Long Term Deposit		
(e) Audio Visual Production		
(f) Proceeds from Sale of Associate		
(g) Proceed from Sale of Investment		
(h) Net Cash (Outflow) from Investing Activities	-257,407	-185,049
11. CASH FLOWS FROM FINANCING ACTIVITIES		
(a) Dividend Paid	-25,099	-75,212
(b) Repayment of Secured Loan		1,702
(c) Proceed from Issue of Shares		
(d) Proceeds from Borrowings		
(e) Repayment of Lease Principal		
(f) Proceeds/(Repayment) of term loan, Net Loan from shareholder	23,186	
(g) Net Cash (Outflow)/Inflow from Financing Activities	-1,913	-73,510
12. NET INCREASE/(DECREASE) IN CASH HELD	-125,774	-246,836
(a) Cash/(Overdraft) at beginning of year	-313,963	158,006
(b) Effects of exchange rate changes on opening cash balances		
(d) Cash/(Overdraft) at end of year	-439,737	-88,830



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Director



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Director