



Public Release
30 August 2019

Paradise Beverages posts Half year results for 2019

Paradise Beverages this week announced its financial results for the first half of 2019 with a renewed commitment to further improving quality of its products and expanding its export markets.

The Pacific region's leading beverages company made an overall profit of \$3.9M across its Fiji and Samoa operations for the first half of 2019.

Although the figure was down on 2018, General Manager Mike Spencer said that the company was confident in its plans to return to growth, citing its continued commitment to investment in its people and upgrading operations. "Our mission for Paradise Beverages is to be recognised as the premier place to work, creating world-class beverages and making a positive contribution to the business and the markets in which we operate," he said.

"We remain committed to delivering long-term sustainable value for our communities, our people and our shareholders."

"Our strategic focus continues to be growth-oriented with an ever-increasing emphasis on innovation of new products and expanding our export markets. We know our consumers enjoy our brands, and we aim to continue to exceed their expectations. We are also seeking productivity improvements and constantly re-assessing our financial situation."

"While we continue to improve and grow our business, we are committed to doing so in a sustainable way for our employees, as well as the communities and environment in which we operate."

Paradise Beverages posted a 7.4 per cent reduction in 2019 first half revenue to \$44.43 million, compared to \$47.99 million for the same period last year, driven largely by volume challenges and the softening of the economy, and competition from imports.

Mr Spencer said the company remained committed to environmental leadership, both through its long-term partnership with the Mamanuca Environment Society (MES), and through continued effort in pursuing energy efficiencies and sustainable packaging.

"Over 95 per cent of our products are in returnable glass and we are working hard to keep improving our collection rates – which are already over 80 per cent - to minimise our impact on landfill," he said.

In the community, Paradise Beverages continued its support for over 60 community and charitable groups including local sports organisations, schools, aged care and services for the homeless and those in need. The company remains a major sponsor of sport in Fiji, supporting the Fijian rugby team, the Fijian Drua, that won Australia's National Rugby Championship, and the Fiji International PGA golf tournament.

“We continue to support local community programs and in 2019 we expect our investment to be in line with our 2018 spend of the equivalent of 3.7 per cent of our EBIT, well in excess of our commitment to invest the equivalent of 1 per cent EBIT.”

“For our people, we are supporting our employees through a number of training programs and regular workshops, including diversity and inclusive leadership, and building the leadership and technical capability of our people. Sudha Deo, our General Manager of Operations, was recently awarded the Excellence in Industry Leadership by Women in Business (Fiji) award, another example of our commitment to support our people and helping to develop the future leaders of Fiji.”

“While we have some challenges, we are doing great work in Fiji and Samoa to help our people, our community and our environment and will continue to do so,” Mr. Spencer said.

Ends



Betty Ivanoff
Chairperson



Vinish Singh
Company Secretary

For more information on Paradise Beverages half year results for 2019 visit <http://www.paradisebeverages.com.fj>

ABOUT PARADISE BEVERAGES

A leading local manufacturer and among the Pacific region’s largest local employers, Paradise Beverages aims to be recognised as the premier place to work, creating world-class beverages and making a positive contribution to the business and the markets in which it operates. The organisation employs around 550 staff across Fiji and Samoa across four sites, including the Vailima Brewery in Apia (Samoa), Fiji Brewery in Suva (Fiji) and Rum Co of Fiji Distillery (Lautoka, Fiji). Its range includes local favourites Fiji Bitter, Fiji Gold (Fiji’s number one selling beer), Vonu Pure Lager, as well as a range of Ready to Drink (RTD) products including Bounty Rum and Cola, Tribe range and our newest, most successful RTD, Joskes Brew with cola, Fiji’s much-loved Bounty Rum and the multi-award winning Ratu and Bati rum ranges, all from Rum Co of Fiji. Paradise Beverages was purchased by Coca-Cola Amatil in 2012 and has since undergone a FJD 70million capital investment and capability program to modernise its facilities and underline its position as a significant long-term contributor to the local community and economy.

Further information on Paradise Beverages is available from the Paradise Beverages website <http://www.paradisebeverages.com.fj> or by contacting media@paradisebeverages.com.fj

Annexure D: Half Year Accounts/Reports
PARADISE BEVERAGES (FIJI) LIMITED & SUBSIDIARY COMPANY
Statement of Profit or Loss and Other Comprehensive Income
For half year ended 30 June 2019

	CONSOLIDATED		
	Current half year F\$000	% change	Previous corresponding half year F\$000
1. OPERATING REVENUE			
(a) Sales Revenue	44,426	(7)%	47,991
(b) Other Revenue	559		326
(c) Total Operating Revenue	44,985		48,317
2. (a) Net Profit before Tax	4,195	(34)%	6,315
(b) Income tax Expense	(230)		(474)
(c) Net Profit after Tax	3,965		5,841
3. (a) Extraordinary item after tax	-		-
(b) Net Profit after Tax & Extraordinary Item	3,965		5,841
4. (a) OEI in net profit and extraordinary items after income tax	79		47
(b) Net Profit after Extraordinary Items and Income Tax Attributable to Members of the Company	4,044	(31)%	5,888
(c) Retained Profit at Beginning	123,373		115,100
(d) Total available for appropriation	127,417		120,988
(e) Ordinary dividend provided for	(5,204)		(4,163)
(f) Preference dividend provided for	-		-
(g) Transfer to general reserves	-		-
(h) Total appropriations	(5,204)		(4,163)
(i) Retained profit at period end	122,213	5%	116,825
5. Earnings Per Share			
(a) Basic earnings per share	\$ 0.39	(32)%	\$ 0.57
(b) Diluted earnings per share	-	0%	-

The above figures are unaudited and have been prepared based on management accounts.



Chairperson
Betty Ivanoff



Company Secretary
Vinish Singh



Gardiner Whiteside
Director
30 August 2019

PARADISE BEVERAGES (FIJI) LIMITED & SUBSIDIARY COMPANY

Statement of Financial Position
As at 30 June 2019

	CONSOLIDATED		
	At end of current half year F\$000	As shown in last Annual Report F\$000	If half yearly as shown in last Half Yearly Report F\$000
6. CURRENT ASSETS			
(a) Cash Assets	5,475	4,605	5,956
(b) Trade receivables	16,577	22,949	18,124
(c) Other receivables	6,098	5,650	2,676
(d) Inventories	37,074	34,329	36,571
(e) Short-term investment	-	-	-
(f) Other assets	897	827	608
(g) Total Current Assets	66,121	68,360	63,935
NON-CURRENTS ASSETS			
(h) Property, plant and equipment	83,694	84,864	87,368
(i) Long-term investment	-	-	-
(j) Term deposit	-	-	-
(k) Future income tax benefit	-	-	3
(l) Intangible assets	10,042	9,026	9,104
(m) Other	-	-	-
(n) Total Non-Current Assets	93,736	93,890	96,475
(o) Total Assets	159,857	162,250	160,410
7. CURRENT LIABILITIES			
(a) Trade payables	4,699	4,396	5,034
(b) Other payables and accruals	6,933	8,276	10,913
(c) Current tax liabilities	-	281	201
(d) Interest-bearing borrowings	-	-	-
(e) Term loan - secured	-	-	-
(f) Bank overdraft	2,588	3,052	3,786
(g) Unsecured advance	-	-	-
(h) Inter-company loan	-	-	-
(i) Provisions	2,610	2,494	2,424
(j) Other	164	-	-
(k) Total Current Liabilities	16,994	18,499	22,358
NON-CURRENT LIABILITIES			
(l) Term loan - secured	-	-	-
- unsecured	-	-	-
(m) Unsecured advance	-	-	-
(n) Inter-company loan	-	-	-
(o) Deferred tax liabilities	3,995	3,950	5,071
(p) Provisions	1,506	1,667	1,414
(q) Other	482	-	-
(r) Total Non-Current Liabilities	5,983	5,617	6,485
(s) Total Liabilities	22,977	24,116	28,843
(t) NET ASSETS	136,880	138,134	131,567
8. EQUITY			
(a) Contributed equity	6,734	6,734	6,734
(b) Reserves	6,390	6,401	6,218
(c) Retained profits	122,213	123,373	116,825
(d) Equity Attributable to Members	135,337	136,508	129,777
OEI in Controlled Entities			
(e) Contributed equity	446	446	446
(f) Reserves	392	396	384
(g) Retained profits	705	784	960
(h) Total Outside Equity Interest in Controlled Entities	1,543	1,626	1,790
(i) TOTAL EQUITY	136,880	138,134	131,567

The figures as shown in last Annual Report are audited. All other figures are unaudited and have been prepared based



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Company Secretary
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Gardiner Whiteside
Director
30 August 2019

PARADISE BEVERAGES (FIJI) LIMITED & SUBSIDIARY COMPANY

Statement Of Cash Flows
For half year ended 30 June 2019

	CONSOLIDATED	
	Current half year F\$000	Previous corresponding half year F\$000
9. CASH FLOW FROM OPERATING ACTIVITIES		
(a) Cash Received from Trading activities	96,237	104,565
(b) Cash Payments	(84,559)	(93,743)
(c) Interest Received	-	-
(d) Dividend Received	-	-
(e) Interest Paid	(121)	(142)
(f) Income Tax Paid	(532)	(513)
(g) Net Cash Inflow from Operating Activities	11,025	10,167
10. CASH FLOWS FROM INVESTING ACTIVITIES		
(a) Acquisition of Fixed Assets	(4,428)	(3,483)
(b) Proceeds from Sale of Fixed Assets	5	-
(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	(4,423)	(3,483)
11. CASH FLOWS FROM FINANCING ACTIVITIES		
(a) Dividend Paid	(5,204)	(4,163)
(b) Repayment of Secured Loan	-	-
(c) Proceed from Issue of Shares	-	-
(d) Proceeds from Borrowings	-	-
(e) Repayment of Lease Principal	(76)	-
(f) Net Cash (Outflow) from Financing Activities	(5,280)	(4,163)
12. NET INCREASE IN CASH HELD	1,322	2,521
(a) Cash/(Overdraft) at beginning of period	1,553	(329)
(b) Effects of exchange rate changes on opening cash balances	12	(22)
(d) Cash at end of period	2,887	2,170

The above figures are unaudited and have been prepared based on management accounts.



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30 August 2019

13. Revenue decreased by 7.4% to \$44.43 million compared to \$47.99 million for the same period last year. The decrease was largely driven by volume which decreased to 1.456 million nine- litre- equivalent cases compared to 1.694 million nine-litre-equivalent cases sold for the same period in 2018.
14. The \$3.56 million decrease in revenue was offset by a decrease in COGS and overheads, leading to an decrease in profit of \$1.88 million . Profit after tax for the half year was \$3.97 million compared to \$5.84 million for the same period last year.
15. Net assets of the group increased to \$136.88 million at 30 June 2019 compared to \$131.57 million at the same time last year.
16. The group spent a further \$4.43 million in capital expenditure and paid dividends of \$5.20 million during the period, net cash position increase to \$2.89 million cash at bank at 30 June 2019.
- 17 Basic earnings per share decreased by 32% from \$0.57 per share in June 2018 to \$0.39 per share in the current period.