



Annual
Report 2013

Dear Shareholder

Your Board of Directors is pleased to present the Annual Report of Phoenix Beverages Limited ("PBL" or the "Company") for the year ended June 30, 2013. This report was approved by the Board on September 2, 2013.

On behalf of the Board of Directors of Phoenix Beverages Limited, we invite you to join us at the Annual Meeting of the Company which will be held:

Date: Friday, November 15, 2013
Time: 9.00 hours
Place: L'Ibéroise, 6th Floor, IBL House
Caudan Waterfront
Port Louis

We look forward to seeing you.

Sincerely,



Jean-Claude Béga
Chairman



Bernard Theys
Director

Dear Shareholder



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*We are continuously looking
for new ways to quench your thirst ...*

• innovation
innovation



Beer Quality Awards

1976

BREWEX – UK

- STELLA PILS
GOLD MEDAL



1981

MONDE SELECTION

- PHOENIX BEER
GOLD MEDAL



1983

BREWEX – UK

- PHOENIX BEER
GOLD MEDAL



1989

MONDE SELECTION

- PHOENIX BEER
GOLD MEDAL
- STELLA PILS
GOLD MEDAL



1992

MONDE SELECTION

- BLUE MARLIN
GOLD MEDAL



1997

AUSTRALIAN INTERNATIONAL
BEER AWARDS

- PHOENIX BEER
SILVER AWARD
- BLUE MARLIN
SILVER AWARD
- STELLA PILS
SILVER AWARD



2001

AUSTRALIAN INTERNATIONAL
BEER AWARDS

- PHOENIX BEER
GOLD AWARD
- BLUE MARLIN
SILVER AWARD



2003

MONDE SELECTION

- PHOENIX BEER
GOLD MEDAL
- BLUE MARLIN
BRONZE MEDAL



2006

MONDE SELECTION

- PHOENIX BEER
SILVER MEDAL
- BLUE MARLIN
SILVER MEDAL



2007

MONDE SELECTION

- PHOENIX BEER
GRAND GOLD MEDAL
- BLUE MARLIN
GRAND GOLD MEDAL



2008

MONDE SELECTION

- PHOENIX BEER
GOLD MEDAL
- BLUE MARLIN
BRONZE MEDAL



2009

MONDE SELECTION

- PHOENIX BEER
INTERNATIONAL HIGH
QUALITY TROPHY
- PHOENIX BEER
GOLD MEDAL
- STELLA PILS
GOLD MEDAL
- BLUE MARLIN
SILVER MEDAL



2010

MONDE SELECTION

- PHOENIX BEER
GOLD MEDAL
- PHOENIX FRESH
GOLD MEDAL
- PHOENIX SPECIAL
BREW
SILVER MEDAL



2011

MONDE SELECTION

- PHOENIX BEER
INTERNATIONAL HIGH
QUALITY TROPHY
- PHOENIX BEER
GOLD MEDAL
- PHOENIX CIDER
NON-ALCOHOLIC
GOLD MEDAL
- GUINNESS FOREIGN
EXTRA STOUT
GOLD MEDAL



2012

MONDE SELECTION

- PHOENIX BEER
INTERNATIONAL HIGH
QUALITY TROPHY
- PHOENIX BEER
GOLD MEDAL



2013

MONDE SELECTION

- **PHOENIX BEER**
GOLD MEDAL
- **BLUE MARLIN**
GOLD MEDAL



Beer Quality
awards

A bird's-eye view

- Established in 1960
- Listed on the Stock Exchange of Mauritius since 1993
- Wide range of beverages – beer, cider, sparkling drinks, water, wines and spirits
- Employs more than 1,000 people
- Delivers to over 10,000 outlets
- Exports to Indian Ocean Islands, East & South Africa, Europe, Asia Pacific and Australia
- Present in Reunion Island and Madagascar, through Phoenix Reunion SARL (formerly known as Rennie et Thony Marketing Océan Indien) and Nouvelle Brasserie de Madagascar S.A respectively

Our Vision

Dedicated people providing world-class beverages

Our Values

Innovation

Customer Oriented

Adaptability

Trustworthiness

Honesty

Revenue	Rs 4,501m	↗	6.5%
Profit after tax	Rs 96m	↘	52.4%
Earnings per share	Rs 5.83	↘	52.4%
Dividend per share	Rs 8.00	↗	6.7%
Total assets	Rs 3,817m	↗	17.5%
Net debt	Rs 331m	↘	9.2%
Shareholders' interest	Rs 2,715m	↗	27.4%

- 1.3 million hectolitres sold
- Awarded ISO 9001 Quality Management System Certification for Limonaderie in September 2012
- Awarded HACCP Food Safety Management System Certification for brewery in October 2012
- Launched Fanta Pomelo in March 2013
- Rewarded by Gold Medals for Phoenix Beer and Blue Marlin, at 'Monde Selection' 2013
- Rs 3.33 billion as market capitalisation on the Stock Exchange of Mauritius at June 30, 2013
- 1.13 million shares have been exchanged on the Stock Exchange of Mauritius in 2012/13

Group Profile

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

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

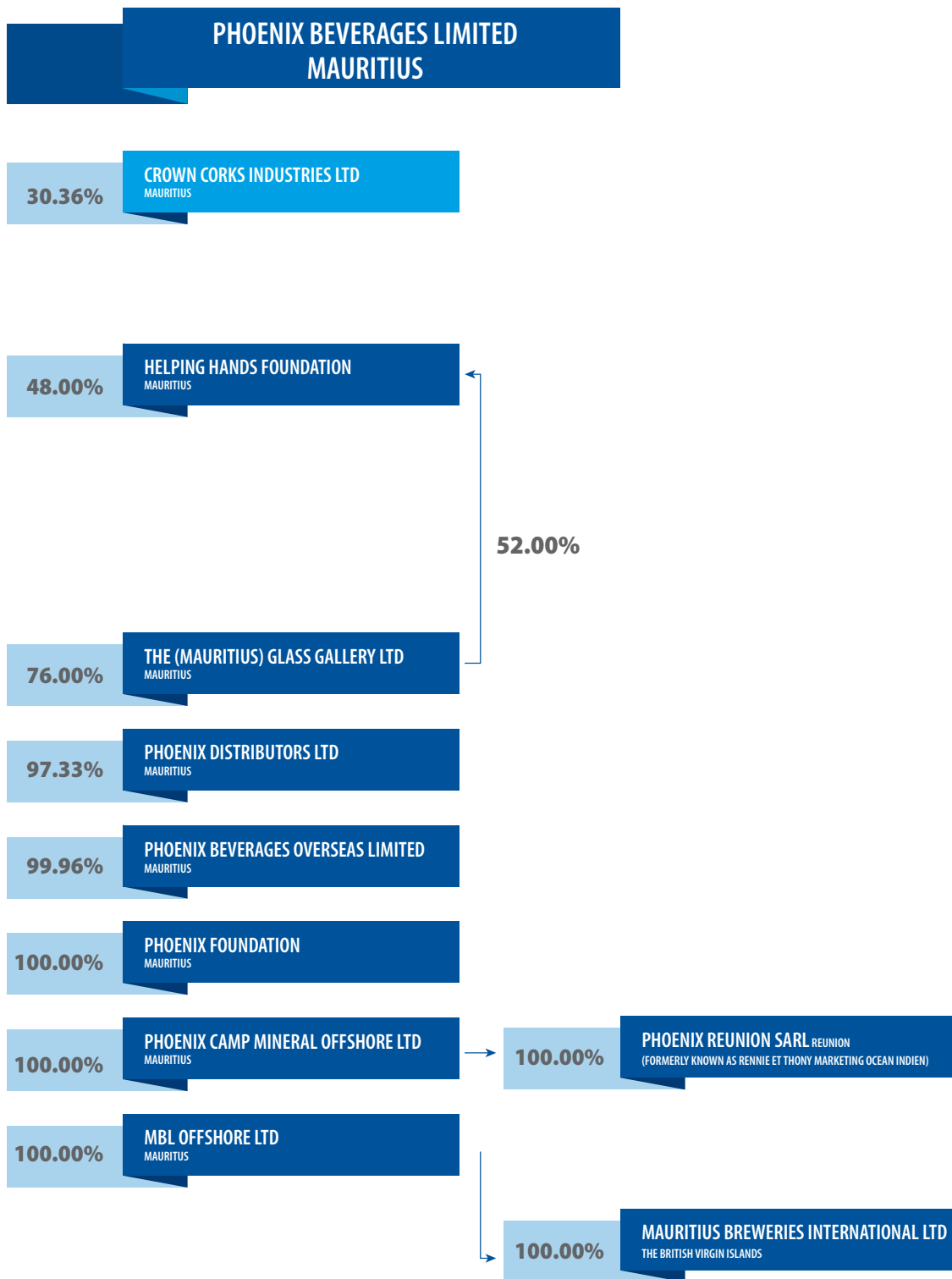
Phoenix Beverages Limited is the authorised bottler of the products of The Coca-Cola Company Ltd in Mauritius, namely Coca-Cola, Fanta, Sprite, Schweppes, Dasani and Crystal table water.

Phoenix Beverages Limited has won many international awards over the years, the latest ones being Gold Medals for its Phoenix Beer and Blue Marlin at "Monde Selection" 2013.

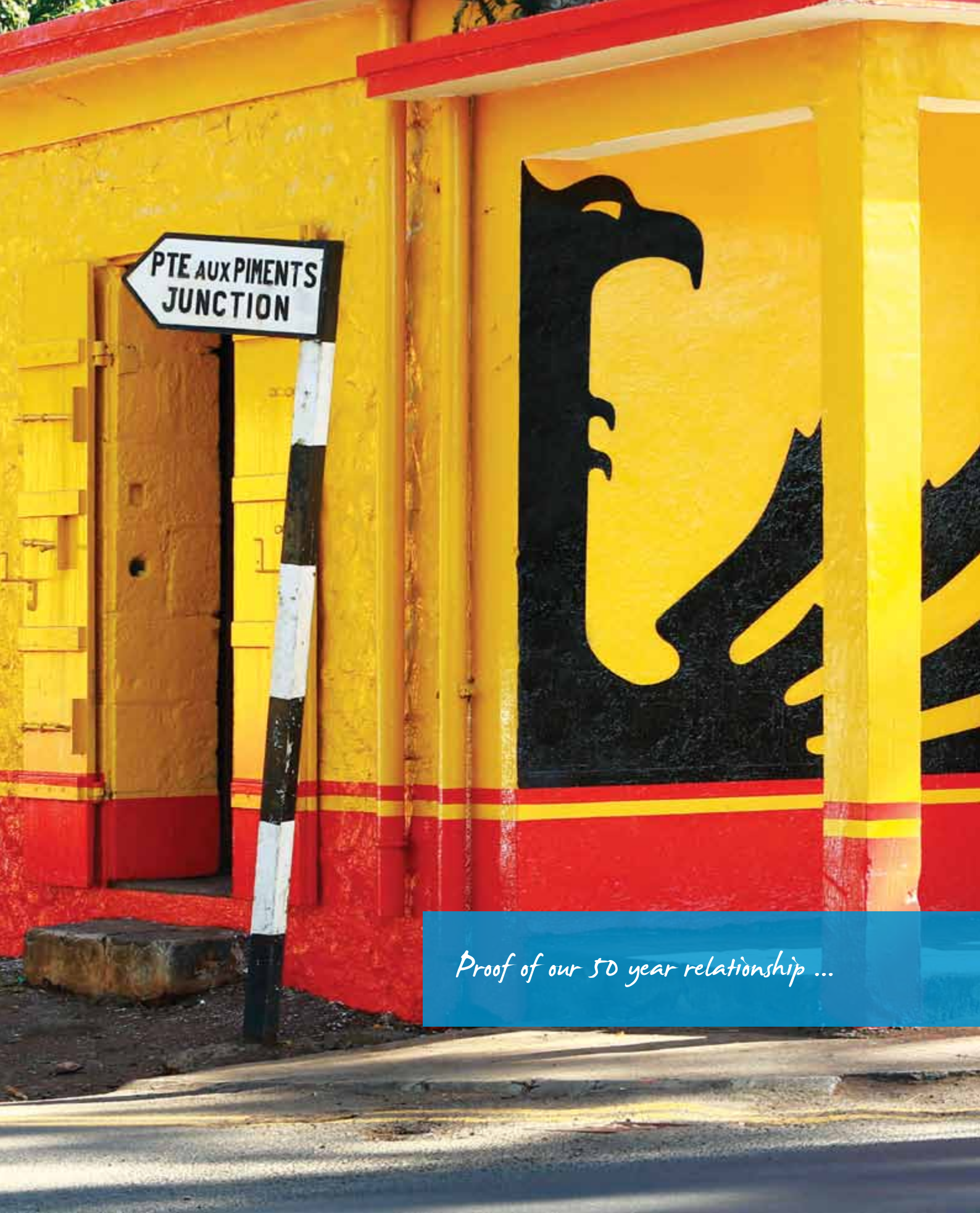
The Group today has just over 1,000 employees and operates two production plants in Phoenix. It also sells and distributes all its products from its Commercial Unit in Phoenix.

Group Structure

Subsidiaries	
Local	
Helping Hands Foundation	87.52%
MBL Offshore Ltd	100.00%
Phoenix Beverages Overseas Ltd	99.96%
Phoenix Camp Minerals Offshore Ltd	100.00%
Phoenix Distributors Ltd	97.33%
Phoenix Foundation	100.00%
The (Mauritius) Glass Gallery Ltd	76.00%
Foreign	
Mauritius Breweries International Ltd	100.00%
Phoenix Reunion SARL (<i>formerly known as Rennie et Thony Marketing Océan Indien</i>)	100.00%
Associates	
Local	
Crown Corks Industries Ltd	30.36%
TM Océan Indien Ltée	50.00%
Foreign	
Asia Pacific Brewery (Lanka) Limited	20.00%
JV Mada SA	50.00%
Nouvelle Brasserie de Madagascar SA	50.00%



Group structure



PTE AUX PIMENTS
JUNCTION

Proof of our 50 year relationship ...



Customer • oriented

Our Brands



Coca-Cola®



Coca-Cola
light



Coca-Cola
zero™



Sprite



Sprite
zero™



Fanta™



Schweppes®



eau de table
Crystal®



DASANI™



NON-ALCOHOLIC
PHOENIX
CIDER
APPLE



Grapetiser®



Appletiser®



PEARONA®

Our brands



J.P. CHENET
FASHION



LABEL5

Board & Committees

Board of Directors

Directors	Alternate Directors
Jean-Claude Béga (<i>appointed as Chairman on August 14, 2013</i>)	
Jan Boullé	
François Dalais	Jean Pierre Dalais
Guillaume Hugnin	Marguerite Hugnin
Didier Koenig	
Arnaud Lagesse	
J. Cyril Lagesse	Arnaud Lagesse
Thierry Lagesse (<i>resigned as Chairman on August 14, 2013</i>)	
Patrick Rivalland (<i>appointed on September 2, 2013</i>)	
Seewoocomar Sewraz	
Bernard Theys - <i>Chief Executive Officer (appointed on July 1, 2013)</i>	
George Wiehe	

Richard Wooding (*resigned on June 28, 2013*)

Board Committees

Audit and Risk Committee

Jean-Claude Béga – *Chairman as from November 6, 2012*

Jan Boullé

Didier Koenig (*resigned as Chairman on November 6, 2012*)

George Wiehe

Corporate Governance Committee

Guillaume Hugnin – *Chairman as from August 23, 2013*
J. Cyril Lagesse (*resigned as Chairman on August 23, 2013*)
Seewoocomar Sewraz
Bernard Theys – *appointed on July 1, 2013*

Richard Wooding (*resigned on June 28, 2013*)

Company Secretary

GML Management Ltée

Senior Managers' Profiles

1. BERNARD THEYS

Chief Executive Officer

Bernard Theys, born in 1965 in Brussels, holds a diploma in Economic Science from Louvain University in Belgium. He also obtained a BBA in Business Tourism Management from ICP in 1991. He has completed several programmes of Executive & Business Education at l'Association Internationale Américaine de Management (MCE) in 1995 and at INSEAD Fountainebleau in France in 2008. Bernard Theys had different General Management roles in the Brewery industry where he acquired a great experience in the FMCG industry.

2. PATRICK RIVALLAND

Senior Manager Finance and Administration

Patrick Rivalland, born in 1972, is a Fellow member of the Chartered Association of Certified Accountants. Before joining Phoenix Camp Minerals Limited in 1999 as Finance and Administrative Manager, he worked successively for BDO & Co. and The Sugar Industry Pension Fund Board. He was appointed as Group Senior Manager Finance and Administration in 2001. He is a past President of the Association of Mauritian Manufacturers.

3. JAGANADEN CHELLUM

Senior Manager Human Resources

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

4. JEAN FRANÇOIS HENRI

Senior Manager Technical Operations

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

5. GERARD MERLE

Senior Manager Limo Operations

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



6. GERVAIS RAMBERT

Head Brewer

Gervais Rambert, born in 1956, joined the brewery in 1977. He is the holder of a Certificate from the Brewing School of Diageo in Park Royal, London and from St James Gate, Dublin. He also holds a diploma from 'L'Ecole Nationale Supérieure d'Agronomie et des Industries Alimentaires' in France and from the VLB Institute and Research of Berlin. He worked in several breweries in Europe, namely Guinness Park Royal in London, Le Pêcheur, Meteor and Kronenbourg Breweries in France. He is the Group's Head Brewer since 1992.

7. ANTIS TREEBHOOBUN

Senior Manager Business Systems

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

8. DIDIER VALLET

Senior Manager Commercial Operations

Didier Vallet, born in 1961, is the holder of a diploma in Marketing and Sales Management from Cape Technikon School of Commerce. He joined the Group in 1986 as Assistant Sales and Marketing Manager. He was appointed Phoenix Beverages Group Senior Manager Commercial Operations in June 2005.





Adapting for sustainability

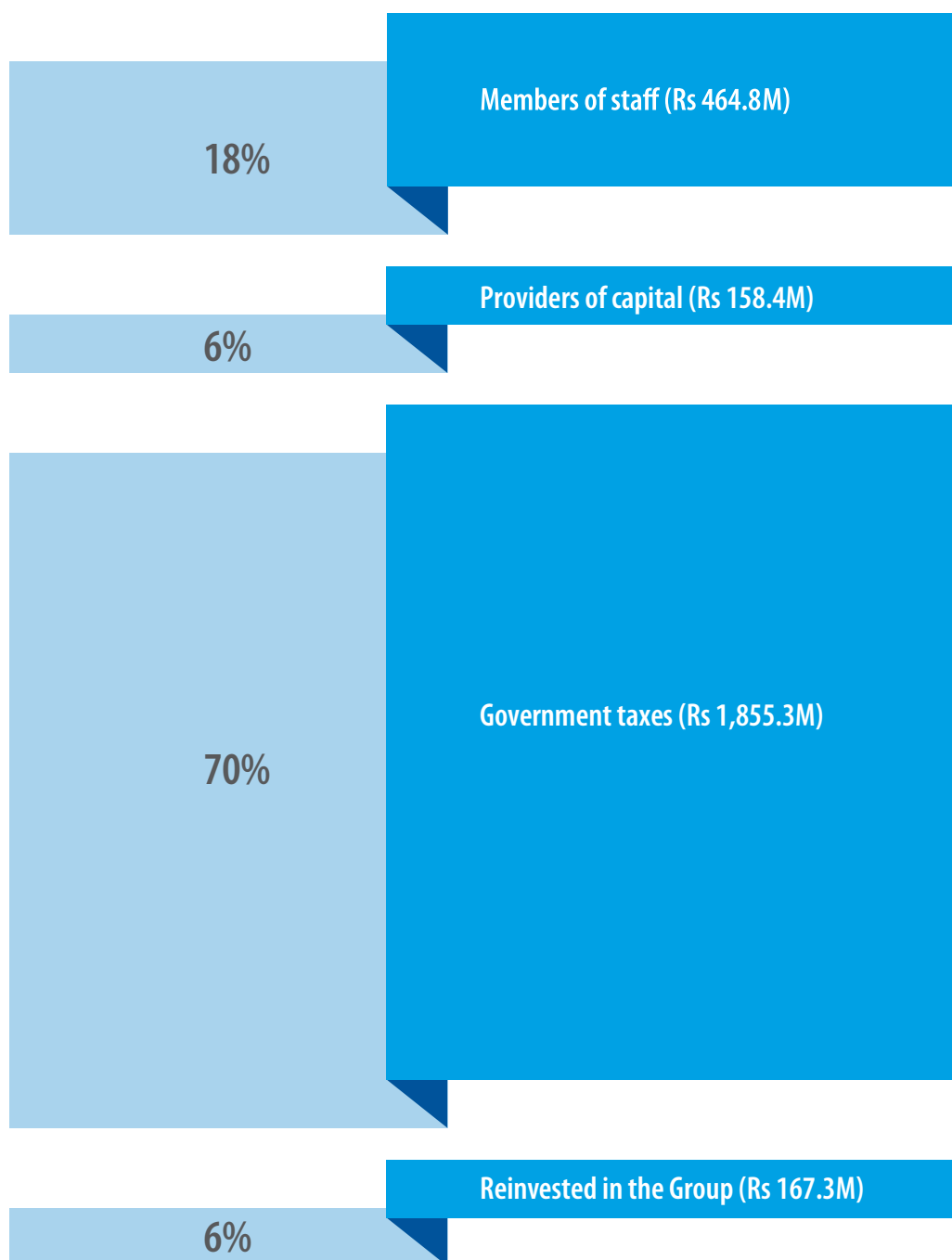


adaptability
adaptability

Value Added Statement

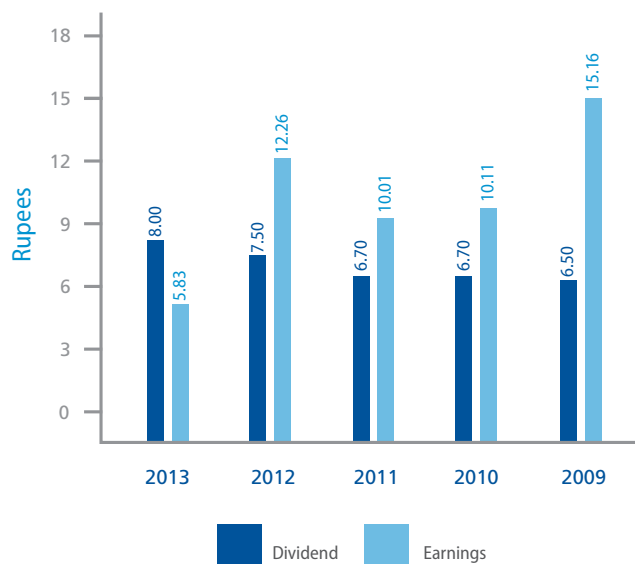
	2013	%	2012	%
	Rs'000		Rs'000	
Turnover including Value Added Tax	5,110,950		(Restated) 4,793,202	
Less: Paid to suppliers for materials and services	(2,465,198)		(2,318,300)	
Total value added	2,645,752		2,474,902	
Distributed as follows :				
Members of staff				
Remuneration and benefits	464,830	18%	443,162	18%
Providers of capital				
Dividends	131,576		123,353	
Interest	26,793		25,765	
	158,369	6%	149,118	6%
Government taxes				
Excise, customs & other specific duties	1,425,281		1,241,462	
Net value added tax	378,471		333,974	
Taxation	51,519		35,264	
	1,855,271	70%	1,610,700	65%
Reinvested in the Group				
Depreciation and amortisation	202,949		193,705	
Retained profit	(35,667)		78,217	
	167,282	6%	271,922	11%
Total distributed and retained	2,645,752	100%	2,474,902	100%

Distribution of wealth created



Share Data

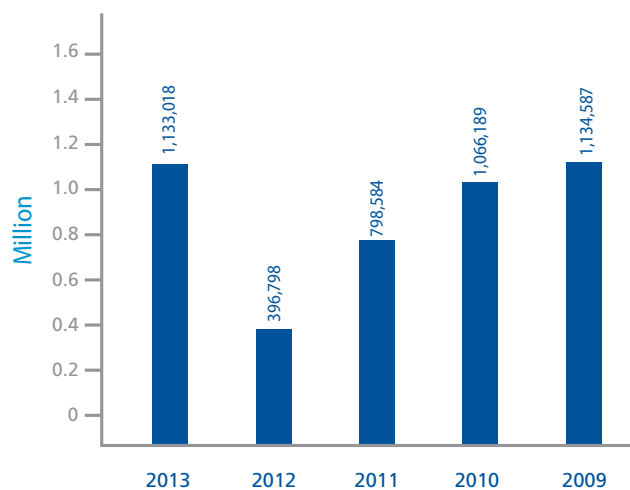
Dividend and Earnings per Share



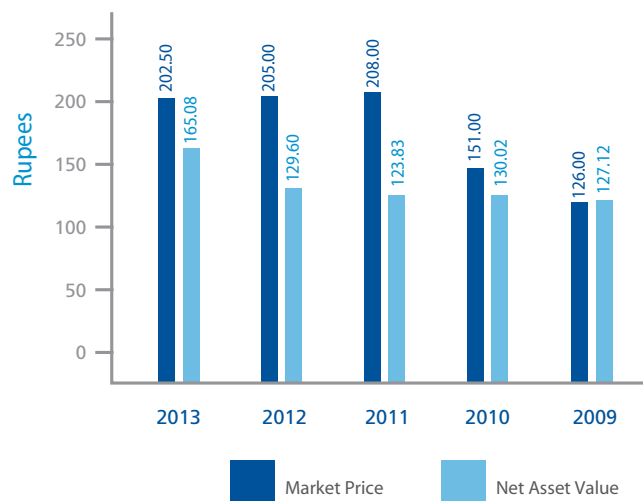
Dividend & Earnings Yields per Share



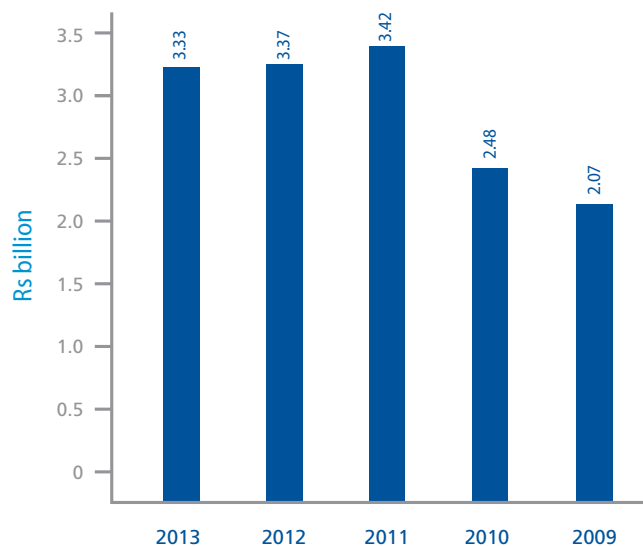
Volume Traded (Number of Shares)



Market Price & Net Asset Value per Share



Market Capitalisation



Group Financial Summary

	2013	2012	2011	2010	2009
		(Restated)	(Restated)		
Statements of profit or loss & other comprehensive income (Rs M)					
Turnover	4,501	4,228	3,747	3,401	3,202
Excise & other specific duties	1,382	1,209	908	734	712
Results of associates	(130)	(49)	(39)	(43)	(30)
Profit before taxation	128	260	218	217	302
Profit attributable to shareholders	96	202	165	166	249
Depreciation & amortisation	203	194	182	202	187
Net interest paid	27	26	29	22	19
EBITDA	358	480	429	439	506
Statements of financial position (Rs M)					
Total assets	3,817	3,250	3,027	2,972	2,719
Net indebtedness	331	365	313	372	53
Working capital	110	313	225	70	89
Shareholders' fund	2,715	2,132	2,037	2,138	2,091
Net asset value per share (Rs)	165.08	129.60	123.83	130.02	127.12
Cash flow (Rs M)					
Investment in property plant and equipment	207	215	183	318	393
Government taxes paid	1,855	1,611	1,298	1,050	1,010
Net cash generated from operating activities	377	293	353	208	621
Performance ratio					
Earnings per share (Rs)	5.83	12.26	10.01	10.11	15.16
Net return on equity (%)	4.71	12.20	7.54	7.78	11.93
Net profit margin (%)	2.13	4.75	4.38	4.86	7.79

	2013	2012	2011	2010	2009
		(Restated)	(Restated)		
Liquidity & gearing ratio					
Current ratio (%)	112.91	137.09	132.37	110.70	114.32
Net borrowings to equity (%)	12.19	17.12	14.32	17.41	2.55
Interest cover (times)	5.74	11.00	8.65	10.89	16.67
Dividends					
Dividends declared (Rs M)	131.60	123.40	110.20	110.20	107.00
Dividends per share (Rs)	8.00	7.50	6.70	6.70	6.50
Dividend yield (%)	3.95	3.66	3.22	4.44	5.16
Dividend cover (times)	1.48	2.24	2.51	2.43	2.46
Market data					
Market price per share (Rs)					
High	216.00	210.00	220.00	180.00	130.00
Low	200.00	190.00	151.00	126.00	90.00
Closing (June 30,)	202.50	205.00	208.00	151.00	126.00
P/E ratio (times)	34.73	16.72	20.78	14.93	8.31

Government Taxes

		2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
Excise & other specific duties	Rs '000	1,382,073	1,208,879	907,546	734,160	711,745
Excise Duty - Beer	Rs/litre	34.20	29.75	22.80	19.00	19.00
PET Tax	Rs/unit	2.00	2.00	2.00	1.00	1.00
Can Tax	Rs/unit	2.00	2.00	2.00	1.00	1.00
CWA - Water Fee (up to January 2013)	Rs/litre	1.50	1.50	0.00	0.00	0.00
Sugar Tax (as from February 2013)	Rs/gram	0.02	0.00	0.00	0.00	0.00
Income tax	Rs '000	51,519	35,264	44,161	36,828	39,481
	% rate	15.0	15.0	15.0	15.0	15.0
Customs duty	Rs'000	43,208	32,583	33,576	11,653	10,728
Net value added tax	Rs '000	378,471	333,974	312,360	267,705	247,667
	% rate	15.0	15.0	15.0	15.0	15.0
TOTAL	Rs '000	1,855,271	1,610,700	1,297,643	1,050,346	1,009,621

Group Quarterly Results

	Year ended 30.06.13	4 th Quarter 3 months to 30.06.13	3 rd Quarter 3 months to 31.03.13	2 nd Quarter 3 months to 31.12.12	1 st Quarter 3 months to 30.09.12
	Rs'm	Rs'm	Rs'm	Rs'm	Rs'm
Revenue	4,501	1,015	1,038	1,489	959
Manufacturing costs	(1,957)	(435)	(453)	(644)	(425)
Excise & other specific duties	(1,382)	(315)	(326)	(443)	(298)
Other income	53	23	9	11	10
Overheads	(931)	(285)	(194)	(252)	(200)
Net finance costs	(27)	(7)	(6)	(7)	(7)
Share of results of associates	(130)	(42)	(22)	(39)	(27)
Profit/(loss) before taxation	128	(40)	42	115	11
Tax expense	(32)	4	(2)	(26)	(8)
Profit/(loss) after taxation	96	(41)	45	89	3

Group Quarterly results



*Our customers can trust us
to always exceed their expectations ...*



trustworthiness

trustworthiness

Chairman's Report

Dear Shareholders,

I am pleased to share with you the performance and achievements of Phoenix Beverages Group ("the Group") for the financial year ended June 30, 2013.

Review of our activities

The financial year under review has been a challenging one for the Group, both locally and regionally. The combined factors of higher taxes on our products and increased pressure on consumer spending power, have led to a reduction of 3.0% in our volumes on the local market.

In Reunion Island, even though our subsidiary Phoenix Reunion SARL faced difficult business conditions in a highly competitive and sophisticated market, turnover has grown by 24% from last year. After 4 years of constant progress in Reunion, we believe Phoenix Reunion will become profitable in the next 2 years, and this by further enlarging our portfolio of products and containing costs.

Our associate in Madagascar, namely Nouvelle Brasserie de Madagascar SA ("NBM"), is facing fierce competition in a difficult economic environment. A new management team has been put in place recently and the internal sales organisation has been reviewed. A full brand portfolio analysis has been made and important innovations are planned for this year.

Financial results

Group turnover has increased from Rs 4.2 billion last year to Rs 4.5 billion this year. Group profit for the year stood at Rs 95.8M, compared to Rs 201.2M for the corresponding period last year.

Group results have been negatively impacted by our share of loss of Rs 130.1M from our associates and an impairment loss of Rs 66.6M resulting from the reclassification of receivables from NBM to the long term.

Our Earnings per share have decreased from Rs 12.26 to Rs 5.83.

Cash generated from operations and gearing

The Group has this year generated Rs 432.1M from its operations, up by 16% from last year.

The Group total net interest-bearing debt has this year decreased by 9.2% to Rs 331.4M and the Group gearing ratio has dropped from 17% to 12%.

Dividend

The Board of Directors of Phoenix Beverages Limited has declared and paid a dividend of Rs 8.00 per share (2012: Rs 7.50 per share).

I am pleased to announce that the Board of Directors has decided, as from this coming financial year, subject to financial results, to pay dividend in two instalments, an interim dividend in December and a final dividend in June each year.

Share price

The share price of Phoenix Beverages Limited on the stock exchange of Mauritius started the year at Rs 205.00 peaking at Rs 216.00 (lowest Rs 200.00) before closing the year at Rs 202.50.

Increased shareholding in Nouvelle Brasserie de Madagascar SA

During the year under review, Société de Promotion et de Participation pour la Coopération Economique ("PROPARCO"), a strategic partner who owned 18,68% of NBM, decided to disinvest from the capital of NBM and its shareholding was bought equally by both remaining partners, Phoenix Beverages Limited through (JV Mada SA) and UNIBRA for an amount of € 1,050,000 each.

Corporate Governance and Corporate Social Responsibility (CSR)

The corporate governance update on pages 38 to 68 of this report provides a description of the Directors' approach to corporate governance.

Our Group is focused upon the need to operate responsibly in environments in which we are present. CSR and environmental responsibility being at the heart of our operations, we are committed to high standards of responsible corporate citizenship, particularly our efforts in encouraging returnable packaging, recycling of PET and emission reductions. Pages 70 to 73 detail our different actions in that respect.

Golden Jubilee

We celebrate this year the Golden Jubilee of Phoenix beer. Launched in 1963, Phoenix epitomises the success of Mauritian entrepreneurship which has produced one of the first 'Made in Mauritius' labels and has won the hearts of the Mauritian consumers.

Our Phoenix based brewery has been consistent over the years in producing a traditional beer of the purest quality competing and winning prestigious international competitions. Phoenix beer continues to flourish and take great pride in representing Mauritius within a global and hugely competitive market.

The 50th anniversary of the Phoenix beer is indeed an important milestone in the life of our organisation and we shall celebrate together with all our employees and partners the remarkable success of our local brand.

*Cheers to Phoenix,
the famous beer of Mauritius*

Outlook

The coming financial year will be one of challenges for the Group, restoring growth on our domestic volumes and improving the performance of our associate in Madagascar.

Local trading conditions are expected to be broadly unchanged. We will further develop and differentiate our beer and soft drink brands and packaging portfolios, to bring the right product to each market segment and capture value.

Acknowledgements

On August 14, 2013, Mr Thierry Lagesse decided to resign as Chairman of the Company. On behalf of the Board of Directors, I would like to thank Mr Thierry Lagesse for his important chairmanship contribution to the Board and the affairs of the Group over the past six years.

Furthermore, after seven years of dedicated service, Mr Richard Wooding has left the Group at the end of June 2013, on expiration of his contract of employment. On behalf of the Board, I would like to thank him for his contribution to the progress of the Group.

On July 1, 2013, Mr Bernard Theys has been appointed as the new Chief Executive Officer of the Group and as Executive Director on the Board of Directors. We wish him every success in his new function.

Moreover, the Board has decided to appoint, on September 2, 2013, Mr Patrick Rivalland, Senior Manager – Finance and Administration, as a second Executive Director on the Board of Directors.

I would like to thank my fellow Directors on the Board of Phoenix Beverages Limited for their valuable input and support. I also extend my appreciation to all the employees of the Group, for their professionalism, commitment and dedication for the advancement of the Group.

Finally, my thanks go to all our shareholders, customers, consumers and stakeholders, both locally and internationally, for believing in our products and projects.



Jean-Claude Béga
Chairman

September 2, 2013



CEO's Report

Dear Shareholder,

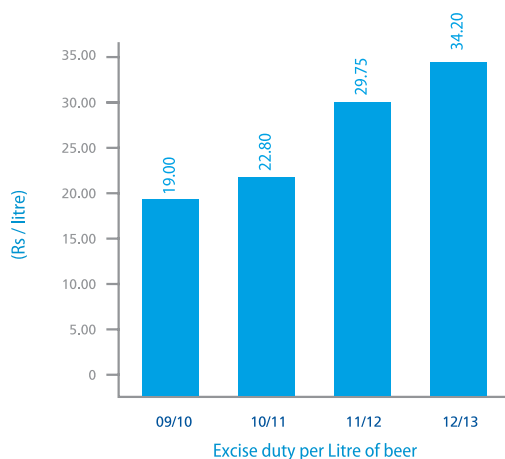
I am pleased to report to you on the performance of Phoenix Beverages for the year 2012/13.

Sales volumes

Mauritian Market

Our combined sales volume of beer, sparkling drinks, water and other beverages on the local market dropped by 3.0% when compared to last year. This overall reduction in volume is principally driven by higher taxes on our products.

Excise duty on beer has increased significantly over the past 3 years, as shown below.



However, improvements in trade market execution and distribution performance contributed in gaining some market shares in both Beer and Sparkling drinks segments.

Export Sales

The non-renewal of the Manufacturing contract with East African Breweries Limited during the year 2011/12 and lower volumes of sparkling drinks to Reunion Island have resulted in a 35% drop in contract manufacturing sales volume while other export sales have increased by 4%.

Financial results

Group turnover has increased by 6.5% to Rs 4,501.4M, boosted by price increases of our products following a 15% increase in excise duty on beer and the introduction of a sugar tax on sparkling drinks.

Group profit before finance costs stood at Rs 284.7M. However, the net Group profit for the year was Rs 95.8M compared to Rs 201.2M last year. This downfall in Group profitability is mainly explained by the combined

effect of an increase in our share of loss from associates of Rs 80.6M (from Rs 49.5M last year to Rs 130.1M this year) and an impairment loss of Rs 66.6M resulting from the reclassification of receivables from Nouvelle Brasserie de Madagascar SA ("NBM") from short-term to long-term.

The performance of our associate NBM has been below plan. In addition to reviewing our internal organisation structure, a new distribution system and route to market have been defined to increase our penetration and improve our execution on the field.

In Reunion Island, while we are consolidating our position on the market with a wider portfolio of products, we have this year been hit by a significant increase in "Droit d'alcool" on our beer products. Our local competitor in Reunion Island has been partly exempted from this increase, thus resulting in an uneven level playing field. As a result, financial progress has been behind target and we have ended the year with a loss of Rs 25.2M, compared to a loss of Rs 32.5M last year.

Impact of NBM and Phoenix Reunion on PBL's Company results

Receivables from both NBM and Phoenix Reunion have been reclassified as long-term. The present value of these receivables have been assessed with the result that an impairment loss of Rs 66.6M for NBM and Rs 48.3M for Phoenix Reunion have been accounted for at Company level.

Restatement of plant and machinery

The Group has restated its financial statements for the years ended June 30, 2012 and June 30, 2011 as a result of a change in accounting policy whereby its specialised plant and machinery are now stated at costs as opposed to revalued amounts.

Revaluation of property

In line with our accounting policy, freehold land and buildings have been revalued during the year under review and have resulted in a surplus of Rs 630.3M which has been recognised in our accounts as "other comprehensive income".

Net asset value (NAV)

The revaluation of property has helped in boosting the NAV per share from Rs 129.60 to Rs 165.08. The Group total assets have now reached Rs 3.8 billion compared to Rs 3.2 billion in 2012.

Capital expenditure

The Board has decided to postpone the investment of Rs 240M in a modern glass line for the production of sparkling soft drinks. This new line was originally planned to be operational in 2013/14.

Achievements

I am pleased to report that our brewery has been awarded the HACCP Food Safety Management System Certification in October 2012 and that our "Limonaderie" plant (Sparkling soft drinks and table water) has been awarded the ISO 9001 Quality Management System Certification in September 2012.

Both Phoenix Beer and Blue Marlin have been rewarded with Gold medal at Monde Selection 2013. This again demonstrates that our brands are consistently successfully competing against the best international beers in the global arena.

Talent management

Our Group continues to attract, motivate and retain the best talent both locally and regionally. Investments in training and on the job learning form an integral part of our strategy to develop our employees with the view of maximising their potential.

The Group recognises the important role of each employee in the development of its activities. As such, the Group has embarked on a programme to become the preferred employer by 2014.

Looking ahead

The year 2012/13 has been very challenging for our business and was characterised by difficult macroeconomic conditions impacting our overall results.

Moving forward, we need to maximise our potential by:

- Building a strategic vision of development based on leadership and excellence at all levels of the Group through 4 central pillars, communication strengthening, maximisation of resources, increased efficiency and innovation.

- Reinforcing our brand portfolio in beer by creating differentiation and appealing to increase market share and volume.
- Investing in sound packaging format to further improve our environmental friendly management.
- Finding a "unique and adequate" active solution for each consumer, building a permanent relationship and making consumers the heart of our brand's future.
- Reinforcing our corporate community involvement, through increased learning and have the ambition to make the Group become the most preferred employer.

Acknowledgements and thanks

I would like to thank the Chairman for his clear guidance and support since my appointment as CEO in July this year.

My thanks and appreciation go to all my colleagues for their determination and devotion.

Finally, I would like to thank all our customers and consumers who demonstrate their trust in our products and help us in developing our business.



Bernard Theys
Chief Executive

September 2, 2013





*Rely on us to offer a wide variety of
quality products to satisfy your needs ...*



honesty
honesty

Corporate Governance

Compliance

Corporate Governance essentially is the system by which companies are directed and controlled by the Management in the best interest of all its stakeholders: shareholders, customers, suppliers, creditors society and employees.

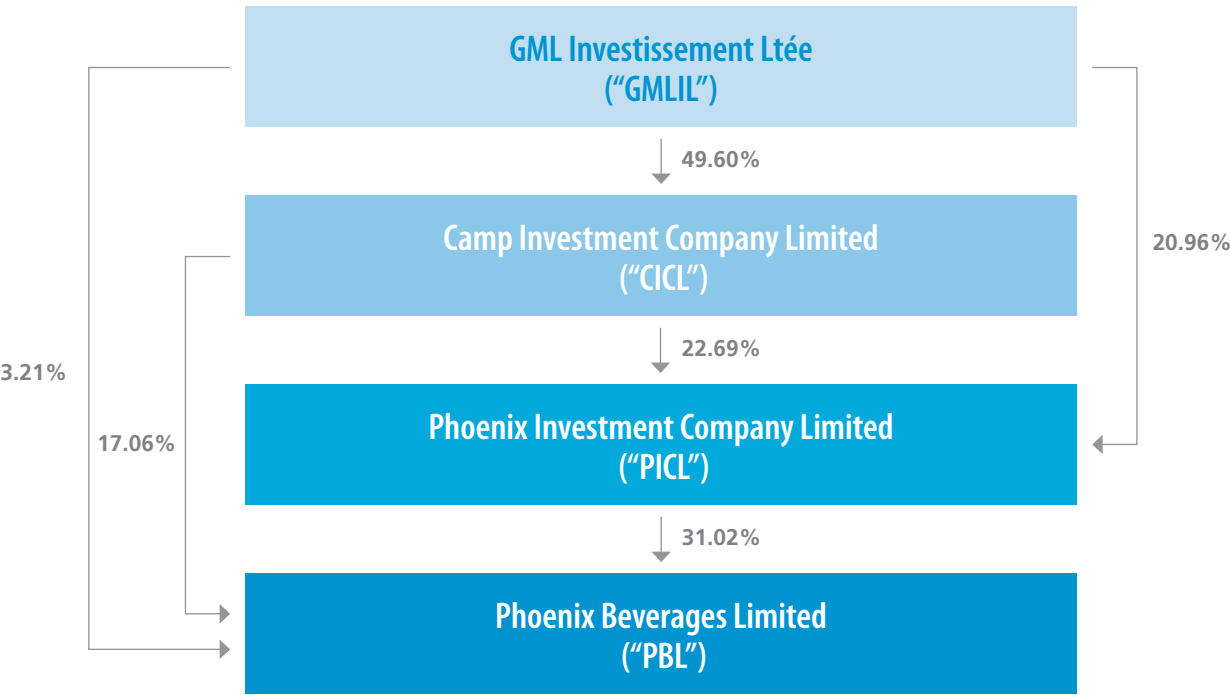
At the same time, governance must be structured in a way that supports the Company’s long-term strategy, market presence and competitiveness. Corporate Governance must be reliable, clear, simple and business-orientated.

Phoenix Beverages Limited, through the Board of Directors, the Committees and the Management, comply with the corporate governance statement requirements pursuant to the Code of Corporate Governance for Mauritius (the “Code”) by virtue of the information included in this “Corporate Governance” section of the Annual Report of the Company. The report has been prepared in conformity with the obligations and requirements of the Code.

Cascade Holding Structure

Phoenix Beverages Limited is listed on the Official Market of the Stock Exchange of Mauritius and, at the date of this Annual Report, the Company has 16,447,000 ordinary shares of Rs 10 each in issue and 1,952 shareholders on its registry.

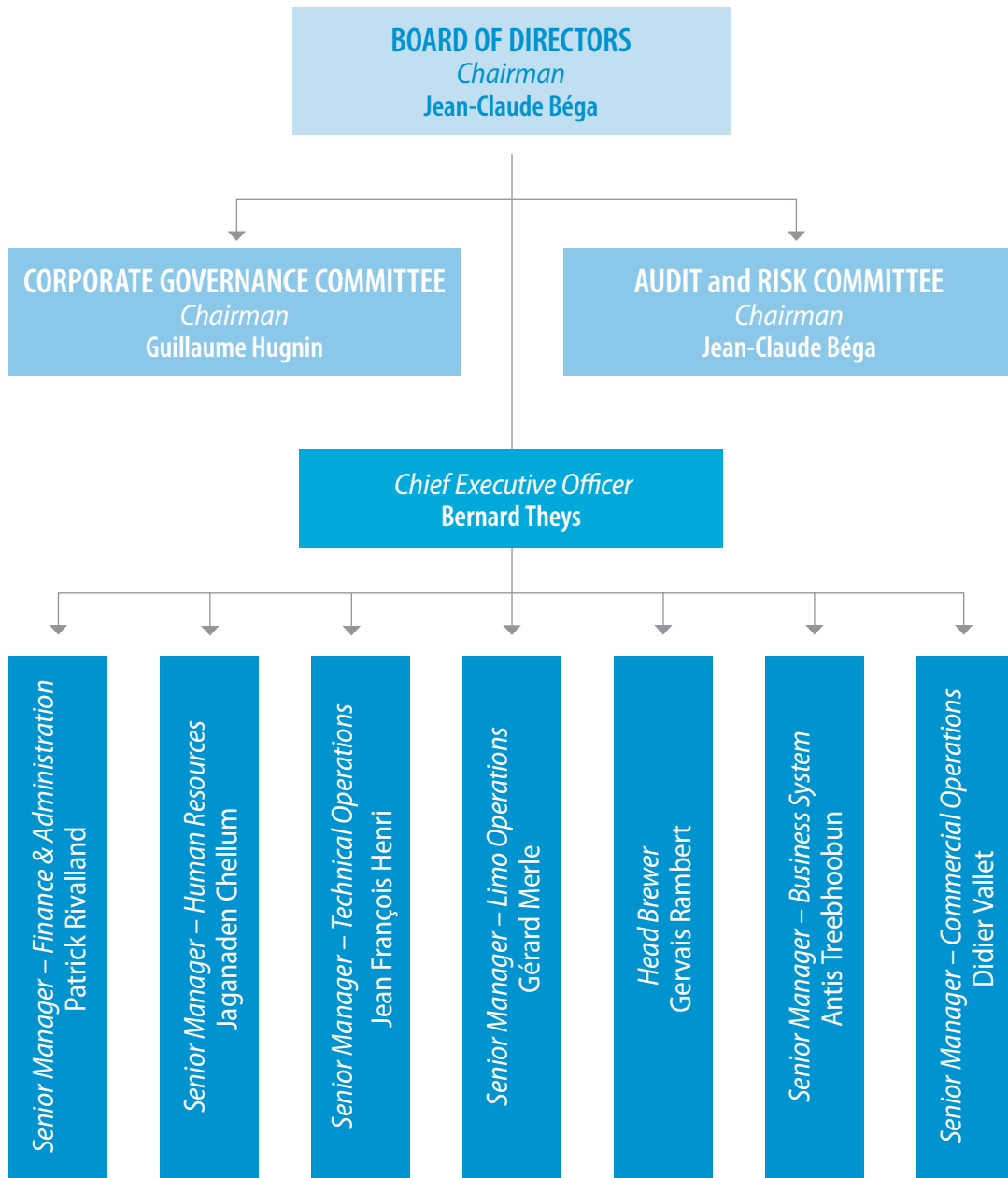
The cascade holding structure is as follows:



Corporate Governance (cont'd)

Company's General Organisation Structure

At the date of this report, the general organisation structure of PBL is as follows:



Corporate governance

Corporate Governance (cont'd)

Company's General Organisation Structure (cont'd)

Board Composition	Audit and Risk Committee Composition	Corporate Governance Committee Composition
Directors Jean-Claude Béga Jan Boullé François Dalais Guillaume Hugnin Didier Koenig Arnaud Lagesse J. Cyril Lagesse Thierry Lagesse Patrick Rivalland Seewoocomar Sewraz Bernard Theys George Wiehe Alternate Directors Jean Pierre Dalais Marguerite Hugnin	Members Jean-Claude Béga Jan Boullé Didier Koenig George Wiehe	Members Guillaume Hugnin J. Cyril Lagesse Seewoocomar Sewraz Bernard Theys

Board of Directors

The Board of Phoenix Beverages Limited consists of 12 Directors, all of them with deep knowledge and experience in core and diverse business sectors within local and international markets, and has overall responsibility for the Company's organisation and administration through the regular monitoring of the business and by ensuring the appropriateness of the organisation, management team, guidelines and internal control. The Board approves strategies and objectives, and decides on major investments, acquisitions and disinvestments of operations among other matters.

The Board of Phoenix Beverages Limited is aware of its responsibility in ensuring that the Company adheres to all relevant legislation, complies with the Listing Rules of the Stock Exchange of Mauritius in which the Company's ordinary shares are listed and applies the principles of good governance throughout the Group.

Furthermore, the Board does not believe that its members should be prohibited from serving on boards of other organisations and has not adopted any guidelines limiting such activities.

Each Director has a duty to act in the best interests of the Company and is expected to ensure that his or her other responsibilities do not impinge on his or her responsibilities as a Director of Phoenix Beverages Limited. The Directors have made the requisite disclosures regarding their directorships in other listed companies.

Corporate Governance (cont'd)

The role of the Board:

- Is responsible for setting up the Group strategy and the management, direction and performance of the business;
- Is accountable to the shareholders for the proper conduct of the business;
- Is responsible for the long-term success of the Company, having regard for the interests of all stakeholders;
- Is responsible for ensuring the effectiveness of and reporting on the Company's system of corporate governance.

The Board also decides on:

- The Group strategy and long term plans;
- Major capital projects, acquisitions and disinvestments;
- Annual budget and operating plan;
- Group financial structure including tax and treasury;
- Annual and quarterly financial results and shareholder communication;
- System of internal control and risk management.

Other specific responsibilities are delegated to Board Committees who report regularly to the Board and make recommendations thereof for approval.

Board members have unrestricted access to the records of the Company and also have the right to seek independent professional advice, at the expense of the Company, to enable them to discharge their responsibilities effectively.

Board Composition

Phoenix Beverages Limited is currently managed by a unitary Board of 12 members out of which, 8 are Non-Executive Directors, 2 are Independent Non-Executive Directors and 2 are Executive Directors: the Chief Executive Officer and the Senior Manager – Finance and Administration. Except from Mr Bernard Theys who was appointed on July 1, 2013 in replacement of Mr Richard Wooding, and Mr Patrick Rivalland who was appointed on September 2, 2013, all the Directors served throughout the year.

Every year, all the Directors submit themselves for re-election at the Annual Meeting of the Company. The Corporate Governance Committee, which also acts as Nomination Committee, confirms to the Board that the contributions made by the Directors offering themselves for re-election at the Annual Meeting continue to be effective and that the composition of the Board has the appropriate mix of expertise and experience for effective functioning and informed decision-making.

Corporate Governance (cont'd)

The Chairman of the Board

Appointed on August 14, 2013, in replacement of Mr Thierry Lagesse, Mr Jean-Claude Béga is the Non-Executive Chairman of Phoenix Beverages Limited.

In his role as Chairman of the Board, Mr Jean-Claude Béga is responsible for:

- The effective operation, leadership and governance of the Board;
- Ensuring effectiveness of the Board;
- Setting the agenda, style and tone of Board discussions;
- Ensuring the Directors receive accurate, timely and clear information;
- Encouraging the active participation of each Director in discussions and board matters;
- Ensuring compliance with internal policies and guidelines of the Company.

The Chief Executive Officer

Mr Bernard Theys, appointed as Chief Executive Officer of Phoenix Beverages Limited on July 1, 2013, has his role set out by the Board.

He is responsible for:

- Managing the day-to-day administration of the Group and following the Board's guidelines and instructions;
- Overseeing, developing and recommending to the Board, annual business plans and budgets that support the Group's long-term strategy and vision;
- Implementing the Company's strategy and policies;
- Ensuring continuous improvement in the quality and value of the products;
- Ensuring that the Group has an effective management team, actively participating in the development of management and succession planning;
- Promoting a corporate culture that promotes ethical practices, offers equal opportunities, encourages individual integrity and fulfils social responsibility objectives and imperatives;
- Maintaining a close working relationship with the Chairman;
- Serving as the chief spokesman for the Group on all operational and day-to-day matters.

The Company Secretary

The Company Secretary, GML Management Ltée, acts as Secretary to the Board of Directors and to Board Committees. In addition, the Company Secretary is responsible for:

- Assisting the Chairman in ensuring that all Directors have full and timely access to all relevant information;
- Assisting the Chairman by organising induction programmes for new Directors;
- Ensuring that correct Board procedures are followed and advises the Board on corporate governance matters;
- Attending and drafting minutes of all Board meetings, specialised Committee meetings and Shareholders' meeting;

Corporate Governance (cont'd)

- Providing guidance to the Directors with regard to their duties, responsibilities and powers;
- Administrating the procedure under which Directors can, where appropriate, obtain independent professional advice at the Company's expense.

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

Directors' Appointment

The Directors have, according to the Company's Constitution and upon recommendation of the Corporate Governance Committee in its role as Nomination Committee, the power, at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as addition to the existing Directors but the total number of Directors shall not at any time exceed the number fixed by the Constitution. However, newly appointed Directors are subject to election by shareholders at the Company's Annual Meeting in their first year of appointment.

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

Finally, Phoenix Beverages Limited being listed on the Stock Exchange of Mauritius, every newly appointed Director must submit to this authority, through the Company Secretary, a complete "Declaration of Understanding" questionnaire and a declaration of his interests in the Company.

The Company Secretary will subsequently submit to the Financial Services Commission a copy of the declaration of the Director's interests.

At the next Annual Meeting to be held on November 15, 2013, the Board of Directors will propose, following the recommendation of the Corporate Governance Committee, the re-election of Mr J. Cyril Lagesse as Director of the Company, under Section 138(6) of the Companies Act 2001, the re-election of Mrs Marguerite Hugnin as Alternate Director of Mr Guillaume Hugnin, under Section 138(6) of the Companies Act 2001, and the annual re-election of the other Directors of the Company, by way of separate resolutions. The Board of Directors will also propose the ratification of the appointment of Messrs Bernard Theys and Patrick Rivalland as Directors of the Company. Mr Bernard Theys has been appointed in replacement of Mr Richard Wooding who resigned on June 28, 2013.

Directors' Profiles

The names of all Directors and Alternate Directors, their categories and profiles and the list of their directorships in other listed companies are provided hereunder. During the year under review, Mr Richard Wooding resigned as Director and was replaced by Mr Bernard Theys. Besides, Mr Patrick Rivalland was appointed as Director of the Company on September 2, 2013.

Jean-Claude Béga

Non-Independent Chairman – first appointed to the Board in 2011 and as Chairman on August 14, 2013

Jean-Claude Béga, born in 1963, is a Fellow of the Association of Chartered Certified Accountants. He joined GML in 1997 and is the Chief Financial Officer of GML Management Ltée. He is Director of a number of companies including Alteo Limited, Lux Island Resorts Ltd, Mauritius Stationery Manufacturers Limited, AfrAsia Bank Limited and is the Non-Executive Chairman of Phoenix Beverages Limited. Jean-Claude Béga is also the Chairman of the Audit and Risk Committee of the Company.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- Lux Island Resorts Ltd
- Mauritius Stationery Manufacturers Limited

Jan Boullé

Non-Executive Director – first appointed to the Board in 2000

Jan Boullé is currently Head of Development and Project at Constance Group. He joined The Constance and La Gaïeté Sugar Estates Co. Ltd in 1984. He is an "Ingénieur Statisticien Economiste (France)" and holds a diploma of "3^{ème} cycle, Sciences Economiques", Université Laval, (Canada). Jan Boullé is a member of the Board of Directors of several of the country's major companies. Furthermore, he has also been appointed as Non-Executive Chairman of GML Investissement Ltée since August 12, 2013. Jan Boullé is also a member of the Audit and Risk Committee of the Company.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- Belle Mare Holding Limited

François Dalais

Non-Executive Director – first appointed to the Board in 1992

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

Guillaume Hugnin

Non-Executive Director – first appointed to the Board in 2009

Guillaume Hugnin, born in 1961, studied at the University of Cape Town in South Africa where he graduated as Bachelor of Arts in Economics and Post-Graduated with Honours in Economics. He completed his studies in 1997 by obtaining an MBA from the University of Surrey, United Kingdom. Guillaume Hugnin worked in South Africa and Australia for several years before joining the Food and Allied Group of Companies in 1993. He is currently the Managing Director of Panexport Co. Ltd, the international trading arm of the Food and Allied Group. He has directorships in the hotel industry and is the past Chairman of the Mauritius Exporters Association (MEXA). He has also acted as Council member of the Joint Economic Council (JEC). Guillaume Hugnin is currently the Chairman of the Corporate Governance Committee of the Company.



Didier Koenig

Independent Non-Executive Director – first appointed to the Board in 2001

Didier Koenig, born in 1955, is currently the Accountant of Domaine de Labourdonnais Limitée. He is a past auditor of De Chazal Du Mée & Co. Didier Koenig is a member of the Audit and Risk Committee of the Company.

J. Cyril Lagesse

Non-Executive Director – first appointed to the Board in 1960 and Chairman from 1975 to 2007

J. Cyril Lagesse, well-known entrepreneur born in 1932, took over his father's business in 1969 (Mon Loisir S.E) and set up the GML Investissement Ltée in the early 1970's, to take advantage of the diverse investment opportunities that arose while Mauritius moved towards greater industrialisation. Since then, GML has expanded and is now the major shareholder of other well established firms. J. Cyril Lagesse also sits on the Board of several of the country's most prestigious companies, some of which are listed on the Stock Exchange of Mauritius. J. Cyril Lagesse is a member of the Corporate Governance Committee of the Company.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Ireland Blyth Limited
- Lux Island Resorts Ltd
- Sun Resorts Limited

Arnaud Lagesse

Non-Executive Director – first appointed to the Board in 1998

Arnaud Lagesse, appointed as Director of the Company on March 30, 1998, holds a 'Maîtrise de Gestion' from the University of Aix-Marseille III, France and is a graduate of 'Institut Supérieur de Gestion', France. He also completed an Executive Education Programme at INSEAD, Fontainebleau, France, and an Advanced Management Program (AMP180) at Harvard Business School, Boston, USA. He joined GML in 1995 as Finance and Administrative Director before becoming in August 2005 its Chief Executive Officer. He also participated in the National Corporate Governance Committee as a member of the Board. He is a member of the Board of Directors of several of the country's major companies and is the Chairman of Alteo Limited, Ireland Blyth Limited, IOREC Ltd, Lux Island Resorts Ltd, AfrAsia Bank Limited, United Investments Ltd, inter alia. Arnaud Lagesse is an ex-President of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund. Arnaud Lagesse is also the Chairman of GML Fondation Joseph Lagesse since July 2012.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- Ireland Blyth Limited
- Lux Island Resorts Ltd
- Mauritius Stationery Manufacturers Limited
- The United Basalt Products Ltd



Directors' Profiles (cont'd)

Thierry Lagesse

Non-Executive Director – first appointed to the Board in 1998 and Chairman up to August 14, 2013

Thierry Lagesse was appointed Director on February 23, 1998. Born in 1953, he holds a 'Maîtrise des Sciences de Gestion' from the University of Paris Dauphine. He was the Non-Executive Chairman of GML and Ireland Blyth Limited up to August 12, 2013, Alteo Limited up to August 13, 2013, Phoenix Beverages Limited up to August 14, 2013 and The United Basalt Products Ltd up to August 13, 2013 and a Director of several other companies quoted on the Stock Exchange of Mauritius. He is also the Executive Chairman and founder of the Palmar Group of Companies and Executive Chairman of Parabole Réunion SA.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- Ireland Blyth Limited
- Mauritius Stationery Manufacturers Limited
- Sun Resorts Limited
- The United Basalt Products Ltd

Patrick Rivalland

Executive Director – first appointed to the Board on September 2, 2013

Patrick Rivalland, born in 1972, is a Fellow member of the Chartered Association of Certified Accountants. Before joining Phoenix Camp Minerals Limited in 1999 as Finance and Administrative Manager, he worked successively for BDO & Co. and The Sugar Industry Pension Fund Board. He was appointed as Group Senior Manager Finance and Administration in 2001. He is a past President of the Association of Mauritian Manufacturers.

Seewoocoomar Sewraz

Independent Non-Executive Director – first appointed to the Board in 1982

Seewoocoomar Sewraz, born in 1954, is a member of the Institute of Book-keepers in the UK and holds the higher stage of London Chamber of Commerce. He has more than 30 years of work experience in the wholesale business. He is a member of the Board of Directors of several companies. Seewoocoomar Sewraz is a member of the Corporate Governance Committee of the Company.

Bernard Theys

Executive Director – first appointed to the Board on July 1, 2013

Bernard Theys, born in 1965 in Brussels, holds a diploma in Economic Science from Louvain University in Belgium. He also obtained a BBA in Business Tourism Management from ICP in 1991. He has completed several programmes of Executive & Business Education at "l'Association Internationale Américaine de Management" (MCE), in 1995 and at INSEAD Fontainebleau in France in 2008. Bernard Theys had different General Management roles in the Brewery industry where he acquired a great experience in the FMCG industry.



George Wiehe

Non-Executive Director – first appointed to the Board in 1994

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

Marguerite Hugnin

Alternate Director – first appointed as Alternate Director in 2009

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

Jean Pierre Dalais

Alternate Director – first appointed as Alternate Director in 1999

Jean Pierre Dalais, born in 1964, has been the Alternate Director of François Dalais since October 1999. After obtaining his MBA from the International University of America, San Francisco, in 1988, he began his career with Arthur Andersen in Mauritius and France before joining the CIEL Group in 1990. Jean Pierre Dalais is presently the Chief Executive Officer of CIEL Investment Limited, an investment company with interests in a number of companies operating in different sectors of the Mauritian economy, and CIEL Capital Limited. He also sits on the Board of a number of well-known Mauritian companies involved in tourism, financial services and healthcare.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:
- Sun Resorts Limited



Corporate Governance (cont'd)

Board Evaluation

The work of the Board, like that of the Chairman, was evaluated in 2009 using questionnaires which were given to all Board members including the Chairman and the Chief Executive Officer. The Board was then provided with feedback after the results were compiled and the outcome enabled the Board to take appropriate actions to improve its effectiveness and its functioning. A new questionnaire, covering such areas as the Board's method of work and expertise, is being elaborated by the Corporate Governance Committee and a new evaluation will be carried out during the present financial year.

Common Directors

The Directors of the Company who also sit on the Boards of the above-mentioned holding companies are:

Directors	PBL	PICL	CICL	GMLIL
Jean-Claude Béga ⁽¹⁾	√ **	√ **	√ **	
Jan Boullé	√	√	√	√ **
François Dalais	√	√	√	
Guillaume Hugnin	√		√	
Arnaud Lagesse	√	√	√	√ *
J. Cyril Lagesse	√	√	√	√
Thierry Lagesse	√	√	√	√
George Wiehe	√	√		

** Chairman

* Alternate Director

⁽¹⁾ Mr. Jean-Claude Béga has been appointed as Director and Chairman of PICL and CICL on August 23, 2013

Board Meetings

The Board meets at least 4 times a year. Certain matters are considered at all Board meetings including the latest available management accounts, business updates; and operations' update (covering commercial and operations matters) and where applicable, reports from the Corporate Governance Committee and the Audit and Risks Committee. In addition to standing agenda items, there may be discussions on "deep-dive" topics such as commercial or technology strategy. Also, special meetings may be called from time to time as determined by the needs of the business. The minutes of each Board Meeting, recorded by the Company Secretary, are entered in the Minutes Book and are submitted for confirmation at its next meeting and signed by the Chairman and the Company Secretary.

Board meetings are convened by giving appropriate notice after obtaining the approval of the Chairman and the Chief Executive Officer. As a general rule, detailed agenda, management reports and other explanatory statements are circulated in advance amongst the Directors to facilitate meaningful, informed and focused decisions at the meetings. In order to address specific urgent business needs, meetings are, at times, called at shorter notice.

It is the responsibility of the Directors to attend meetings. However, Directors unable to attend a meeting can discuss any issues arising in the meeting with the Chairman or the Chief Executive. A Director may request additional explanation or information

Corporate Governance (cont'd)

and submit to the Chairman such request which he/she might consider appropriate for him/her to make an informed decision. The Board is also regularly kept informed of its business activities and development and that of its competitors within the industry in which it operates.

A quorum of 6 Directors is currently required for a Board meeting. The Chairman has a casting vote in case of an equal number of votes. In addition to Directors, key management personnel and outside consultants are invited to attend Board meetings when necessary.

Directors' Attendance

A Director of Phoenix Beverages Limited is expected to spend the time and effort necessary for him or her to properly discharge his/her responsibilities. Accordingly, he/she is expected to regularly prepare for and attend meetings of the Board and all Committees on which he/she sits, with the understanding that, on occasion, he/she may be unable to attend a meeting.

A Director who is unable to attend a meeting is expected to notify either the Company Secretary or the Chairman of the Board or the Chairman of the appropriate Committee, in advance of such meeting.

The attendance of the Directors at meetings is set out on page 59 of the Annual Report.

Board Activities in 2012/2013

During the year under review, the Board met 4 times and meetings lasted 2 hours on average. During its meetings, the Board considered, appraised and approved, amongst other items:

- The commercial performance of the Group both in local and overseas market which is reviewed throughout the year;
- The monitoring of Nouvelle Brasserie de Madagascar SA, Phoenix Reunion SARL and The (Mauritius) Glass Gallery Ltd;
- The annual financial statements at June 30, 2012 and the relevant abridged audited consolidated results for publication;
- The annual report 2012;
- The convening of the Shareholders' Annual Meeting 2012;
- The Board and Committees' fees for 2012/2013;
- The operating and capital expenditure budget for 2012/2013;
- On-going business relationships with the Company's strategic partners;
- The unaudited quarterly & three months consolidated results at September 30, 2012 for publication;
- The unaudited quarterly & half-yearly consolidated results at December 31, 2012 for publication;
- The unaudited quarterly & nine months consolidated results at March 31, 2013 for publication;
- The estimated results at June 30, 2013 prior to dividend declaration;
- The declaration of a final dividend for the year ended June 30, 2013;
- The recommendations of the Audit and Risk Committee and of the Corporate Governance Committee;
- The nomination of Mr Bernard Theys in replacement of Mr Richard Wooding.

Corporate Governance (cont'd)

Board Committees

In order to ensure effective management, the Board delegates clearly defined responsibilities to its Board Committees which assist the Board in the discharge of its duties through a more comprehensive evaluation of specific issues, followed by proper recommendations to the Board.

In line with the requirements of the Code, the Board has set a Corporate Governance Committee and an Audit and Risk Committee. These two Board Committees operate within clearly defined terms of reference and operating procedures. They report regularly to the Board and make recommendations thereof for approval.

The Company Secretary acts as secretary to the Board Committees. The minutes of each Board Committee meeting are submitted for consideration and approval at the following meeting and are then signed by the Chairman of the Board Committee and the Company Secretary. Each member of the Board has access to the minutes of Board Committee meetings, regardless of whether the Director is a member of such Board Committee.

The Board Committees are authorised to obtain, at the Company's expense, professional advice both within and outside the Company in order for them to perform their duties.

Corporate Governance Committee

The composition of the Corporate Governance Committee at the date of this report is as follows:

Members	Category
Guillaume Hugnin - Chairman	Non-Executive Director
J. Cyril Lagesse	Non-Executive Director
Seewoocomar Sewraz	Independent Non-Executive Director
Bernard Theys	Executive Director

Even though the Code recommends that the Corporate Governance Committee be chaired by an Independent Non-Executive Director, the Board had nominated Mr J. Cyril Lagesse, a Non-Executive Director, to chair this Committee in view of his past experience and knowledge. However, on August 23, 2013, Mr J. Cyril Lagesse has decided to resign as Chairman of this Committee and the nomination of Mr Guillaume Hugnin was proposed and approved to replace Mr J. Cyril Lagesse. Furthermore, Mr Bernard Theys who was appointed as Executive Director in replacement of Mr Richard Wooding on July 1, 2013, was also appointed as member of the Corporate Governance Committee in replacement of Mr Wooding.

The Corporate Governance Committee operates under the terms of reference set by the Board of Directors and the Board has decided that this Committee also acts as Nomination Committee.

The mandate of the Corporate Governance Committee is to assist the Board in fulfilling its responsibilities towards the application of the principles of good corporate governance and to ensure that the Group follows prevailing corporate governance practices.

Corporate Governance (cont'd)

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

In accordance with the Code, the Committee considers a Director to be 'Independent' if he/she:

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

During the year under review, the Committee met on two occasions with an attendance rate of 100%. A quorum of two members is currently required for a Corporate Governance Committee meeting. Decisions were also taken by way of resolutions in writing, agreed and signed by all members of the Committee then entitled to receive notice of the meeting.

During its meetings, the Corporate Governance Committee has:

- Examined the implications under the Competition Act 2007;
- Approved the corporate governance section of the Annual Report 2012;
- Recommended to the Board and to the shareholders of the Company at the Annual Meeting of October 17, 2012, the elections as Directors of the Company, of two Board members who have been nominated by the Board;
- Recommended to the Board and to the shareholders of the Company at the Annual Meeting of October 17, 2012, the re-election of a Board member in accordance with Section 138(6) of the Companies Act 2001;
- Recommended to the Board and to the shareholders of the Company at the Annual Meeting of October 17, 2012, the re-election of an Alternate Director in accordance with Section 138(6) of the Companies Act 2001;
- Made recommendations to the Board for the re-election of the other Directors of the Company through separate resolutions at the Annual Meeting of October 17, 2012;
- Recommended to the Board the nomination of Mr Bernard Theys as Chief Executive Officer and Director in replacement of Mr Richard Wooding;
- Assessed the various policies and procedures implemented within the Company and the Group;
- Examined corporate governance issues;

Corporate Governance (cont'd)

Furthermore, in August 2013, the Committee also recommended to the Board the nomination of Mr Jean-Claude Béga as Chairman of the Company in replacement of Mr Thierry Lagesse.

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

Audit and Risk Committee

The Code recommends that the Audit and Risk Committee is chaired by Independent Non-Executive Director. However, Mr Jean-Claude Béga acted as such in view of his qualifications, experience and knowledge.

On August 14, 2013 when Mr Thierry Lagesse stepped down as Chairman of PBL, Mr Jean-Claude Béga was nominated to replace him as Chairman of the Board of PBL. Thus, Mr Béga currently acts as Chairman of the Board and as Chairman of the Audit and Risk Committee. The Corporate Governance Committee acting as Nomination Committee has approved that Mr Béga acts as Chairman of the Board and of the Audit and Risk Committee. The roles of other members of the Committee remained unchanged.

The Board of Directors is of the view that the members of the Audit and Risk Committee have sufficient financial management expertise and experience to discharge its responsibilities properly.

The composition of the Audit and Risk Committee is as follows:

Members	Category
Jean-Claude Béga ⁽¹⁾ - Chairman	Non-Executive Chairman of the Board
Didier Koenig	Independent Non-Executive Director
Jan Boullé	Non-Executive Director
George Wiehe	Non-Executive Director

⁽¹⁾ Mr Jean-Claude Béga was appointed as Chairman of the Audit and Risk Committee on November 6, 2012.

The Chief Executive Officer, Mr Bernard Theys, and the Senior Manager – Finance and Administration, Mr Patrick Rivalland also attend these meetings. In addition, the External Auditors, Deloitte, and the Internal Auditors, BDO & Co., attend these meetings when deemed appropriate.

The Audit and Risk Committee operates under the terms of reference set by the Board and under a formally approved Audit Committee Charter, modelled closely with the provisions of the Code. The Committee meets at least once each quarter and reports on its activities to the Board.

Corporate Governance (cont'd)

The primary responsibilities of the Audit and Risk Committee are to:

- Ensure that appropriate accounting principles and reporting practices are followed;
- Satisfy itself that good accounting, audit and compliance principles, internal controls and ethical practices are applied on a consistent basis throughout the Group;
- Ensure that adequate internal controls are in place and followed;
- Satisfy itself as to the adequacy of the scope and direction of external and internal auditing.

The Audit and Risk Committee has also the authority to conduct or authorise investigations into any matters within its scope of responsibilities. It has full access to all management personnel and can call upon any member of management and staff or any member of the Board to attend its meetings.

The Committee met 5 times during the year under review with an attendance rate of 87%. Meetings lasted two hours on average. A quorum of two members is currently required for an Audit and Risk Committee meeting.

During the financial year ended June 30, 2013, the Audit and Risk Committee has, amongst other matters:

- Reviewed and recommended to the Board for approval, the annual financial statements at June 30, 2012 and the relevant abridged audited consolidated results for publication;
- Reviewed the management letter submitted by the external auditors and followed up on their recommendations;
- Reviewed and recommended to the Board for approval, the unaudited quarterly & three months consolidated results at September 30, 2012 for publication;
- Examined the reports of the internal auditors (please refer to page 54 of the report for information on the Internal Audit Function) on internal control systems arising from the fieldwork performed by them and ensured that their recommendations be implemented;
- Reviewed and recommended to the Board for approval, the unaudited quarterly and half-yearly consolidated results at December 31, 2012 for publication;
- Reviewed and recommended to the Board for approval, the unaudited quarterly and nine months consolidated results at March 31, 2013 for publication;
- Examined the estimated results for the year ended June 30, 2013.

The Audit and Risk Committee confirms that, in accordance with its terms of reference, it has fulfilled its responsibilities for the year under review.

Messrs Deloitte have been appointed as the Group's External Auditors since the year ended June 30, 2009. They were subsequently reappointed at the Company's Annual Meeting on October 17, 2012. Upon the recommendation of the Audit and Risk Committee, shareholders will be asked at the forthcoming Annual Meeting to approve the reappointment of Messrs Deloitte as External Auditors and to authorise the Board of Directors to fix the remuneration of the Auditors for the ensuing year.

Corporate Governance (cont'd)

In 2013/2014, the Audit and Risk Committee will maintain its focus on the continued examination and review of the internal control environment and risk management system within the Group.

Internal Audit Function

The Audit and Risk Committee oversees the internal audit function and approves its charter. The Committee is responsible for the mission and scope, accountability, independence, responsibilities and authority of internal audit.

The mission of internal audit is to:

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

The role of Internal Auditors is outsourced to Messrs BDO & Co.

Internal Auditors work an audit plan agreed with the Audit and Risk Committee. In addition, special reviews and assignments are also made at the request of management or the Audit and Risk Committee, as required.

The Internal Auditors provide regular reports on areas audited and completion status on corrective action plans. These reports are also shared with External Auditors.

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

Internal Control

A robust process for identifying, classifying and managing significant risks is in place at PBL. The effectiveness of the internal control systems is reviewed by the Audit and Risk Committee and the Board receives assurance from the Audit and Risk Committee, which derives its information from regular internal and external audit reports.

To date, no material financial problems have been identified which would have an impact on the results as reported in these financial statements. The Board confirms that if significant weaknesses had been identified during this review, the Board would have taken the necessary steps to remedy them.

Corporate Governance (cont'd)

Risk Management

At Phoenix Beverages Limited, Risk Management is a part of doing business – it is a responsibility of the Chief Executive Officer and his team. Risk Management falls under the supervision of the Audit and Risk Committee and subsequently under the Board of Directors of Phoenix Beverages Limited.

The Chief Executive Officer works with his team to identify potential risks to the Company's business, rating identified risks by both probability and severity of impact. This team then develops strategies and action plans to manage and mitigate the risks identified.

Among the risk areas identified and control procedures put in place, are the following:

Physical Risks

Physical risks identified are unavoidable events such as cyclones, riots and other natural calamities. Mitigating actions include among others the set-up of cyclone and fire procedures, adequate insurance covers.

Human Resources Risk

To limit occurrence of work-site accidents, health and safety procedures have been put in place upon the expertise of a full-time Health and Safety Officer and on regular independent review by third-party experts. Health surveillance is also performed regularly on employees in high risks jobs.

Product Contamination Risk

The Company's products are daily consumption items for many thousands of consumers and it is essential that the products meet the highest standards and are beyond reproach.

Actions taken include FSSC certification for both the "Limonaderie" and the Brewery, latest ISO certification and products' compliance to Coca-Cola and Diageo standards.

Corporate Governance (cont'd)

Competition Law

Risk

Phoenix Beverages Limited is in an advantageous position in various market segments.

Actions:

- All senior management and commercial front liners have been externally trained to ensure respect and compliance to competition law.
- All commercial contracts are vetted by lawyers informed and well versed in Mauritian competition law.
- PBL is currently collaborating with the Competition Commission of Mauritius (CCM) on an investigation concerning the placement of coolers in small outlets, and whether this might be a misuse of a dominant position.

Production shortfall

Risk

With high market shares in 3 major drinks segments, any shortfall in production can damage sales, market share and reputation.

Actions:

- The Company maintains a preventive maintenance program for key machinery on both production sites, utilising external expertise from Original Equipment (OE) suppliers.
- Stock holding capacity has been increased to build buffer stocks for market peak periods.

Default

Risk

In depressed market conditions the risk of default on payment by customers has increased.

Actions:

- The Company has overhauled its credit management systems and reviewed credit limits for all customers. A weekly credit control meeting is held to ensure close management in this area.
- The Company's policy is to actively pursue defaulters via the legal system.

Corporate Governance (cont'd)

Madagascar

Risk

The Company, via its associated company Nouvelle Brasserie de Madagascar SA, started operations in Madagascar, in 2010 where political and economic uncertainty continue to prevail.

Actions:

- It is the policy to keep out of the political arena and focus on commercial operations.
- Focus is upon development of the Skol brand and offer to Malagasy consumers.
- Close attention is given to management of financial risk with the Joint Venture partners.

Financial Risk Management

For the financial risk management, please refer to pages 102 to 108 – Notes to the Financial Statements.

Statement of Remuneration Philosophy

In accordance with the Constitution of the Company, Directors are granted fees for holding office. This remuneration fee consists of a fixed fee and an attendance fee per Board Meeting. Any changes brought to the remuneration of Directors are submitted to the shareholders of the Company for approval at the Annual Meeting of Shareholders.

Directors who are also Board Committee members receive a fixed fee and higher remuneration fees are perceived by the Chairmen of these Board Committees. The Board Committees' fees are approved by the Board of Directors.

The Board and Board Committees' fees at June 30, 2013 were as follows:

Board		Meeting Fees
Annual Director's fee		Rs 150,000
Attendance fee		Rs 10,000
Corporate Governance Committee		
Chairman's fee		Rs 50,000
Member's fee		Rs 35,000
Audit and Risk Committee		
Chairman's fee		Rs 75,000
Member's fee		Rs 50,000

Corporate Governance (cont'd)

In addition, the Executive Director and key management personnel of the Company are remunerated by Phoenix Management Company Ltd further to a management contract between the latter and Phoenix Beverages Limited. The remuneration package takes into consideration the financial performance of Phoenix Beverages Limited, individual performance and market norms and best practice.

Management Contract

Phoenix Management Company Ltd, in accordance with a management contract, provides the companies of the Group, with a range of services including, administrative, financial, commercial, technical, marketing and communication. Phoenix Management Company Ltd employs and remunerates the executive personnel of the Group.

Please refer to pages 18 to 19 of the Annual Report for the Senior Managers' profiles.

The management fee paid by Phoenix Beverages Limited during the year under review amounted to Rs 73.8 million (2012: Rs 74.2 million) while expenses incurred by Phoenix Management Company Ltd in providing the above mentioned services amounted to Rs 58.9 million (2012: Rs 54.3 million) for the corresponding period.

Corporate Governance (cont'd)

Attendance Report and Directors' Remuneration and Benefits

The attendance report of the Directors and their remuneration and benefits for the year ended June 30, 2013 are set out in the table below:

Directors	Board	Audit and Risk Committee	Corporate Governance Committee	Annual Meeting of Shareholders (held on October 17, 2012)	Remuneration and Benefits received from the Company
Jean-Claude Béga	4 of 4	5 of 5		yes	Rs 265,000
Jan Boullé	3 of 4	3 of 5		no	Rs 230,000
François Dalais	3 of 4			no	Rs 180,000
Guillaume Hugnin	3 of 4		2 of 2	yes	Rs 215,000
Didier Koenig	3 of 4	4 of 5		no	Rs 230,000
Arnaud Lagesse	3 of 4			no	Rs 180,000
J. Cyril Lagesse	3 of 4		2 of 2	yes	Rs 230,000
Thierry Lagesse	4 of 4			yes	Rs 190,000
Seewoocomar Sewraz	4 of 4		2 of 2	yes	Rs 225,000
George Wiehe	3 of 4	4 of 5		yes	Rs 230,000
Richard Wooding ⁽¹⁾	4 of 4	*5 of 5	2 of 2	yes	Rs 225,000
Alternate Director					
Marguerite Hugnin	1 of 4			no	Rs 10,000
In attendance					
Patrick Rivalland ⁽¹⁾ Senior Manager - Finance and Administration	4 of 4	*5 of 5		yes	nil
BDO & Co. Internal Auditors		4 of 4		no	
Deloitte External Auditors		5 of 5		yes	

* In attendance – not a member.

⁽¹⁾ Mr Patrick Rivalland is employed and remunerated by Phoenix Management Company Ltd, the management company of Phoenix Beverages Limited. Furthermore, Mr Richard Wooding, also employed by Phoenix Management Company Ltd, resigned as Director of Phoenix Beverages Limited on June 28, 2013 and Mr Patrick Rivalland was appointed as Director of the Company on September 2, 2013

Corporate Governance (cont'd)

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

Please refer to page 84 – Statutory Disclosures.

Directors' and Officers' Insurance and Indemnification

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

Main Shareholders

The largest shareholders of the Company at August 31, 2013 were as follows:

Main Shareholders	Number of Shares Owned	% Holding
Phoenix Investment Company Limited	5,101,137	31.02
Camp Investment Company Limited	2,805,428	17.06
State St Bank and Trust Co A/c The Africa Emerging	1,011,093	6.15
National Pensions Fund	536,745	3.26
GML Investissement Ltée	527,659	3.21
The Anglo-Mauritius Assurance Society Ltd	413,525	2.51
Guinness Overseas Limited	316,370	1.92
Hugnin Frères Ltée	252,536	1.53
Mr Christian Marie François Ledoux	169,600	1.03
Société Pierre Larcher	117,767	0.71

Corporate Governance (cont'd)

Shareholding Profile

The share ownership and categories of shareholders at June 30, 2013 are set out below:

Number of Shareholders	Size of Shareholding	Number of Shares Owned	Percentage of Total Issued Shares
1,056	1 - 500 shares	166,831	1.01
235	501 - 1,000 shares	181,066	1.10
387	1,001 - 5,000 shares	908,774	5.53
109	5,001 - 10,000 shares	792,947	4.82
120	10,001 - 50,000 shares	2,423,721	14.74
10	50,001 - 100,000 shares	627,455	3.81
3	100,001 - 250,000 shares	402,367	2.45
3	250,001 - 500,000 shares	982,431	5.97
5	Over 500,000 shares	9,961,408	60.57
1,928		16,447,000	100.00

Number of Shareholders	Category of Shareholders	Number of Shares Owned	Percentage of Total Issued Shares
1,761	Individuals	4,024,590	24.47
12	Insurance and Assurance Companies	565,503	3.44
30	Pension and Provident Funds	852,974	5.19
22	Investment and Trust Companies	9,488,801	57.69
103	Other Corporate Bodies	1,515,132	9.21
1,928		16,447,000	100.00

Number of Shareholders	Category of Shareholders	Number of Shares Owned	Percentage of Total Issued Shares
1,889	Local	14,905,417	90.63
39	Foreign	1,541,583	9.37
1,928		16,447,000	100.00

Shares in Public Hands

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

Corporate Governance (cont'd)

Share Registry and Transfer Office

The Company's Share Registry and Transfer Office is administered by Abax Corporate Administrators Ltd.

Share Price Information

The share price of Phoenix Beverages Limited decreased by 1.2% over the past year from Rs 205.00 at June 30, 2012 to Rs 202.50 at June 30, 2013, with the SEMDEX increasing by 7.8% for the same period.

To date, the share of Phoenix Beverages Limited is quoted at Rs 202.50 on the Official Market of the Stock Exchange of Mauritius.

Date	Price (Rs)	Yearly Change (%)
June 30, 2009	126.00	31
June 30, 2010	151.00	20
June 30, 2011	208.00	38
June 30, 2012	205.00	(1)
June 30, 2013	202.50	(1)

For additional information on the Company's share data, please refer to pages 24 to 25.

Dividend Policy

No formal dividend policy has been determined by the Board. Dividend payments are determined by the profitability of the Company, its cash flow, its future investments and growth opportunities.

As from the coming financial year, the Board of Directors of Phoenix Beverages Limited has decided that the dividend, based on management forecasts when the trend in the Group's profitability is firmly established and subject to the satisfaction of the solvency test, will be paid in two instalments; an interim dividend paid in December and a final dividend will be paid in June each year.

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

	2009	2010	2011	2012	2013
Dividend per share (Rs)	6.50	6.70	6.70	7.50	8.00
Dividend cover (Number of times)	2.46	2.43	2.51	2.23	1.48
Dividend yield (%)	5.16	4.44	3.22	3.66	3.95

The final dividend of Rs 8.00 per ordinary share declared in respect of the financial year under review was paid in full on June 17, 2013 to all ordinary shareholders registered at close of business on May 27, 2013.

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

Corporate Governance (cont'd)

Total Shareholder's Return

The total return for the shareholder over the last 5 years is shown below:

	2009	2010	2011	2012	2013
Share price at June 30 - current year (Rs)	126.00	151.00	208.00	205.00	202.50
Share price at June 30 - previous year (Rs)	96.00	126.00	151.00	208.00	205.00
Increase/(decrease) in PBL share price (Rs)	30.00	25.00	57.00	(3.00)	(2.50)
Dividend - current year (Rs)	6.50	6.70	6.70	7.50	8.00

Total return per share (Rs)	36.50	31.70	63.70	4.50	5.50
Total return based on previous year share price	38.0%	25.2%	42.2%	2.2%	2.7%

Shareholders' Agreement

At the date of this Annual Report and to the Company's knowledge, there exists no shareholders' agreement between its direct shareholders.

Shareholders' Communication

The Board of Directors of Phoenix Beverages Limited places great importance on a clear, open and transparent channel of communication with all its shareholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Company by official press announcements, disclosures in the Annual Report and at the Annual Meeting of Shareholders, which all Board members and shareholders are encouraged to attend.

The Company's Annual Meeting provides an opportunity for shareholders to raise and discuss matters with the Board relating to the Company and its performance. The Chairman of the Audit and Risk and the Chairman of the Corporate Governance Committees are normally available at the meeting to answer any questions relating to the work of these Board Committees. The External Auditors are also present. Shareholders attending the Annual Meeting can be kept up-to-date with the Group's strategy and goals.

In line with good corporate governance practices, the Chief Executive Officer and the Senior Manager Finance and Administration regularly meet institutional investors and fund managers to discuss on the state of affairs of the Company, its subsidiaries and associates.

Corporate Governance (cont'd)

Calendar of Forthcoming Events

November 2013	Publication of first quarter results to September 30, 2013
November 2013	Annual Meeting of Shareholders
November 2013	Declaration of interim dividend
December 2013	Payment of interim dividend
February 2014	Publication of half-year results to December 31, 2013
May 2014	Publication of third quarter results to March 31, 2014
May 2014	Declaration of final dividend
June 2014	Payment of final dividend
August / September 2014	Publication of abridged end-of-year results to June 30, 2014

Company's Constitution

The Constitution of Phoenix Beverages Limited is in conformity with the provisions of the Companies Act 2001 and those of the Listing Rules of the Stock Exchange of Mauritius Ltd.

Its salient features are:

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

A copy of the Company's Constitution is available upon request in writing to the Company Secretary at the registered office of the Company, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

Corporate Governance (cont'd)

Directors' and Officers' Interest in Shares of Phoenix Beverages Limited

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

All newly appointed Directors are required to notify, in writing, to the Company Secretary their direct and indirect holdings in shares of Phoenix Beverages Limited. According to the Company's Constitution, a Director is not required to hold shares in the Company.

Phoenix Beverages Limited is registered as a reporting issuer under the Securities Act 2005 administered by the Financial Services Commission ("FSC"). As such, the Company ensures that it abides by all relevant disclosure requirements. The Company keeps a Register of its Insiders and the said register is updated upon receipt of the notification of interest in securities by the Directors, the officers and the other insiders of Phoenix Beverages Limited.

The Directors and officers of Phoenix Beverages Limited having direct and/or indirect interests in the ordinary shares of the Company at June 30, 2013 were as follows:

	Direct Interest		Indirect Interest
Directors	No. of shares	%	%
Guillaume Hugnin	3,500	0.02	-
Arnaud Lagesse	-	-	0.20
J. Cyril Lagesse	-	-	0.01
Alternate Directors			
Jean Pierre Dalais	16,099	0.10	-
Marguerite Hugnin	47,509	0.29	1.75
Officers			
Patrick Rivalland ⁽¹⁾	3,057	0.02	-
Didier Vallet	2,000	0.01	-

⁽¹⁾ Mr Patrick Rivalland was appointed as Director on September 2, 2013

None of the Directors and officers had any interest in the equity of subsidiaries of Phoenix Beverages Limited.

Corporate Governance (cont'd)

Directors' and Officers' Dealings in Shares of Phoenix Beverages Limited

The Directors of Phoenix Beverages Limited endeavour to abide by the absolute prohibition principles and notification requirements of the Model Code on Securities Transactions by Directors as stipulated in Appendix 6 of the Listing Rules of the Stock Exchange of Mauritius.

Phoenix Beverages Limited has set up the appropriate procedure whereby any Director wishing to deal in the shares of the Company should first notify the Chairman of the Company and receive a dated written acknowledgement. In case the Chairman of the Company decides to deal in the shares of the Company, he should notify the Board at a Board meeting and receive a dated written acknowledgement prior to undertaking such dealing.

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

Moreover, Directors and officers of Phoenix Beverages Limited are also required to comply with the insider trading laws at all times, even when dealing in securities within permitted trading periods.

Except from Mr J. Cyril Lagesse who transferred his 921 shares to his wholly owned company, the other Directors and officers of Phoenix Beverages Limited did not deal with the shares of the Company either directly or indirectly.

Code of Ethics

Phoenix Beverages Limited believes that it is essential that all its employees act in a professional manner and extend the highest courtesy to co-workers, visitors, vendors, clients and all other stakeholders.

As such, the Phoenix Beverages Group adopted a Code of Ethic. The Code is based on the important principle of respect. This fundamental principle applies to the consumers, customers, employees, shareholders and the community in which the Group operates.

Moreover, the Code provides guidance to employees as to how to behave both in the immediate internal environment as well as for external interactions. It also defines what is regarded as acceptable and not acceptable for the Group as a whole.

All employees have taken cognisance of the Phoenix Beverages Group's Code of Ethics and are expected to act according to it.

Corporate Governance (cont'd)

Safety, Health and Work Environment Practices

The Group firmly believes that the security and health of its employees is a sine qua non obligation. As in previous years, a number of training initiatives have been carried out for employees and other persons on the Group's sites to enhance the level of safety and health in the workplace. The Group's policy also covers safety precautions and guidelines, which all contractors working on site are required to observe.

Corporate Social & Environmental Responsibilities

Please refer to pages 70 to 73 for information on the Group's Corporate Social & Environmental Responsibilities.

Charitable donations

Please refer to page 85 of the Annual Report.

Political Contributions

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

Please refer to page 85 of the Annual Report.

Employee Share Option Plan

Phoenix Beverages Limited has no employee share option plan.

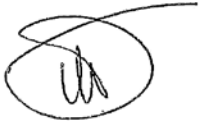
Provision for Pension Benefits

The details of the total amount of provisions booked or otherwise recognised by the Company for payment of pensions are provided on page 133 - Notes to the Financial Statements.

Corporate Governance (cont'd)

Related Party Transactions

For details on related party transactions, please refer to page 144 - Notes to the Financial Statements.

A handwritten signature in black ink, consisting of a large, stylized 'G' that loops around the name 'Hugin'.

Guillaume Hugin
Director

A handwritten signature in black ink, featuring a series of sharp, vertical strokes followed by a horizontal line and a small flourish.

Seewoocomar Sewraz
Director

September 2, 2013

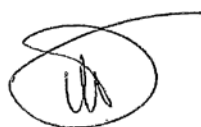
Statement of Compliance

(Section 75 (3) of the Financial Reporting Act)

Name of PIE: Phoenix Beverages Limited

Reporting Period: June 30, 2013

We, the Directors of Phoenix Beverages Limited, confirm that to the best of our knowledge, the Company has complied with its obligations and requirements under the Code of Corporate Governance except for the chairmanship of the Audit and Risk Committee and the Corporate Governance Committee. Please refer to the first paragraphs of page 50 "Corporate Governance Committee" and page 52 "Audit and Risk Committee" respectively.



Guillaume Hugnin

Director



Seewoocomar Sewraz

Director

September 2, 2013

Corporate Social & Environmental Responsibilities

During the year 2012-2013, Phoenix Beverages Limited has continued implementing its CSR strategy in 3 major areas of interest: Sports, Education and Health.

Phoenix Beverages Limited's active involvement in the Mauritian Society is carried out mainly through its Special Purpose Vehicle, the Phoenix Foundation and through the Fondation Joseph Lagesse.

Through its financial support to Non-Governmental Organisations, implementing community activities and by offering assistance to needy Mauritians, Phoenix Beverages Limited continues to be actively present in the social life of Mauritians.

Since September 8, 2010, the Phoenix Foundation has been incorporated as a private company limited by guarantee. Thus as from July 2011, all CSR activities of Phoenix Beverages Limited are channelled through the Phoenix Foundation.

I) Sports

Internal

In view of promoting sports and team spirit, PBL has sponsored different sports activities in which its employees have participated namely:

- August 25 & 26, 2012 - Festival Beach Soccer
- April 24, 2013 - Fédération Mauricienne des Sports Corporatifs - Football Championship 2013
- May 11, 2013 - Curepipe Starlight Sports Club - Inter Company Event
- June 02, 2013 - Fédération Mauricienne des Sports Corporatifs - Pétanque Championship
- June 25, 2013 - Volleyball Championship 2013

External

In view of encouraging high-level sports among youngsters in Mauritius, Phoenix Foundation has sponsored Richarno Colin for the 3rd consecutive year, through the Association Mauricienne de Boxe, for an amount of Rs 240,000.

II) Education

Internal – Educational sponsorship

Phoenix Beverages Limited has in place a scheme that enables its employees' children to pursue their studies. The scheme classifies the needs under 3 categories, and up to 35% of the cost incurred is sponsored by the Company. It has been granted as follows:

- Secondary Education – mainly for the payment of examination fees – 46 beneficiaries
- Tertiary Education – mainly for enrolment fees – 21 beneficiaries
- Computer acquisition when required for studies – 8 beneficiaries

External

Government Schools

Since 2004, PBL has been assisting pupils of different schools through the ZEP Project. Phoenix Beverages Limited is continuing its assistance to Albion Government school, in partnership with the Rotary Club of Albion.

The 200 pupils of Albion Government School, are given one bottle of water each day. Different objectives are reached through this project which integrates both health and environment.

In addition, a donation has been offered to the Pierre Desvaux de Marigny Government School in order to provide a track-suit to each of the 319 pupils.

Adolescent Non Formal Education Network ("ANFEN")

ANFEN is one of the few Mauritian NGOs to assist teenagers who have academic difficulties. They have a proven track record in providing professional training to those who cannot follow the classic educational system. Phoenix Beverages Limited, through the Fondation Joseph Lagesse, made a donation to ANFEN.

Fondation Cours Jeanne D'arc

Phoenix Beverages Limited has sponsored two children, for their psychological follow-up.

MITD

One needy student has been sponsored for a one year full time professional course.

Centre de Solidarité

This year, Phoenix Beverages Limited has also made a donation to the Centre de Solidarité.

Corporate Social & Environmental Responsibilities (cont'd)

III) Health

Internal

Phoenix Beverages Limited offers its support to each of its employees, particularly those with long term sickness or with incurable diseases. In some specific cases this assistance has been extended to the employees family members.

External

The NGO "Prévention Information et Lutte contre le Sida" (PILS) has, since its creation, accomplished much both in terms of information and prevention on AIDS for the Mauritian population and in terms of moral support and access to treatments for HIV positive Mauritians. This year again, Phoenix Foundation has financially supported this NGO.

There is so much to do in terms of health that Phoenix Beverages Limited made substantial donations to other NGOs under its health initiative, namely:

- Palliative Care Mauritius Limited - Rs 400,000 has been given to this NGO so that they can continue caring about those suffering from cancer;
-
- Link to Life has received Rs 800,572 as contribution for their awareness campaign and to their project of vaccinating teenagers and women under the age of 30, coming from underprivileged areas, against cervical cancer;

IV) Environment

Internal

Phoenix Beverages Limited has continued with the projects initiated last year, listed hereunder, in view of having a substantial positive impact on its global carbon footprint.

Extended the water recovery project to the different sites of the company.
Switch from CFL to LED for the premises' lighting.

External

Phoenix Beverages Limited participates to environmental protection mainly through its contribution to the GML Fondation Joseph Lagesse within which the Comité Environnement operates.

Corporate Social & Environmental Responsibilities (cont'd)

V) Other actions within the frame of the Company's CSER

GML Fondation Joseph Lagesse

During the year under review, Phoenix Beverages Limited has met its obligations towards GML Fondation Joseph Lagesse in assigning Rs 2,352,825 representing 1% of its 2011/2012 net profits. This financial commitment undoubtedly indicates the Company's determination to support GML Fondation Joseph Lagesse, its constant endeavours towards the needy specifically in terms of education as well as for environmental projects

Charitable Donations

During the year under review, the Group donated Rs 5.4 million to beneficiaries
Please refer to 85 - Statutory Disclosures.

Statement of Directors' Responsibilities

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

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

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

Accounting records to be kept

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

- Correctly record and explain the transactions of the Company;
- Shall at any time enable the financial position of the Company to be determined with reasonable accuracy; and
- Enable the Directors to prepare financial statements that comply with the Companies Act 2001 and International Financial Reporting Standards.

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

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

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

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with International Financial Reporting Standards and the responsibility of External Auditors to report on these financial statements. The Board also acknowledges its responsibility for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management. The Board has appointed a firm of accountants as Internal Auditors to ensure the adequacy and effectiveness of the internal control framework.

The Board of Directors confirms that it endeavours to implement corporate governance best practice.

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

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



Jean-Claude Béga
Chairman



Bernard Theys
Director

September 2, 2013

Corporate Information

HEAD OFFICE

Pont Fer
Phoenix
Mauritius
BRN: C07001183
Tel: (230) 601 2000
Fax: (230) 686 6920
Email: pbl@pbg.mu
Website: www.phoenixbeveragesgroup.com

COMMERCIAL UNIT

Tel: (230) 601 2200
Fax: (230) 697 2967 (Sales, Marketing & Distribution)

FINANCE AND ADMINISTRATION

Tel: (230) 601 2000
Fax: (230) 697 6480 (Finance)
(230) 697 5028 (Procurement)

TECHNICAL AND PRODUCTION

Tel: (230) 601 2000 / Fax: (230) 686 7197 (Brewery)
Tel: (230) 601 1800 / Fax: (230) 697 1394 (Limonaderie)

RODRIGUES OPERATIONS

PHOENIX BEVERAGES LIMITED
Pointe L'Herbe
Rodrigues
Tel: (230) 831 0982
Fax: (230) 831 2181

OUR OPERATIONAL SUBSIDIARIES

The (Mauritius) Glass Gallery Ltd
Pont Fer
Phoenix
Mauritius
Tel: (230) 696 3360
Fax: (230) 696 8116

PHOENIX REUNION SARL (formerly known as Rennie et Thony Marketing Océan Indien)

7 rue de l'Armagnac
Z1 No1
97821 Le Port Cedex
Ile de La Réunion
Tel: (262) 262 241730
Fax: (262) 692 452972

REGISTERED OFFICE

4th Floor, IBL House
Caudan Waterfront
Port Louis
Mauritius

COMPANY SECRETARY

GML Management Ltée
4th Floor, IBL House
Caudan Waterfront
Port Louis
Mauritius

SHARE 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 Share Registry and Transfer Office:

Abax Corporate Administrators Ltd
6th Floor, Tower A
1 CyberCity
Mauritius

AUDITORS

Deloitte
Chartered Accountants

BANKERS

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