



30 April 2010

Company Announcements Office  
Australian Stock Exchange  
Exchange Centre  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

### **Appendix 4C – 3rd Qtr FY10**

In lodging the Appendix 4C - quarterly (attached), the Board of **Gage Roads Brewing Co Ltd (ASX: GRB)** are pleased to report to the market on the ongoing progress of the Company.

#### **Brewery Expansion**

The Company's brewing capacity expansion project launched five months ago is on time and budget and due for completion early in the next reporting period. The increased capacity has already enabled Gage Roads to gain a major lift in output with an increase of 764% over the same period last year. A considerable financial benefit of this high level of volume growth is the considerable savings made through the negotiation of more favourable terms on the cost of goods sold.

#### **Revenue Growth**

The quarterly results for the combined sales of Gage Roads own brands of Wahoo, Premium Lager, Pils and IPA have delivered sales growth of 56% over the same period last year. A recently completed review of all Gage Roads own brands has resulted in a branding upgrade and market repositioning of some brands.

Sales of Woolworths' Dry Dock and other contract brewed products have exceeded expectations by 15% for the quarter, with further geographic expansion in Australia yet to be undertaken. In addition, a number of new contract brewed products are being developed for launch in the new financial year.

The Board and company are focussed keenly now on completing the brewery expansion and delivering the increased capacity to the market's consumers so as to reach the targeted annualised output of 1,200,000 cases of product in the first half of the new financial year.

Nick Hayler  
CEO  
Gage Roads Brewing Co Ltd

Tel: (08) 9331 2300

AUSTRALIA'S CRAFT BREWERY

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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Name of entity

GAGE ROADS BREWING CO LIMITED

ABN

22 103 014 320

Quarter ended ("current quarter")

31 March 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	2,479	6,082
1.2 Payments for		
(a) staff costs	(656)	(1,641)
(b) advertising and marketing	(45)	(187)
(c) research and development	--	--
(d) leased assets	(7)	(20)
(e) other working capital	(2,689)	(5,833)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	2	6
1.5 Interest and other costs of finance paid	(22)	(80)
1.6 Income taxes paid	--	--
1.7 Other	--	--
<b>Net operating cash flows</b>	<b>(938)</b>	<b>(1,673)</b>

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(938)	(1,673)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	--	--
(b) equity investments	--	--
(c) intellectual property	--	--
(d) physical non-current assets	(910)	(2,091)
(e) other non-current assets	--	--
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	--	--
(b) equity investments	--	--
(c) intellectual property	--	--
(d) physical non-current assets	--	--
(e) other non-current assets	--	--
1.11 Loans to other entities	--	--
1.12 Loans repaid by other entities	--	--
1.13 Other (provide details if material)	--	--
<b>Net investing cash flows</b>	(910)	(2,091)
<b>1.14 Total operating and investing cash flows</b>	(1,848)	(3,764)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	--	2
1.16 Proceeds from sale of forfeited shares	--	--
1.17 Proceeds from borrowings	1,931	2,950
1.18 Repayment of borrowings	(14)	(246)
1.19 Dividends paid	--	--
1.20 Other (provide details if material)	--	--
<b>Net financing cash flows</b>	1,917	2,706
<b>Net increase (decrease) in cash held</b>	69	(1,058)
1.21 Cash at beginning of quarter/year to date	544	1,671
1.22 Exchange rate adjustments to item 1.20	--	--
<b>1.23 Cash at end of quarter</b>	613	613

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(114)
1.25	Aggregate amount of loans to the parties included in item 1.11	--

1.26 Explanation necessary for an understanding of the transactions:

Payments include directors fees for non executive directors and salaries for executive directors

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows:

NIL

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest:

NIL

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	4,265	3,015
3.2	Credit standby arrangements	--	--

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	613	544
4.2 Deposits at call	--	--
4.3 Bank overdraft	--	--
4.4 Other (provide details)	--	--
<b>Total: cash at end of quarter (item 1.23)</b>	<b>613</b>	<b>544</b>

**Acquisitions and disposals of business entities**

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	NIL	NIL
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
2. This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 April 2010.  
 (Company secretary)

Print name: John Hoedemaker

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## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below:
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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