



31 January 2013

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

Appendix 4C & Progress Update – 2nd Qtr FY13

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

Half Year Sales Results

Total carton production volumes across the portfolio have grown 33% over the half-year ended 31 December 2012 compared to the prior year comparative period ("PYCP"). This has resulted in a revenue increase of 36%.

Contract brewing sales for Woolworths have increased by 23% over the PYCP. As announced previously, the Company has worked with Woolworths to build up stock levels in the previous quarter in anticipation of higher demand during the summer months and to compensate for expected shutdown periods associated with the commissioning of the new capital equipment.

Gage Roads' proprietary brands have performed strongly, up 46% on PYCP. Atomic Pale Ale, Gage Pils 3.5% and Sleeping Giant IPA have been the main contributors to the growth. This increase was buoyed by the success at the Royal Perth Beer Awards where Sleeping Giant IPA was awarded the trophy for best packaged ale. The increase was further assisted by the introduction a number of limited release products during the period.

Other contract brewing sales grew by 91% over the PYCP. This is primarily due to the growing popularity of our contract customers' products and the addition of new contract brewing customers. This is in line with the Company's strategy to become Australia's leading craft contract brewer.

Keg sales across the board have increased by 148% and are starting to meaningfully contribute to the revenue stream. This increase is due to the addition of recent contract brewing customers as well as Gage Roads' support for Woolworths in nationally distributing draught beer into ALH pubs across Australia.

New Products

The Company has launched the second instalment of its limited release range called "The Convict" in late December in time for Australia Day. It is a craft-brewed Australian Strong Ale available in 640ml bottles and on tap in selected pubs around Australia. Gage Roads will also launch another limited release product in time for Easter. This 640ml product will be called "Abstinence" and is a Belgian Dubbel Chocolate Ale.

New contract brewing customers

As announced earlier this month, the Company has signed exclusive contract brewing contracts with the Australian marketing division of San Miguel Yamamura Packaging Corporation, Duckstein Brewery Margaret River and McLaren Vale Beer Company.

With the implementation of the capital expenditure program to increase capacity, the Company is now in a position to actively pursue additional contract brewing opportunities and welcomes these new customers as part of this strategy.

Capital Expansion Program

The Company has completed the commissioning of its new brewhouse and is producing beer at full capacity.

The capital expansion team is now focussing its attention on the installation of new filtration, yeast management and cellar equipment which is scheduled for completion March 2013.

- END-

John Hoedemaker
Managing Director
Gage Roads Brewing Co Ltd
Tel: (08) 9314 0000

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")

31st December 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	10,896	18,632
1.2 Payments for		
(a) staff costs	(840)	(1,849)
(b) advertising and marketing	(24)	(36)
(c) research and development	--	--
(d) leased assets	(7)	(7)
(e) other working capital	(6,131)	(12,105)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid	(121)	(277)
1.6 Income taxes paid	--	--
1.7 Other	--	--
Net operating cash flows	3,774	4,360

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	3,774	4,360
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	--	--
(b) equity investments	--	--
(c) intellectual property	--	--
(d) physical non-current assets	(1,433)	(2,964)
(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)	--	--
Net investing cash flows	(1,433)	(2,964)
1.14 Total operating and investing cash flows	2,341	1,396
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	--	--
1.16 Proceeds from sale of forfeited shares	--	--
1.17 Proceeds from borrowings	--	66
1.18 Repayment of borrowings	(34)	(62)
1.19 Dividends paid	--	--
1.20 Other (provide details if material)	--	--
Net financing cash flows	(34)	4
Net increase (decrease) in cash held	2,307	1,400
1.21 Cash at beginning of quarter/year to date	673	1,580
1.22 Exchange rate adjustments to item 1.20	--	--
1.23 Cash at end of quarter	2,980	2,980

+ 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	(172)
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	9,733	9,645
3.2	Credit standby arrangements	--	--

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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	2,980	673
4.2 Deposits at call	--	--
4.3 Bank overdraft	--	--
4.4 Other (provide details)	--	--
Total: cash at end of quarter (item 1.23)	2,980	673

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: 31 January 2013.
 (Company secretary)

Print name: John Hoedemaker

+ See chapter 19 for defined terms.

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.

+ See chapter 19 for defined terms.