



Little World Beverages LIMITED

Little World Beverages Ltd expansion delivers strong growth.

25 August 2009

The Little World Beverages Group's activity for the year to 30 June 2009 has delivered another strong result reflecting the momentum of the Little Creatures products nationally, and increased revenues across the Fremantle and Fitzroy cellar door operations.

Dividends have been prudently maintained at 4.8 cents per share for the year. As the capital project investment reduces in 2010 the Directors see scope for increased dividends commensurate with higher operating cash flow.

Key projects completed are the expanded Little Creatures operation in Fremantle, and the commissioning of the White Rabbit Brewery in Healesville Victoria in May 2009. The distinctive White Rabbit Dark Ale has since been progressively released to specific markets.

Result Highlights:

For the year ended 30 June 2009:

- a 40.0% increase in revenue above 2008, to \$47.7m;
- a 61.5% increase in EBITDA above 2008, to \$10.0m;
- a 32.9% increase in net profit after tax above 2008, to \$4.5m;
- a 34.0% increase in operating cash flow above 2008, to \$8.1m;
- a final dividend of 2.5 cents per share fully franked, bringing total dividends declared for the year to 4.8 cents per share.

Further achievements during the year were:

- (a) The commissioning and full operation of the new Fremantle brewing facility;
- (b) Completion and commissioning of the new White Rabbit Brewery in Healesville Victoria;
- (c) Expanded cellar door operations in Fremantle and a full year of trading at the Little Creatures Dining Hall, Melbourne;
- (d) Upgraded sales and distribution capability to leverage the broadened beverage portfolio;
- (e) Additional management expertise including the appointment of a Chief Operating Officer, while the management structure has been reorganised in anticipation of future growth.

- End -

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Appendix 4E Preliminary Final Report

Little World Beverages Limited
ABN 25 081 128 225

1. Reporting Periods

Financial year ended ('current period')	Financial year ended ('previous corresponding period')
30 June 2009	30 June 2008

2. Results for Announcement to the Market

Revenue from ordinary activities	up	40.0%	to	\$47.7 mill
Net profit after tax attributable to members	up	32.9%	to	\$4.5 mill
EBITDA	up	61.5%	to	\$10.0mill
Operating cash flow	up	34.0%	to	\$8.1mill

Dividends:	Amount per security	Franked amount per security
Interim dividend (record date 26 March 2009)	2.3 cents	2.3 cents
Final dividend ¹ (record date 15 September 2009)	2.5 cents	2.5 cents
Total dividends per security for the year	4.8 cents	4.8 cents

¹The final dividend in respect of ordinary shares for the year ended 30 June 2009 has not been recognised in the financial report because the dividend was declared subsequent to 30 June 2009. The final dividend for 2009 of 2.5 cents per share, fully franked at 30% will be paid on 30 September 2009.

3. Income Statement

	Notes	Consolidated		Parent Entity	
		30 June 2009 \$	30 June 2008 \$	30 June 2009 \$	30 June 2008 \$
Revenues from continuing operations	1	47,747,579	34,101,132	2,819,003	2,606,440
Raw material and consumables used		(9,132,639)	(6,082,236)	-	-
Selling & distribution costs		(3,204,759)	(2,427,168)	-	-
Depreciation & amortisation expenses	3	(2,018,649)	(1,026,371)	-	-
Employee expenses		(12,369,296)	(9,144,362)	-	-
Bad & doubtful debts		29,268	(101,948)	-	-
Excise tax		(6,677,901)	(5,097,209)	-	-
Occupancy costs		(2,141,017)	(1,178,062)	-	-
Consumables, repairs & replacements		(990,636)	(848,509)	-	-
Loss on sale of assets		(33,037)	(178,055)	-	-
Other expenses		(3,211,174)	(2,842,209)	(84,618)	(96,562)
Results from operating activities		7,997,739	5,175,003	2,734,385	2,509,878
Finance income	2	39,379	87,486	232	21,529
Finance expenses	2	(1,122,192)	(20,409)	(172)	-
Net finance income		(1,082,813)	67,077	60	21,529
Profit before income tax expense		6,914,926	5,242,080	2,734,445	2,531,407
Income tax expense	4	(2,381,661)	(1,829,398)	(72,980)	2,531,407
Profit for the year		4,533,265	3,412,682	2,661,465	(73,704)
Profit attributable to members of Little World Beverages Limited and controlled entities		4,533,265	3,412,682	2,661,465	2,457,703
		Cents	Cents		
Earnings per share for profit attributable to the ordinary equity holders of the company:					
Basic earnings per share		7.67	5.78		
Diluted earnings per share		6.66	5.01		

4. Balance Sheet

Notes	Consolidated		Parent Entity		
	30 June 2009 \$	30 June 2008 \$	30 June 2009 \$	30 June 2008 \$	
Assets					
Current Assets					
Cash and cash equivalents	5	1,276,972	1,454,364	1,917	-
Trade and other receivables	6	3,687,069	3,098,509	-	-
Inventories	7	1,973,310	1,560,450	-	-
Other	8	160,240	228,691	-	-
		7,097,591	6,342,014	1,917	-
Non-current Assets					
Receivables		-	-	21,736,715	21,970,963
Other financial assets	9	309,672	500	2,241,906	1,208,349
Property, plant and equipment	10	45,516,309	34,401,629	-	-
Intangible assets	11	1,165,306	1,165,306	-	-
Deferred tax assets	12	191,124	231,569	64,012	136,992
Total Non-Current Assets		47,182,411	35,799,004	24,042,633	23,316,304
Total Assets		54,280,002	42,141,018	24,044,550	23,316,304
Liabilities					
Current Liabilities					
Payables	13	4,110,613	3,683,679	14,092	8,475
Provisions	14	397,939	174,346	-	-
Current tax liabilities	15	901,787	126,198	-	-
Total Current Liabilities		5,410,339	3,984,223	14,092	8,475
Non-Current Liabilities					
Trade and other payables		118,439	-	-	-
Loans and borrowings	16	18,500,000	10,500,000	-	-
Total Non-Current Liabilities		18,618,439	10,500,000	-	-
Total Liabilities		24,028,778	14,484,223	14,095	8,475
Net Assets		30,251,224	27,656,795	24,030,455	23,307,829
Equity					
Contributed equity	17	22,024,536	21,968,755	22,024,536	21,968,755
Reserve	18	1,932,717	1,208,331	1,932,717	1,208,331
Retained profits	18	6,293,971	4,479,709	73,205	130,743
Total Equity		30,251,224	27,656,795	24,030,458	23,307,829

5. Statement of Changes in Equity

Notes	Consolidated		Company	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	\$	\$	\$	\$
Total equity at the beginning of the financial year	27,656,795	26,060,169	23,307,829	22,666,182
Options reserve	18 724,386	724,384	724,386	724,384
Net income recognised directly in equity	724,386	724,384	724,386	724,384
Profit for the year	4,533,265	3,412,682	2,661,465	2,457,703
Total recognised income and expense for the year	5,257,651	4,137,066	3,385,848	3,182,087
Transactions with equity holders in their capacity as equity holders:				
Share based payments net of tax	55,781	-	55,781	-
Dividends paid	(2,719,003)	(2,540,440)	(2,719,003)	(2,540,440)
Total equity at the end of the year	30,251,224	27,656,795	24,030,455	23,307,829
Total recognised income and expense for the year attributable to members of Little World Beverages Limited and controlled entities	5,257,651	4,137,066	3,385,848	3,182,087

6. Statement of Cash Flow

Notes	Consolidated		Company		
	30 June 2009 \$	30 June 2008 \$	30 June 2009 \$	30 June 2008 \$	
Cash flows from operating activities:					
	Receipts from customers (inclusive of goods and services tax)	51,354,483	37,315,282	155,778	54,549
	Payments to suppliers and employees (inclusive of goods and services tax)	(38,545,945)	(28,795,270)	(79,291)	(111,323)
	Cash generated from operations	12,808,538	8,520,012	76,487	(56,774)
	Borrowing costs	(1,112,914)	-	(172)	-
2	Interest received	39,379	87,486	232	21,529
	Dividends received	-	-	2,719,003	2,540,440
	Income taxes paid	(1,565,627)	(2,170,912)	-	881
	Net GST paid to the ATO	(2,030,979)	(364,606)	2,180	9,886
	Net cash provided by operating activities	8,138,397	6,071,980	2,797,730	2,515,962
Cash flows from investing activities:					
10	Purchase of property, plant and equipment	(13,287,614)	(16,817,196)	-	-
11	Purchase of intangibles	(309,172)	-	(309,172)	-
	Sale of property, plant and equipment	-	44,999	-	-
	Proceeds from loans with related parties	-	-	422,077	2,820,017
	Repayment of loans with related parties	-	-	(187,829)	(6,168,842)
	Dividends paid	(2,719,003)	(2,540,440)	(2,719,003)	(2,540,440)
	Net cash used in investing activities	(16,315,789)	(19,312,637)	(2,793,927)	(5,889,265)
Cash flows from financing activities:					
16	Proceeds from other borrowings	8,000,000	10,500,000	-	-
	Net cash provided by financing activities	8,000,000	10,500,000	-	-
	Net increase/(decrease) in cash held	(177,392)	(2,740,657)	3,803	(3,373,303)
	Cash and cash equivalents at the beginning of the year	1,454,364	4,195,021	(1,886)	3,371,417
	Cash and cash equivalents at the end of the year	1,276,972	1,454,364	1,917	(1,886)

Notes to the Financial Statements:

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
1. Revenue				
From continuing operations				
Sale of goods	46,620,596	33,493,158	-	-
Dividend income	-	-	2,719,003	2,540,440
Rental revenue from property subleases	609,798	378,128	-	-
Other income	517,185	229,846	100,000	66,000
Total revenue from continuing operations	47,747,579	34,101,132	2,819,003	2,606,440
2. Finance Income and Expenses				
Interest income – other parties	39,379	87,486	232	21,529
Interest expense – other parties	(1,112,914)	-	(172)	-
Foreign exchange losses	(9,278)	(20,409)	-	-
	(1,122,192)	(20,409)	(172)	-
3. Expenses				
Profit before income tax includes the following specific expenses:				
Cost of goods sold	15,810,541	11,179,445	-	-
Depreciation and amortisation of non-current assets:				
plant and equipment	1,685,997	979,213	-	-
amortisation of leasehold improvements	332,652	47,158	-	-
Total depreciation and amortisation cost	2,018,649	1,026,371	-	-
Rental and outgoings on operating sublease over land & buildings and other property	1,259,580	999,763	-	-
Defined superannuation contribution expense	810,916	575,036	-	-
4. Income Tax Expense				
Current tax	2,369,279	1,704,282	-	-
Deferred tax	40,445	142,073	72,980	73,704
Under (over) provided in prior years	(28,063)	(16,957)	-	-
	2,381,661	1,829,398	72,980	73,704
Deferred income tax expense included in income tax expense comprises:				
Decrease in deferred tax assets	119,028	5,418	72,980	73,704
(Decrease) increase in deferred tax liabilities	(78,583)	136,655	-	-
	40,445	142,073	72,980	73,704

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
4. Income Tax Expense (continued)				
<i>Numerical reconciliation of income tax expense to prima facie tax payable</i>				
Profit before income tax expense	6,914,926	5,242,080	2,734,445	2,531,407
Tax at 30%	2,074,478	1,572,624	820,334	759,422
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Share-based payments	205,917	236,734	-	-
Tax offset for franked dividends	-	-	(747,354)	(759,422)
Sundry	101,266	20,040	-	73,704
	2,381,661	1,829,398	72,980	73,704
<i>Amounts recognised directly in equity</i>				
Deferred tax arising in the reporting period not recognised in profit or loss but directly credited to equity				
Deferred tax credited directly to equity	(72,980)	(73,704)	(72,980)	(73,704)
<i>Tax consolidation legislation:</i>				
Little World Beverages Limited and its wholly-owned Australian controlled entities have not implemented the tax consolidation legislation.				
5. Current Assets - Cash				
Cash at bank and in hand	1,276,972	1,454,364	1,917	-
Bank Overdraft	-	-	-	(1,886)
	1,276,972	1,454,364	1,917	(1,886)
<i>Cash at bank and on hand</i>				
The cash at bank and on hand bear interest rates of between 0% and 4%.				
6. Current Assets – Trade and Other Receivables				
Trade receivables	3,389,756	2,968,270	-	-
Provision for doubtful receivables	(43,612)	(109,141)	-	-
Amounts receivable from director & key management personnel related entities	2,083	8,177	-	-
Sundry debtors and deposits	338,842	231,203	-	-
	3,687,069	3,098,509	-	-

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
7. Current Assets – Inventories				
At cost				
Raw materials and stores	911,003	696,944	-	-
Work in progress	108,075	76,065	-	-
Finished goods	954,232	787,441	-	-
	1,973,310	1,560,450	-	-

Inventories recognised as cost of sales during the year ended 30 June 2009 amounted to \$15,810,541 (2008: \$11,179,445).

8. Current Assets – Other Assets				
Prepayments	160,240	228,691	-	-
9. Non-Current Assets – Other Financial Assets				
Investment in subsidiaries	-	-	1,932,734	1,208,349
Unlisted shares	309,672	500	309,172	-
	309,672	500	2,241,906	1,208,349

10. Non-Current Assets – Property, Plant & Equipment

Consolidated	Land & Buildings \$	Leasehold Improvements \$	Plant & Equipment \$	Total \$
<i>At 1 July 2007:</i>				
Cost	6,404,832	2,030,968	12,163,419	20,599,219
Accumulated depreciation	-	(118,544)	(1,647,044)	(1,765,588)
Net book amount	6,404,832	1,912,424	10,516,375	18,833,631
<i>Year ended 30 June 2008:</i>				
Opening net book amount	6,404,832	1,912,424	10,516,375	18,833,631
Additions	1,115,158	6,518,131	9,183,907	16,817,196
Disposals / adjustments	(2,566)	(620,217)	399,957	(222,826)
Depreciation charge	-	(30,524)	(995,848)	(1,026,372)
Closing net book amount	7,517,424	7,779,814	19,104,391	34,401,629

10. Non-Current Assets – Property, Plant & Equipment (continued)

	Land & Buildings	Leasehold Improvements	Plant & Equipment	Total
	\$	\$	\$	\$
<i>At 30 June 2008:</i>				
Cost	7,517,424	7,952,944	21,668,793	37,139,161
Accumulated depreciation	-	(173,130)	(2,564,402)	(2,737,532)
Net book amount	7,517,424	7,779,814	19,104,391	34,401,629
<i>Year ended 30 June 2009:</i>				
Opening net book amount	7,517,424	7,779,814	19,104,391	34,401,629
Additions	1,794,151	4,995,577	6,383,592	13,173,320
Disposals / adjustments	-	-	(39,991)	(39,991)
Depreciation charge	(7,785)	(324,867)	(1,685,997)	(2,018,649)
Closing net book amount	9,303,790	12,450,524	23,761,995	45,516,309
<i>At 30 June 2009:</i>				
Cost	9,311,575	12,938,555	27,893,080	50,143,210
Accumulated depreciation	(7,785)	(488,031)	(4,131,085)	(4,626,901)
Net book amount	9,303,790	12,450,524	23,761,995	45,516,309

Included in the above addition totals for the year ended 30 June 2009 is an amount of \$73,804 relating to capitalised borrowing and interest costs, which have been added to the cost base of the assets to which they relate.

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
11. Non-Current Assets – Intangible Assets				
Goodwill purchased	1,065,306	1,065,306	-	-
Licences purchased	100,000	100,000	-	-
At 30 June	1,165,306	1,165,306	-	-

12. Non-Current Assets – Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

Consolidated	Assets		Liabilities		Net	
	2009	2008	2009	2008	2009	2008
Doubtful debts	(13,084)	(29,766)	-	-	(13,084)	(29,766)
Property, plant and equipment	(725)	-	80,821	120,757	80,096	120,757
Sundry accruals	(14,630)	(129,838)	-	-	(14,630)	(129,838)
Employee leave accruals	(86,583)	(53,684)	-	-	(86,583)	(53,684)
Other provisions	(32,798)	(63)	-	-	(32,798)	(63)
Borrowing costs	(29,232)	(38,192)	-	-	(29,232)	(38,192)
Capital raising costs	(64,482)	(138,587)	-	-	(64,482)	(138,587)
Trade and other creditors	-	(3,244)	-	-	-	(3,244)
Achievement Rights Plan	(33,536)	-	-	40,538	(33,536)	40,538
Unearned income	-	-	3,125	510	3,125	510
Tax (assets) liabilities	(275,070)	(393,374)	83,946	161,805	(191,124)	(231,569)
Set off of tax	83,946	161,805	(83,946)	(161,805)	-	-
Net tax (asset) liabilities	(191,124)	(231,569)	-	-	(191,124)	(231,569)

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
13. Current Liabilities – Trade and Other Payables				
Trade creditors	2,658,768	3,036,513	5,781	455
Sundry creditors & accruals	1,378,415	441,269	8,311	8,020
Amounts payable to director & key management personnel related entities	73,430	205,259	-	-
Amount payable to shareholder related entity	-	638	-	-
	4,110,613	3,683,679	14,092	8,475
14. Current Liabilities – Provisions				
Provision for annual leave	245,249	141,859	-	-
Provision for employee bonuses	32,000	-	-	-
Provision for long service leave	43,362	32,487	-	-
Provision for lost keys	77,328	-	-	-
	397,939	174,346	-	-
15. Current Liabilities – Current Tax Liabilities				
Income tax	901,787	126,198	-	-
16. Non-Current Liabilities – Loans and Borrowings				
Secured bank loan	18,500,000	10,500,000	-	-

17. Contributed Equity

Ordinary share capital

Company	2009	2008	2009	2008
	# Shares	# Shares	\$	\$
Ordinary share capital				
Ordinary shares – fully paid	59,119,418	59,080,000	22,024,536	21,968,755

Date	Details	# shares	Issue price	\$
1 July 2008	Opening balance	59,080,000		21,968,755
1 July 2008	Achievement Rights Issue	18,122	\$1.50	27,095
11 December 2008	Achievement Rights Issue	16,296	\$1.30	21,186
18 March 2009	Achievement Rights Issue	5,000	\$1.50	7,500
30 June 2009	Balance	59,119,418		22,024,536

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll, each share is entitled to one vote.

18. Reserves and retained profits

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
a) Reserves				
Share-based payments reserve	1,932,717	1,208,331	1,932,717	1,208,331
Movements:				
Balance 1 July	1,208,331	483,947	1,208,331	483,947
Option expense	724,386	724,384	724,386	724,384
Transfer to share capital (options exercised)	-	-	-	-
Balance 30 June	1,932,717	1,208,331	1,932,717	1,208,331

The share-based payments reserve is used to recognise the fair value of options issued but not exercised.

18. Reserves and retained profits (continued)

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
b) Retained profits				
Movements in retained profits were as follows:				
Balance 1 July	4,479,709	3,607,467	130,743	213,480
Net profit for the year	4,533,265	3,412,682	2,661,465	2,457,703
Dividends	(2,719,003)	(2,540,440)	(2,719,003)	(2,540,440)
Balance 30 June	6,293,971	4,479,709	73,205	130,743

19. Reconciliation of Profit after Income Tax to Net Cash Inflow From Operating Activities

Profit for the year	4,533,266	3,412,682	2,661,465	2,457,703
Non-Cash Items				
Depreciation and amortisation	2,018,649	1,026,371	-	-
Loss on sale of non current assets	33,037	178,055	-	-
Foreign exchange (gains)/losses	9,278	20,409	-	-
Options, achievement rights & employee shares granted	724,386	724,384	724,384	724,384
Other non-cash items	46,501	(14,336)	-	1,259
Changes in assets and liabilities				
Increase in trade and other receivables	(726,569)	(342,724)	-	(17,585)
Increase in inventories	(412,860)	(615,208)	-	-
Increase in other assets	(110,745)	(112,004)	-	-
Increase/(decrease) in trade and other payables	1,132,398	2,120,698	(663,279)	(724,384)
Increase in provisions	146,265	20,214	-	-
Decrease in deferred tax assets	202,250	5,418	72,980	73,704
(Decrease)/increase in current tax liabilities	775,588	(494,052)	-	881
Increase/(decrease) in deferred tax liabilities	(161,805)	142,073	-	-
Net movement in GST liabilities	(71,242)	-	2,180	-
Net cash inflow from operations	8,138,397	6,071,980	2,797,730	2,515,962

7. Dividends

		Date dividend payable	Amount per security (cents)	Amount per security of foreign sourced dividends (cents)
Final dividend	Current year	30 September 2009	2.5	nil
	Previous year	29 September 2008	2.3	nil
Interim dividend	Current year	3 March 2009	2.3	nil
	Previous year	21 March 2008	2.3	nil
			Current period	Previous period
Total dividends per share			Cents per share	Cents per share
			Total \$	Total \$
<i>Recognised amounts:</i>				
Final dividend – fully franked at 30%			-	-
Interim dividend – fully franked at 30%			2.3	2.3
			1,358,840	1,358,840
<i>Unrecognised amounts:</i>				
Final dividend – fully franked at 30% ¹			2.5	2.3
			1,478,888	1,359,259
Total			4.8	4.6

¹The final dividend in respect of ordinary shares for the year ended 30 June 2009 has not been recognised in the financial report because the dividend was declared subsequent to 30 June 2009. The final dividend for 2009 of 2.5 cents per share, fully franked at 30% will be paid on 30 September 2009.

8. Dividend reinvestment plans

The company does not have a Dividend Re-investment Plan.

9. Statement of retained earnings

	Current period	Previous corresponding period
Balance 1 July	4,479,709	3,607,467
Net profit for the year	4,533,265	3,412,682
Dividends paid	(2,719,003)	(2,540,440)
Balance 30 June	6,293,971	4,479,709

10. Net tangible assets backing

	Current period \$	Previous corresponding period \$
Net tangible assets per ordinary share	0.49	0.45

11. Controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2008 %	2007 %
Little Creatures Brewing Pty Ltd	Australia	Ordinary	100	100
Little Green Steps Pty Ltd	Australia	Ordinary	100	100
Fremantle Harbour Properties Pty Ltd	Australia	Ordinary	100	100

12. Associates and Joint ventures

There were no associates or joint venture entities associated with the consolidated group for the period.

13. Other significant information

See commentary below

14. Foreign entities

N/A

15. Commentary on the results for the year ended 30 June 2009

The year has been a defining one for the Company with several development projects successfully completed and strong financial results maintained.

The new Fremantle Brewery has enjoyed the first full year in production with the brewers building on the high levels of product quality and consistency, and finding improvement in energy use, cost and waste management.

Whilst all products in the stable continue to perform well, the flagship Pale Ale's year was again exceptional attracting new drinkers and exuberant "mail" from followers around the globe acknowledging its place amongst the country's best. Consumer and market research also indicates healthy measures that bode well for the future of the brand.

In the face of difficult macro economic conditions, the Company's excellent "against the grain" performance reaffirms the commitment to a long term brand strategy driven by great people with great brands...the two ingredients featured pictorially in this review.

The Company appointed a Chief Operating Officer in May 2009. Ross Sudano brings valuable experience in retail (previously CEO of Anaconda Adventure Stores) and wholesale (FAL) amongst other credentials...particularly people leadership. He is based in Melbourne where the Company now holds significant assets and an exciting east coast growth opportunity.

The White Rabbit Brewery in Healesville Victoria became operational in the back half of the financial year with product now finding its way to stores. The "open fermented" dark ale has

been introduced to the market...think of a couple of eccentric Belgian artists crashing an English tea party and you have the start of this beer's conversation. If in the Yarra Valley area, there is a small visitors' bar where the dark ale is pouring and a simple country fare on offer.

The Fremantle Brewery's cellar door operations remain a cultural backbone and consistent performer within the organisation.

The Little Creatures Dining Hall in Melbourne has also contributed well given a full year of consistently strong trading. Established as a showcase for the Company's entire product line and a base for the east coast operations, the platform is there for an exciting year ahead.

The national sales team is "taking to the streets" with a broader yet carefully balanced portfolio that is achieving elevated trade interest and business engagement with positive market trends in support of the craft beer category. The Little Creatures beer range with Pale Ale, Bright, Pilsner and Rogers, is joined by the White Rabbit Dark Ale, and by an excellent malt lager from Stone & Wood Brewery in Byron Bay.

In February this year, Little World Beverages took a 20% equity interest in the Stone & Wood Brewing (SW) business with an agreement to also distribute product. In a reciprocal arrangement, SW will distribute LWB products in their Northern Rivers home territory. The Company believes the relationship will provide the parties with future opportunities in northeast Australia...one of the country's exciting growth markets.

The Company's cider Pipsqueak grew rapidly and sits within one of the world's fastest growing alcohol beverage categories. Aspoll Cyder from Suffolk in England is also distributed within Australia by the sales team.

Internationally, the Company was delighted to sign a new UK distribution agreement with Aspoll who boast an established sales and marketing organisation covering key wholesale markets and national retail chains, a network that should present fresh upside for the Little Creatures brands. Additionally, a shift in Singapore distribution to Pacific Beverages Ltd is expected to increase market penetration.

The timely completion of several major projects this past year and an excellent financial result is very pleasing. Congratulations go to the talented divisional team leaders Miles Hull, Todd Morcombe, Richard Sweet and Alex Troncoso. Founding partners Nic Trimboli, Howard Cearns and Phil Sexton are engaged in consulting roles across the business ensuring the commercial and creative development of the business continues.

As we approach the 10th anniversary of the business in November, the Directors are enthusiastic about what the future holds against a backdrop of consumer trends shifting toward craft ale and premium beverages, and the strength of the brands in this territory.

16. Compliance statement

1. This report, and the accounts upon which this report is based, have been prepared in accordance with AASB Standards.
2. This report, and the accounts upon which the report is based, use the same accounting policies.
3. This report gives a true and fair view of the matters disclosed.
4. This report is based upon accounts to which one of the following applies:

The accounts have been audited.

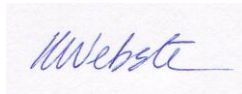
The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have *not* yet been audited or reviewed.

5. The auditors' audit report is attached to the financial statements.
6. The entity has a formally constituted Audit and Finance Committee.

Signed:



Company Secretary

Date: 25 August 2009

Name:

Kylie Webster