

SECURITIES COMMISSION OF THE BAHAMAS

PUBLIC NOTICE

No. 20 of 2011 14 December 2011

NOTICE RELATING TO THE REGULATORY STATUS OF BAHAMAS SUPERMARKETS LIMITED PURSUANT TO THE SECURITIES INDUSTRY ACT, 1999

This **NOTICE** is issued by the Securities Commission of The Bahamas (“the Commission”) pursuant to Section 4(2) of the Securities Industry Act, 1999 (“the SIA”), ‘to do anything that is calculated to facilitate or is incidental to the proper discharge of its functions’. The Commission has responsibility for the licensing, regulation and supervision of the securities and investment funds industries of The Bahamas pursuant to the SIA, the Investment Funds Act, 2003, and the Financial and Corporate Service Providers Act, 2000. In addition, the Commission is specifically mandated pursuant to Section 4(1)(b) and (c) of the SIA to maintain surveillance and to ensure the orderly growth and development of the capital markets.

In the fulfillment of its mandate, the Commission issues this Notice to provide information to the investing public and holders of securities in connection with recent developments relating to Bahamas Supermarkets Limited (“BSL” or “the Company”).

The public is hereby advised that BSL is a Company whose shares are traded over-the-counter and, as such, is not listed on the Bahamas International Securities Exchange (BISX). Under the provisions of the SIA, BSL is required to provide annual audited financial statements to the Commission, and to notify the Commission and the public of all material events affecting, or likely to affect the Company. BSL is also required to hold an annual general meeting (“AGM”) at least once every year pursuant to Section 65(1) of the Companies Act, 2000.

BSL has requested an extension to file its annual audited financial statements for the year ended 30 June 2011. This would be the fourth consecutive period that BSL has issued its audited financial statements later than four months after the end of its financial year. The Commission also notes that for each of the three years ended 30 June 2010, a disclaimer of opinion was issued by the independent public accountants (“auditors”) retained to conduct these audits. The inability of the auditors to express an opinion on these statements was attributed to significant matters outlined in the auditor’s reports that caused limitations in the scope of the audits. The Commission is concerned that a continuation of the pattern of reporting delays (which, to date have resulted in information not being made available to the

public and investors in a timely fashion) may affect the investing public's ability to make sound investment decisions about their holdings or intended purchases in BSL securities.

It is noted however, that unaudited financial statements for the year ended 29 June 2011 are available for public inspection via the Company's website. While these accounts do provide some information to the public they are not attested to by independent public accountants through an audit examination.

The public is further advised that BSL's last AGM was held on 9 December 2009 when the 2008 consolidated financial statements were tabled. The audited financial statements for each of the years ended 30 June 2009-2011 have therefore not been tabled for review, discussion and shareholder approval. As was noted in a previous communication by the Commission, the AGM offers an opportunity for accountability to shareholders by the directors and management of the Company.

Given these facts and other general concerns regarding the Company's operations, the Commission has taken the position that BSL's request for an extension to file its 2011 audited financial statements will not be considered. The public is further advised that the Commission has established an enhanced monitoring program in respect of BSL and will continue to monitor its activities.

Any questions regarding this Notice should be directed to:

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