Great people Great brands Great performance

EABL ANNUAL REPORT 2015

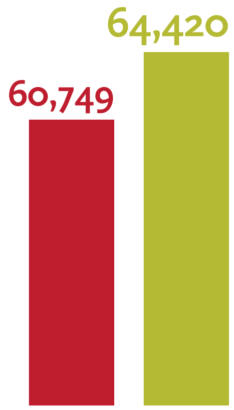
CONTENT

FINANCIAL HIGHLIGHTS

Net Sales Value Kshs ('000,000)

64,420

60,749



Profit Before Tax Kshs ('000,000)

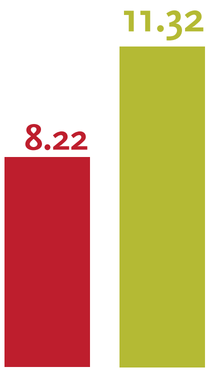
14,151

10,390

Earnings Per Share Kshs

11.32

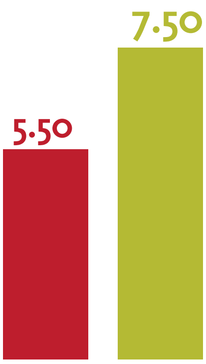
8.22



Dividend Per Share Kshs

7.50

5.50



2014 2015


HOLDING TANK
REQUIRED


SAFETY NOTICE BOARD
FIRST AIDERS
SAFETY ALERT

ABOUT US

East African Breweries Limited (EABL) is East and Central Africa's leading branded alcohol beverage business. We have a wide and outstanding collection of brands that range from beer, spirits and Adult Non-Alcoholic Drinks (ANADs) reaffirming our standing as a Total Adult Beverage (TAB) company.

We have invested in breweries, distilleries, support industries and a distribution network across the region; the group's diversity is an important factor in delivering high-quality brands to East African consumers and long-term value to our investors.

EABL operates through the following subsidiaries: Kenya Breweries Limited, Uganda Breweries Limited, Serengeti Breweries Limited, United Distillers Vintners, East African Maltings Limited and East African Breweries International which is the export arm of EABL currently covering South Sudan, Rwanda, Burundi, Eastern DRC, duty-free sales (international travel) and other export markets.

EABL provides direct employment to over 1500 people and indirect employment to another 2 million across East Africa. As a multinational company, we partner with our trade partners and communities to ensure that we embrace responsible sourcing practices that support sustainable livelihoods.

We work with a wide variety of suppliers, including our farmers, to ensure that there is continuous improvement in our supply chain.

Key areas of engagement with our suppliers include:

- Embbeding ethical business practices
- Protection of human rights
- Compliance in health & safety standards
- Reduction of environmental impact through our supply chain
- Promotion of a more positive role for alcohol in society.

CHAIRMAN'S STATEMENT

"I believe these results are strong, given the business environment experienced during the financial year. I wish to applaud all employees of EABL for their efforts in driving the business towards our ambition to become the best performing, most trusted and respected consumer products company in Africa, as this is creating value for our shareholders."

Interim dividend per share Kshs

1.50
in 2015

Final recommended dividend per share Kshs

6.00
in 2015

Total Dividend per share Kshs

7.50
in 2015

Delivering our ambition

Performance overview

We gathered momentum in F15 and recorded a 6% growth in net sales and 40% growth in profit after tax. The profit performance included a one-off transaction, when this transaction is excluded underlying profit growth was sixteen percent. These results demonstrate that our business, though not totally cushioned from economic impact, is in good shape and that actions taken over the past three years are having a positive effect. I would like to thank my fellow directors, the management team and all employees for their efforts across the year. I look forward to the business making continued progress towards our ambition to become the best performing, most trusted and respected consumer products company in Africa, as this is creating value for our shareholders.

Overall, the business achieved growth in all markets in the financial year. We recorded performance improvement in spirits, premium beer and Ready-To-Drink (RTDs) segments leading to growth in six out of our eight product categories. Kenya delivered marginal growth of 3% in net sales driven by innovation in the RTD category, and improved performance in premium beer and all spirit segments.

In Uganda, where net sales grew 7% in local currency, growth was led by premium beer and good performances by Waragi and the Reserve portfolio. Despite currency challenges in Tanzania, the market grew 2% when considered in local currency terms, driven by strong growth in emerging beer brands, reserve and international spirits.

Delivering on our ambition

Our business is driven by a well-defined strategy through which we measure progress against our performance ambition. The six performance drivers include: strengthening our premium core brands; winning in reserve; innovating to meet new consumer needs; building on our route-to-consumer; driving out cost and guaranteeing our business plans with the right talent. We continue to make progress against these priorities across the business.

Increased focus on our premium core brands led to double-digit growth in both the beers and spirits categories in the financial year, whilst capability building on our luxury brands also paid off with a strong performance on our reserve portfolio.

Our route-to-consumer (RTC) initiative looks at how we can profitably extend the reach and quality of our brands wherever they appear, achieving higher rates of sale in an efficient way. In the financial year, we made an additional 12,000 direct outlet calls, gained traction in our distributor transformation in Kenya and Uganda and converted over 1,000 newly-licensed outlets in Kenya.

Our focus to drive out costs and increase our operational efficiency helped to mitigate impact of inflation in cost of sales. Our cost savings were primarily driven by the gains made in reduced utilities usage and improved waste management.

The delivery of the strong results in F15 was made possible by our commitment to people. EABL continues to invest in robust leadership and capability programmes for our emerging and senior leaders in order to guarantee a strong talent pipeline that will ensure our market competitiveness and business sustainability. We have embarked on a culture transformation journey of our people in order to support our long-term business performance.

Socio-economic contribution

EABL directly employs over 1,500 East Africans and approximately another 2,000,000 indirectly through its operations that cover raw materials sourcing, distribution and retail value chain support.

EABL continues to invest heavily in the region. Total CAPEX spend in the year was Ksh 4.9bn covering initiatives to boost beer brewing efficiency and stand by power in Kenya, and the upgrade of the effluent treatment plant in Uganda. These major investments demonstrate the confidence that the company has in the East African region. In addition, EABL remains a significant taxpayer across the region and a major contributor to local economies with remittances of over Kshs 39 billion annually through its subsidiaries.

Sustainability

Local raw materials: Our business remains committed to supporting local sourcing of raw and packaging materials as well as developing capacity for local spirits suppliers. As part of our agribusiness programme, EABL has contracted over 900 farmers in the region to grow barley and approximately 40,000 who grow sorghum. From this value chain, our farmers earn over Ksh 1.5 billion annually. The company continues to offer support through other additional value-add services like crop research, seed development, credit extension in the form of farming inputs and guaranteed markets to the farmers.

Barley is used in the manufacture of our lager products, while sorghum is used to produce our value priced beer Senator Keg. The sorghum project continues to benefit communities living in arid and semi-arid lands (ASAL) by providing a cash crop with guaranteed returns in a short span of time. With the recent review of the excise tax on Senator, we have witnessed significant demand growth in this segment of our emerging business.

Our communities: We believe in partnering with our communities and remain committed to advocating the role of alcohol in society to reduce the impact of harmful consumption. These partnerships with our suppliers, farmers, consumers and trade partners strengthen our reputation as a trusted and respected partner of choice. We work to promote responsible drinking and support the World Health Organisation goal to reduce harmful consumption of alcohol by 10% by 2025. We have made commitments in this regard through efforts geared at undertaking responsible drinking campaigns, under-age advocacy campaigns and strengthening our marketing codes. These initiatives have been successful in Kenya, Uganda and Tanzania and we have plans to extend our campaigns into our emerging markets such as Rwanda, Burundi and South Sudan in F16.

We also made significant investments in our communities in enhancing access to safe water and sanitation amenities in Kenya, Uganda and Tanzania. Our capacity-building initiatives, through our skills for life programme, has to date benefitted over 220 university students across the region. We are proud of the contributions we continue to make within the East African Community as responsible citizens.

Dividend

The Board of Directors is pleased to recommend a final dividend of KES 6.00 per share. This, together with the interim dividend paid out on 14th April 2015, brings the total dividend for the year to KES 7.50 per share, representing a 36% increase in total dividend when compared with F14.

Board changes

During the financial year, Mr. Evanson Mwaniki, Mrs. Susan Githuku and Mr. Andy Fennell retired from the Board to concentrate on other endeavours. The Board and I thank each one of them for their commitment to the company, their invaluable contribution to the board's deliberations and the company's success. We wish them all the best in their future endevours.

After the year end Mr. John O'Keeffe and Ms. Carol Musyoka joined the Board as Non-Executive Directors. Dr. György Geiszl was appointed Group Finance Director following the resignation of Ms. Tracey Barnes. I thank Ms. Tracey Barnes for her invaluable contributions and welcome Mr. John O'Keeffe, Ms. Carol Musyoka and Dr. György Geiszl and look forward to their contribution and participation.

Sale of Central Glass Industries

Following a thorough strategic review by the board during the year, EABL decided to exit the glass business to allow the company to focus on its core business of manufacturing, marketing and distributing alcoholic beverages. The divestiture from Central Glass Industries to Consol Group from South Africa, is further aimed at unlocking additional value for shareholders by investing the proceeds in the company's core activities and reducing existing debt. The sale was approved by the shareholders at an extra-ordinary General Meeting held on 27th May 2015.

Overall, the business achieved growth in all markets during the financial year

Operating environment and business outlook

The operating environment remains dynamic requiring us to be more strategic in our forecast, restless and agile, both in execution and delivery of our performance ambition. The business community within the East Africa region has been agitating for the removal of Non-Tariff Barriers so as to increase trade within the region. The cost of doing business remains fairly high, despite on-going reforms. Intra-trade within the COMESA region reached US$ 22 billion in 2014, whilst that of the EAC recorded US$8.6 billion, signifying the potential that the region has for trade.

The policy and regulatory environment remained largely turbulent. Kenya experienced an upsurge of government action against consumption of illicit alcohol, with an implementation plan that adversely impacted normal business operations for about three weeks. Tanzania and Uganda saw some anti-alcohol activity by the civil society.

As for intraregional trade, the business community continued engaging partner states to accelerate efforts to create a conducive business environment including the removal of Non-Tariff Barriers to facilitate free movement of goods. In this regard, new and simpler rules of origin were passed that will facilitate more cost-effective movement of our products between subsidiaries in the markets. The signing of a tripartite free-trade agreement between COMESA, SADC and EAC is further expected to open up additional markets for our products beyond the Eastern Africa region.

Whilst we have delivered good performance in F15, we continue to look out for opportunities to drive our business growth and work hard to overcome emerging challenges. Looking into F16, we will focus on accelerating volume growth, strengthening our mainstream beer brands, driving productivity, improving our working capital management and implementing strategies that will help us hedge against the regional currencies.

In conclusion, I wish to assure our stakeholders that we will continue to work hard to seize strategic opportunities and mitigate the risks that this dynamic environment creates, by effectively managing our short term performance and setting a strong foundation for the long-term growth of our business in order to continue creating value for our shareholders.

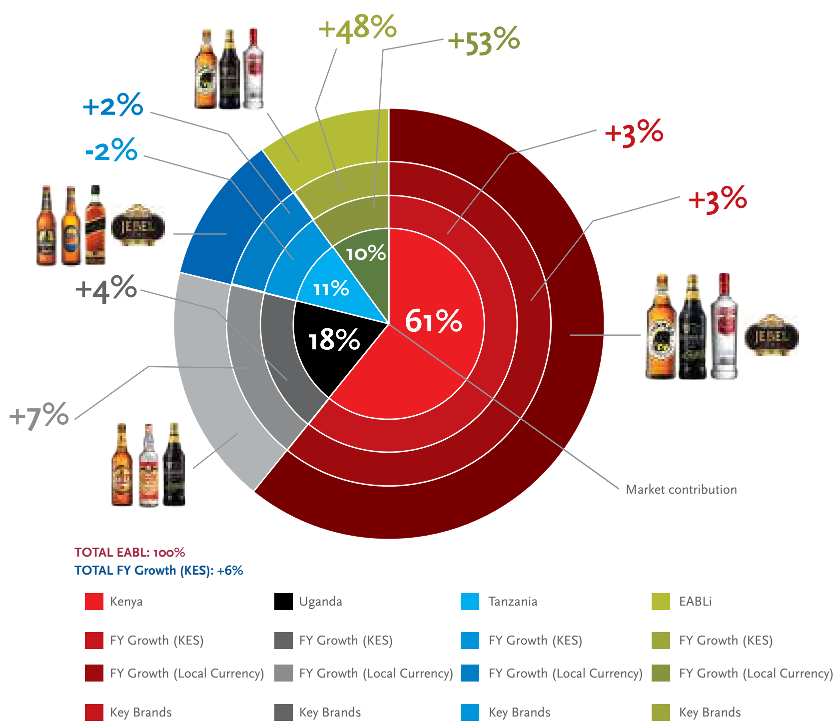
I want to congratulate the staff and management of EABL for their exemplary performance which could not have been possible without the support of our farmers, suppliers, trade partners, staff, the Government of Kenya and all our stakeholders. I wish to thank our stakeholders for their continued support to our business.

Sincerely,

Charles Muchene

Chairman

Underlying growth in all four markets



TAARIFA YA MWENYEKITI

"Naamini matokeo haya ni bora, tukitilia maanani mazingara ya biashara ya mwaka uliopita. Nawapongeza wafanyikazi wote wa EABL kwa juhudi zao za kuendesha biashara kufikia azma yetu ya kuwa kampuni inayotekeleza biashara vyema zaidi, na inayoheshimiwa na kuaminika zaidi katika nyanja ya bidhaa zitumiwazo barani Afrika, kwani hii itazidi kuchangia dhamana kwa wanahisa wetu."

Kutekeleza azma yetu

Mgawo wa muda kwa kila hisa Kshs

1.50
mwaka wa 2015

Pendekezo la mwisho la Mgawo kwa kila hisa Kshs

6.00
mwaka wa 2015

Mgawo wa Jumla kwa kila hisa Kshs

7.50
mwaka wa 2015

Taarifa ya jumla ya utendaji

Tulitia kasi katika mwaka uliopita na kushuhudia ongezeko la asilimia sita katika mauzo ya halisi na ongezeko la asilimia arobaini kwenye faida baada ya kutozwa ushuru. Matokeo hayo yanajumlisha shughuli ya kipekee ambayo ikiondolewa, basi ukuaji wa faida yetu ilikuwa asilimia kumi na sita.

Matokeo haya yaonyesha kuwa, biashara yetu, japo haijapata kuepuka dharuba ya kiuchumi, iko katika hali mufti na kwamba hatua zilizochukuliwa katika miaka mitatu iliyopita zinazaa matunda.

Ningependa kuwashukuru wakurugenzi wenzangu, wasimamizi na wafanyikazi wote kwa juhudi zao mwakani. Natumai biashara yetu itaendelea kunawiri ili tufikie azma yetu ya kuwa kampuni inayotekeleza biashara vema zaidi, na inayoheshimiwa na kuaminika zaidi katika nyanja ya bidhaa zitumiwazo barani Afrika.

Kwa jumla, biashara ilinawiri katika soko zote mwakani. Tulishuhudia ubora zaidi wa utendaji katika vitengo vya vinywaji vikali, pombe ya kadiri na zile zilizo tayari kunywewa. Hizi zilichangia kuongezeka kwa faida katika vikundi sita kati ya nane vya bidhaa.

Kenya ilishuhudia kuongezeka kwa asilimia tatu kwenye mauzo halisi ikichangiwa na pombe zilizo tayari kunywewa na uboreshaji katika pombe za kimo ya juu na aina zote za vinywaji vikali.

Nchini Uganda, ambako mauzo halisi yaliongezeka kwa asilimia saba, ubora wa mauzo ulichangiwa na pombe za kimo ya juu, ile ya Waragi na mauzo ya bidhaa za kifahari.

Ijapokuwa tulishuhudia changamoto ya fedha za kigeni nchini Tanzania, soko ilinawiri kwa asilimia mbili, ikichangiwa na kukua kwa pombe za dhamani, zile za kifahari na vinywaji vikali kutoka ng'ambo.

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Kutekeleza azma yetu

Biashara yetu inatekelezwa kupitia mkakati kem kem ambao hutuwezesha kutathmini ubora na jinsi ya kuafikia malengo yetu. Twatarajia kufanya hivyo kwa kuendelea kuimarisha bidha zetu za wastani, kuzoa ushindi kwenye bidhaa za kifahari, uvumbuzi ili kukimu mahitaji ya wateja wapya, kupanua na kuhakikisha njia za kufikia wanunuzi zi wazi, kupunguza gharama na kuhakikisha mipango ya kibiashara inakwenda sambamba na talanta. Tumepata maendeleo katika vipaumbele hivi katika biashara yetu.

Kulenga kwetu kwa pombe za kimo ya juu kulichangia kupatikana kwa ongezeko la jozi kwenye vitengo vya pombe na vinywaji vikali hapo mwakani, wakati ambapo rajamu za starehe ziliendelea kufanya vyema pamoja na zile za kifahari.

Lengo letu kuafikia mahitaji ya wanunuzi linamulika jinsi ya kuboresha na kueneza zaidi rajamu zetu popote zinapopatikana, huku tukizidisha mauzo kwa ufanisi. Mwakani, tulifanikisha usajili wa wauzaji wa moja kwa moja 12,000 , tukaimarisha usambazaji Kenya na Uganda na kubadili wauzaji 1,000 wapya nchini Kenya.

Azma yetu ya kupunguza gharama na kuongeza ufanisi katika utendakazi wetu ilisaidia kupunguza athari ya mfumuko wa bei. Kushuka kwa gharama hasa ilitokana na kupunguza matumizi na upotevu.

Matokeo hayo mazuri mwakani yalitokana na kutilia maanani maslahi ya wafanyi kazi wetu. EABL itaendelea kutilia mkazo uongozi mufti kwa viongozi waliopo na wale chipukizi ili kuhakikisha kuna talanta thabiti za kuimarisha ushindani wetu sokoni na uendelevu wa biashara yetu.

Tumeanzisha safari ya kubadili mila na tabia za utendaji kazi kwa wafanyi kazi wetu ili kuunga mkono utendakazi bora wa biashara yetu siku za usoni.

Kuchangia kwa ubora wa jamii na uchumi

EABL inaajiri wafanyi kazi 1,500 moja kwa moja, na takriban milioni mbili katika Afrika ya Mashariki katika shughuli zake zinazojumlisha kupatikana kwa mali ghafi na kuimarisha mauzo ya reja reja.

EABL inaendelea kuekeza katika eneo hili. Tulitumia shilingi bilioni 4.9 mwakani kuimarisha utengenezaji wa pombe na umeme wa akiba Kenya pamoja na kiwanda cha kunadhifisha taka huko Uganda. Uwekezaji huu ni hakikishio kamili la imani kampuni hii iliyonayo katika eneo hili la Afrika Mashariki. Bali na hayo, EABL inasalia kuwa mlipaji mkubwa wa ushuru katika eneo hili na kuchangia katika uchumi wake, kwa kuleta shilingi bilioni 39 kila mwaka kupitia makampuni yake tanzu.

Uhimili

Mali ghafi: Biashara yetu inatilia maanani kununua mali ghafi na bidhaa za kupakia mali humu nchini pamoja na kuboreshaa nafasi za wauzaji wa bidhaa za kutengeneza vileo kali.

Katika mradi wetu wa kuhimili kilimo cha biashara, EABL imeweka mikataba na wakulima mia tisa katika eneo hili kukuza shayiri, pamoja na wengine elfu arobaini wanaokuza mtama. Wakulima hawa hupata shilingi bilioni moja unusu kila mwaka.

Kampuni hii itaendelea kupiga msasa na kuongeza ubora wa ziada kupitia utafiti wa mimea, kuboresha mbegu, kutoa mikopo kwa wakulima na kuwatafutia soko.

Shayiri hutumiwa kutengenezea pombe ya kawaida huku mtama ukitumiwa kutengeza ile ya wanywaji wa mapato ya chini, yaani Senator Keg.

Mradi wa mtama unasaidia sana jamii zinazoishi katika sehemu kame kwa kukuza mmea wa pesa ambao una mapato yaliyo na dhamana kwa kipindi kifupi. Kufuatana na kushushwa kwa ushuru wa pombe hiyo ya Senator, tumeshuhudia kukua kwa soko ya pombe hiyo.

Jamii Zetu: Tunatilia mkazo ushirikiano na jamii zetu na kuamini kuna sababu ya kupunguza shinikizo mbaya katika unywaji wa kupindukia. Ushirikiano huu tunaodumisha na wagavaji, wakulima, wateja na wafanyi biashara umekuza hadhi yetu kama wenye kuaminika. Twahimiza mno unywaji pombe ulio na nidhamu na kuunga mkono Shirika La Afya Ulimwenguni (WHO) la kupunguza unywaji pombe wenye madhara kwa asilimia kumi kufikia mwaka wa 2025.

Tumejizatiti kwa kutekeleza miradi ya kuhimiza unywaji bora wa pombe, pamoja na kuhimiza vijana walio chini ya umri wa kunywa pombe kutojiingiza katika unywaji. Miradi hii imefanya vizuri Kenya, Uganda na Tanzania na tuna mpango wa kueneza kampeni hizo kwenye soko zetu zinazokua kama Rwanda, Burundi na Sudan Kusini mwaka ujao.

Pia, tumewekeza katika jamii zetu kwa kupanua miradi ya maji safi na udhibiti afya katika Kenya, Uganda na Tanzania.

Mradi wetu wa kuwapa vijana ujuzi wa kujikimu kimaisha umewafaidi wanafunzi 220 wa vyuo vikuu katika eneo hili. Tunajivunia kutoa mchango huu kama raia mwema wa Afrika Mashariki.

Mgao wa mwaka

Halmashauri ya Wakurugenzi inafahari kupendekeza mgao wa mwisho wa shilingi sita kwa kila hisa. Pamoja na mgao wa muda uliolipwa Aprili 14, 2014, hii inajumlisha mgao kwa mwaka kufikia shilingi 7.50 kwa kila hisa. Hiyo inamaanisha kuna ongezeko la asilima 36 ukilinganisha na mwaka jana.

Mabadiliko katika Halmashauri

Mwaka huu, Bw. Evanson Mwaniki, Bi.Susan Githuku na Bw. Andy Fennell walistaafu kutoka kwa halmashauri ili kufuata mikondo mingine. Mimi pamoja na wanahalmashauri tunawashukuru kwa kujitolea kwa kampuni, na kwa manufaa waliochangia katika kufaulisha shughuli za halmashauri. Pia twawatakia mema katika siku zijazo.

Baada ya mwisho wa mwaka, Bw. John O'Keeffe, na Bi. Carol Musyoka walijiunga na halmashauri kama wakurugenzi wasiokuwa na mamlaka ya kutekeleza. Dkt. György Geiszl aliteuliwa kuwa mkurugenzi wa fedha wa kampuni kufuatia kujiuzulu kwa Bi. Tracey Barnes. Namshukuru Bi. Tracey Barnes kwa mchango wake usiokuwa na kifani na kumkaribisha Bw. John O'Keeffe, Bi. Carol Musyoka na Dkt. György Geiszl na kutazamia mchango wao pamoja na kujumuika kwao.

Kwa jumla, biashara ilinawiri katika soko zote mwakani

Kuuzwa kwa Central Glass Industries

Baada ya kutafakari kwa kinamwakani, halmashauri ya EABL iliamua kujiondoa katika biashara ya utengenezaji wa glasi. Hatua hiyo ya kuuza Central Glass Industries kwa Consol Group ya Afrika Kusini itatuwezesha kutathmin kwa makini zaidi kiini cha biashara yetu ya utengenezaji, usambazaji na ugavi wa pombe. Hatua hii, vile vile, inatazamiwa kuongeza dhamana kwa wenyehisa kwa kuekeza fedha zitakazopatikana ili kupunguza madeni.

Hatua hiyo iliidhinishwa na wanahisa katika mkutano wa kipekee mnamo Mei 27, mwakani.

Mazingara ya utendakazi na mwelekeo wa biashara

Mazingara ya utendakazi yanaendelea kubadilika kwa kasi hii ikitutaka sisi kuwa makini zaidi katika kutabiri, pamoja na kuwa wanyumbufu katika kutekeleza azimio letu. Wafanyibiashara katika Afrika Mashariki wamekuwa wakihamasisha kuondolewa kwa vikwazo visivyo vya ushuru wa forodha ili kuimarisha biashara katika eneo hili.

Bei ya kufanya biashara ingali juu, licha ya mabadiliko yanayoendelea kutekelezwa. Biashara kati ya mataifa wanachama wa COMESA ilifikia dola bilioni 22 mwaka wa 2014, huku biashara katika Afrika mataifa ya Afrika Mashariki ikifikia dola bilioni 8.6, ishara tosha kwamba kuna matumaini ya biashara zaidi eneo hili.

Mazingara ya sera na sheria za biashara yanazidi kuwa na misukosuko. Hapa Kenya tulishuhudia kampeni ya serikali ya kuangamiza pombe haramu ambayo ilisitiza biashara yetu kwa majuma matatu hivi. Wafanyi biashara wamekuwa wakihamasisha wanachama wa jumuiya ya Afrika Mashariki kukuza nafasi za kufanya biashara katika mazingara yafaayo, yakiwemo kuondolewa kwa vikwazo visiyo vya ushuru wa forodha, ili kuwezesha bidhaa kusafirishwa bila tashwishi.

Kuambatana na haya, masharti mapya yaliyo rahisi zaidi ya sheria za asili yalipitishwa ambayo yatawezesha usafirishaji wa bidhaa bila malipo ghali kati ya makampuni yetu tanzu kwenye soko.

Kutiwa sahihi kwa mkataba wa kuwezesha biashara bila malipo kati ya mataifa ya COMESA, Shirika la Maendeleo la Afrika Kusini (SADC), na mataifa ya Afrika Mashariki (EAC) pia kutachangia kupanua soko kwa bidhaa zetu mbali na Afrika Mashariki. Ingawaje tulifanya vyema mwakani, tuaendelea kuangazia fursa za kukuza biashara yetu na kujitahidi zaidi kushinda changamoto zinazochipuka.

Tukiangazia mwaka ujao, tutatilia maanani kuongeza kasi ya kukua kwa biashara, kuthibiti pombe zetu za kawaida, kukuza utendakazi, kuboresha usimamizi wa kombe ya nguzo pamoja na kutekeleza mikakati ambayo yatatuwezesha kuhimili changamoto za fedha za kigeni.

Nikimalizia, ningependa kuwahakikishia wanahisa wetu kwamba tutaendelea kujizatiti ili kukumbatia fursa za kimkakati na kupunguza athari zitakazoletwa na mazingara haya mapya, hivi tukiimarisha utendakazi wetu wa siku za hivi karibuni na na kuweka msingi thabiti wa kukuza biashara yetu kwa siku za usoni na kuongeza dhamana kwa wanahisa wetu.

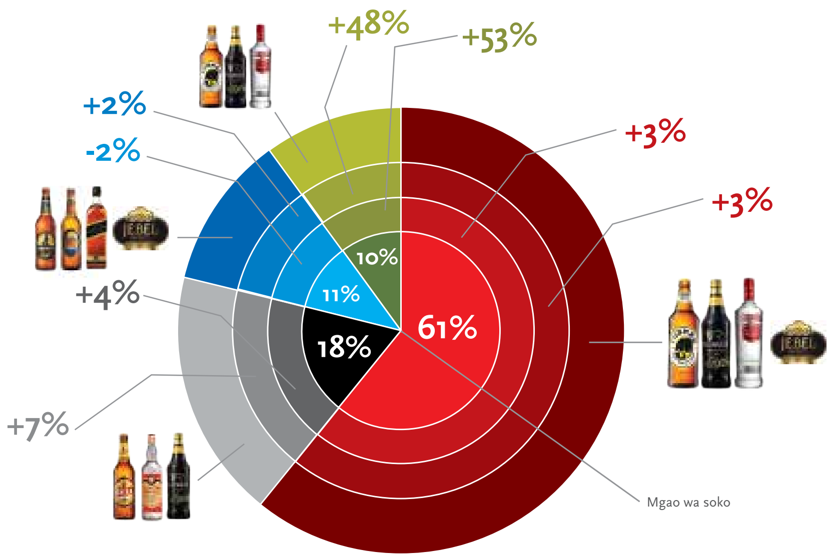
Nataka kuwapongeza wafanyikazi na wasimamizi wa EABL kwa utendakazi usio kifani, ambao haungewezekana bila ya kuungwa mkono na wakulima, wagavi, wenzi wetu wa biashara, Serikali ya Kenya, na wadau wengine. Nashukuru wadau wetu kwa kushirikiana nasi na kuzidi kutuunga mkono katika biashara yetu.

Wako Mwaminifu,

Charles Muchene,

Mwenyekiti.

Ongezeko kwa masoko yetu manne



JUMLA YA EABL: 100%
JUMLA YA ONGEZEKO KWA MWAKA (KES): +6%

Kenya	Uganda	Tanzania	EABLi
Ongezeko kwa mwaka (KES)	Ongezeko kwa mwaka (KES)	Ongezeko kwa mwaka (KES)	Ongezeko kwa mwaka (KES)
Ongezeko kwa mwaka (fulusi zisizo za kigeni)	Ongezeko kwa mwaka (fulusi zisizo za kigeni)	Ongezeko kwa mwaka (fulusi zisizo za kigeni)	Ongezeko kwa mwaka (fulusi zisizo za kigeni)
Rajamu zenye uzito zaidi	Rajamu zenye uzito zaidi	Rajamu zenye uzito zaidi	Rajamu zenye uzito zaidi

BOARD OF DIRECTORS

MR. CHARLES MUCHENE (AGE 58)

Independent Non-Executive Group Chairman, Kenyan

Appointed to the Board as Non-Executive Director of the Company in February 2011 and as Chairman in February 2012.

Previously Country Senior Partner at PWC for over a decade, Mr. Charles Muchene is now a practising business consultant providing board-level advice to select clients. He also serves as a Non-Executive Director on a number of boards including CfC Stanbic Holdings Limited, CfC Stanbic Bank Limited, SBG Securities Limited and AIG Kenya Limited.

He holds a Bachelor of Commerce Degree from the University of Nairobi. He is also a Fellow of the Institute of Certified Public Accountants of Kenya, a Member of the Institute of Certified Public Secretaries of Kenya as well as the Institute of Directors.

DR. ALAN SHONUBI (AGE 56)

Independent Non-Executive Director, Ugandan

Appointed to the board in July 2009.

Dr. Alan Shonubi is an advocate and Notary Public and the founding partner of the Ugandan law firm Shonubi, Musoke & Co. Advocates.

He is ranked as one of the world's leading lawyers in Uganda by Chambers Global. A former President of the East Africa Law Society and Chairman of the National Library of Uganda, Dr Shonubi is a reputable business leader in Uganda and a director of several private companies including Uganda Baati Limited, Coopers Motors Cooperation, Golf Course Holdings (Garden City), AAR Health Services and Interswitch Uganda Limited.

MR. NEHEMIAH MCHECHU (AGE 42)

Independent Non-Executive Director, Tanzanian

Appointed to the board in February 2014.

Mr. Nehemiah Mchechu is currently the Director General of the National Housing Corporation, Tanzania, and comes from a strong background in financial and management expertise. He has previously held key positions in the banking industry, most notably as Head of Global Markets and Alternate Director, Standard Chartered Bank Tanzania and Managing Director and CEO, Commercial Bank of Africa, Tanzania.

Mr. Mchechu holds a Bachelor of Commerce (Finance) and Management Degree from the University of Dar es Salaam. He is President of the University of Dar es Salaam Faculty of Commerce Alumnae Association and a member of the ACI-Financial Market Association, Tanzania Chapter.

DR. NICK BLAZQUEZ (AGE 54)

Non- Executive Group Deputy Chairman, British

Appointed to the board as Non-Executive Director in August 2005.

Dr. Nick Blazquez is the President of Diageo Africa, Turkey, Russia Central and Eastern Europe and Global Sales. He is also a member of the Diageo Executive Committee. He has worked with Diageo for over 25 years in a number of senior roles in Asia and Europe. He is a Non-Executive Director of both Mercy Corps (UK).

He holds a Bachelor of Science Degree from the University of Aberdeen and a Ph.D. from the University of Bristol.

MS. CAROL MUSYOKA (AGE 42)

Non- Executive Director, Kenyan

Appointed as a Non-Executive Director of the Board in September, 2015.

Appointed to the Board in September 2015. Ms. Carol Musyoka is a Lawyer by profession. She currently provides consulting and training services for various local and international commercial banks and insurance companies and is also a popular weekly columnist on the Business Daily newspaper.

She was previously a board member and Corporate Director of Barclays Bank Kenya. She holds directorships in Transcentury Limited, SOS Childrens' Villages and Alliance Capital Partners.

MR. JAPHETH KATTO (AGE 64)

Independent Non- Executive Director, Ugandan

Appointed to the board in February 2014.

Mr. Japheth Katto is a consultant in corporate governance and was the CEO of Uganda's Capital Markets Authority from inception in 1998 until 2013. He has a wealth of experience in both the private and public sector having held various accounting, auditing and financial services regulation roles in East Africa and the UK.

Mr. Katto is the Board Chairman of Stanbic Bank Uganda, Chairman of the Board of Trustees of the Duke of Edinburgh International Award Uganda and a board member of Junior Achievement. He also sits on the Global Council of the Association of Chartered Certified Accountants (ACCA) and Nominating Committee of the New York based International Federation of Accountants.

He holds a Bachelor of Commerce Degree from Makerere University and and is a Fellow of ACCA and a member of the Institute of Certified Public Accountants of Uganda.

MR. CHARLES IRELAND (AGE 50)

Group Managing Director,
British

Appointed Group Managing Director & CEO in April 2013.

Prior to this appointment, Mr. Charles Ireland was the Managing Director of Guinness Anchor Berhad, Diageo's premium beer joint venture business in Malaysia.

Mr. Ireland joined Diageo in 1997 from Nestlé, and has held a number of senior positions including General Manager at Diageo Philippines, Commercial Director Asia before being appointed to manage Guinness Anchor Berhad in 2008.

MRS. JANE KARUKU (AGE 53)

Executive Director,
Kenyan

Appointed to the board in September 2013.

Mrs. Jane Karuku is currently the Managing Director of Kenya Breweries Limited (KBL). Before her recent appointment to KBL she was the President of Alliance for a Green Revolution in Africa (AGRA). She has also previously held a number of senior positions in various companies including Deputy Chief Executive & Secretary General, Telkom Kenya and Managing Director, Cadbury East & Central Africa.

Mrs. Karuku holds a Bachelor of Science Degree in Food Science and Technology from the University of Nairobi and an MBA in Marketing from the National University of California. She is a Board Member of the Global Sustainability Index and a Trustee of the United States International University, Kenya.

DR. GYÖRGY GEISZL (AGE 47)

Executive Director,
Hungarian

Appointed Group Finance Director in October, 2015.

He joined Diageo in 2006 as Finance Director Corporate Region and Diageo Business services Centre (DBSC). He has subsequently held other Senior Management roles in Diageo including Group Chief Accountant and most recently Finance Director for Diageo's Russia and Eastern Europe markets.

Dr. Geiszl is a qualified Chartered Accountant and in addition holds a Doctor of Economics Degree from the University of Janus Pannonius, Hungary.

MS. RUTH NGOBI (AGE 55)

Company Secretary,
Kenyan

Appointed Company Secretary in February 2013.

Ms. Ruth Ngobi is an Advocate of the High Court of Kenya and a Certified Public Secretary.

Ms. Ngobi worked with Unilever Kenya Limited for 15 years as Company Secretary and Legal Counsel before joining British American Tobacco Kenya Ltd in 2002 as Company Secretary and Area Legal Counsel. In 2010, she founded Cosec Solutions which provides company secretarial services and corporate governance solutions to various companies.

Ms. Ngobi holds a Bachelor of Laws Degree from University of Kent at Canterbury and a Masters of Law from the University of Cambridge UK. She is a Non-Executive Director on the Boards of CFC Stanbic Bank Limited, CFC Stanbic Holdings Limited.

MR. JOHN O'KEEFE (AGE 43)

Non- Executive Director,
Irish

Appointed to the Board on 1 July 2015.

Mr. John O'Keeffe has worked at Diageo for over 20 years. During his career with the company, he has gained a wealth of experience across both emerging and developed markets namely Ireland, Jamaica, Sweden, Greece and Russia. Before his appointment as President, Diageo Africa, John was Managing Director for Guinness Nigeria Plc.

Mr. O'Keeffe holds a Bachelor of Commerce (Hons) (Economics & Marketing) Degree from University College Cork, Ireland.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-Third Annual General Meeting of East African Breweries Limited will be held at Safari Park Hotel, Ruaraka, Nairobi, on 5 November 2015, at 11:00 a.m. for the following purposes:-

Ordinary Business

1. To receive, consider and if approved, adopt the Company's audited financial statements for the year ended 30 June 2015, together with the reports of the Chairman, Directors and Auditors thereon.

2. To confirm the interim dividend of KShs 1.50 per ordinary share paid on 14 April 2015 and to declare a final dividend of KShs 6.00 per ordinary share payable, net of Withholding Tax, on or about the 7 December 2015 to Shareholders on the Register at the close of business on 31 August 2015.

3. To elect Directors:
   (i) Mr. J. O'Keeffe retires and being eligible, offers himself for re-election in accordance with Article 105 of the Articles of Association.

   (ii) Dr. György Geiszl retires and being eligible, offers himself for re-election in accordance with Article 105 of the Articles of Association.

   (iii) Ms. Carol Musyoka retires and being eligible, offers herself for re-election in accordance with Article 105 of the Articles of Association.

   (iv) Dr. A. Shonubi retires by rotation and being eligible, offers himself for re-election in accordance with Article 106 of the Articles of Association.

   (v) Mrs. J. Karuku retires by rotation and being eligible, offers herself for re-election in accordance with Article 106 of the Articles of Association.

4. To approve an increase in the Directors Fees to a total of KShs 9,480,000 for all Non-Executive Directors together.

5. To appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix the remuneration of the Auditors, so appointed.

By Order of the Board

R. T. Ngobi (Ms.)
Company Secretary
P.O. Box 30161-00100
Nairobi
30 July 2015

NOTES:

1. Any Member who is entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the company.

2. In the case of a Member being a corporate, the proxy form must be completed under its Common Seal or under the hand of an officer or attorney duly authorized in writing.

3. Shareholders who do not propose to be at the Annual General Meeting are requested to complete and return the proxy form to the Company Secretary at the registered office of the company or to the Registrars Custody & Registrars, 6 Floor Bruce House, Standard Street, P.O. Box 8484-00100 Nairobi so as to arrive not later than 2:30 p.m. on 3 November 2015, being not less than 48 hours before the time appointed for the meeting.

   Duly signed proxy forms may also be emailed to proxy@candrgroup.co.ke in PDF format.

4. In accordance with Article 166 of the Company's Articles of Association, a copy of the entire Annual Report and Accounts may be viewed on and obtained from the Company's website (www.eabl.com).

   The Kenya Revenue Authority ("KRA") online platform used for filing tax returns ("i-Tax") now requires EABL to directly remit all withholding tax ("WHT") payments for all its shareholders. Accordingly, to enable us to comply with the new legal requirement we shall be sending you a note requesting you to update your KRA Personal Identification Number ("PIN"), to enable us process your dividends and therefore remit the applicable WHT on or after 7th December 2015.

   The Unclaimed Financial Assets Act ("UFAA") also requires EABL to maintain update to shareholder information. We shall be requesting some shareholders to update their details to enable us to comply with this Act.

ILANI YA MKUTANO WA MWAKA

ILANI INATOLEWA kwamba mkutano wa 93 wa mwaka wa kampuni ya East African Breweries Limited utafanyikakatika hoteli ya Safari Park, Ruaraka, Nairobi, tarehe 5 Novemba mwaka wa 2015, saa tano asubuhi kwa minajili ya kujadili yafuatayo:

Shughuli ya kawaida

1. Kupokea, kutathmini, na ikiidhinishwa, kupitishataarifa ya fedha zakampuni ya mwaka ulioisha Juni 30, 2015 pamoja na Ripoti ya Mwenyekiti, Wakurugenzi na Wakaguzi wa hesabu.

2. Kuthibitisha mgaowa muda wa Sh 1.50 kwa kila hisa ya kawaida iliyolipwa mnamo Aprili 14, 2015 na kutangaza mgao wa mwisho wa wa Sh 6 kwa kila hisa ya kawaida iliyotolewa ushuru mnamo Desemba 7, 2015 kwa wanahisa walio kwenye daftari kufikia siku ya mwisho yaAgosti 31, 2015

3. Kuchagua Wakurugenzi:
   (i) Bw. John O'Keeffe anayestaafu, na kwa vile anastahiki, anaomba kuchaguliwa tena kulingana na Kifungu 105 cha Sheria za Kampuni.

   1. Dkt. György Geiszl, anayestaafu, na kwa vile anastahiki, anaomba kuchaguliwa tena kulingana na Kifungu 105 cha Sheria za Kampuni.

   (ii) Bi. Carol Musyoka, anayestaafu, na kwa vile anastahiki, anaomba kuchaguliwa tena kulingana na Kifungu 105 cha Sheria za Kampuni.

   (iv) Dkt. Alan Shonubi, anayestaafu kwa zamu na kwa vile anastahiki, anaomba kuchaguliwa tena kulingana na Kifungu 106 cha Sheria za Kampuni.

   (v) Bi. Jane Karuku, anayestaafu kwa zamu na kwa vile anastahiki, anaomba kuchaguliwa tena kulingana na Kifungu 106 cha Sheria za Kampuni.

4. Kuidhinisha kuongezwa kwa ada yawakurugenzi kufikia kimo cha Sh. 9, 480, 000 kwa wakurugenzi wote wasio watendaji.

5. Kuteua wakaguzi wa hesabu na kuidhinisha wakurugenzi kuamua malipo ya wakaguzi hao.

Kwa amri ya Halmashauri

R. T. Ngobi (Bi)
Katibu wa Kampuni
SLP 30161-00100 Nairobi
Julai 30 2015

MUKHTASARI:

1. Mwanachama yeyote ambaye ana haki ya kuhudhuria na kupiga kura katika mkutano wa mwaka ana uhuru wa kumteua mtu mmmoja au wawili kumwakilisha na kupiga kura kwa niaba yake.

   Wakala huyo aliyeteuliwa sio lazima awe mwanachama wa

   kampuni. Wakala huyo atajaza fomu ambayo itatumwa kwa wanachama

   wote na pia inapatikana kwenye tovuti yetu, yaani

   https://www.eabl.com/investor-relations.

2. Ikiwa mwanachama ni shirika, basi fomu ya wakala lazima ijazwe mbele ya afisa au wakili ambaye ameidhinishwa kwa barua rasmi.

3. Wanahisa ambao hawana nia ya kuhudhuria mkutano wa mwaka wanaulizwa kujaza fomu hiyo na kuirudisha kabla ya saa nane unusu alasiri tarehe 3, Novemba 2015, hii ikiwa masaa 48 kabla ya mkutano kuanza.Fomu zote za wakala lazima zitumwe kwa kupitia posta kwa Custody & Registrar Services Limited, Bruce House, Gorofa ya sita, Standard Street, SLP 8484 -00100, Nairobi.

   Aidha, fomu hizo zaweza kupigwa chapa ya picha na kutumwa kwa njia ya barua pepekatika hali ya PDFkutumia anwani proxy@candrgroup.co.ke.

4. Kuambatana na Kifungu 166 cha Sheria za Kampuni, nakalaya Taarifa ya Mwaka na Hesabu inapatikana kwenye tovuti yetu, yaani www.eabl.com.

   Vile vile, mukhtasari wa taarifa ya mapato na hali ya uchumi, matumizi ya fedha ya mwaka ulioisha Juni 30, 2015 umechapishwa katika magazeti mawili ya kila siku yanayosomwa nchini kote.

Mtandao wa Mamlaka ya Ushuru nchini unaotumiwa kujaza fomu za kulipa ushuru sasa unahitaji kampuni ya East African Breweries kulipiaushuru wenye hisa wotekibinafsi. Hivyo basi, kutuwezesha kutimizamasharti haya mapya ya kisheria tutakutumia ujumbe wa kuombautume tena nambari yako binafsi ya kujitambulisha (PIN) ili tuweze kulipa mgao wa mwaka na pia kutuma ushuru huo kabla ya Desemba 7, 2015.

Sheria ya rasilmali ambazo hazijadaiwa na yeyote pia inahitaji EABL kuhifadhi habari sahihi kuhusu wenyehisa. Kwa hivyo, tutawataka wenyehisa kutoa upya habari zao ili kutuwezesha kufuata sheria hiyo.

EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH. STRICTLY NOT FOR SALE TO PERSONS UNDER 18 YEARS

BRANDS

Strengthening and accelerating growth in our beer brands

Kenya

Tusker Lager

Tusker remains the best-selling product in the bottled beer segment. Its consumer appeal continues to be reinforced by such engaging campaigns as Tusker *Twende Kazi* launched in F14 and lately *Tusker Team Kenya* launched in the last financial year. *Tusker Team Kenya* campaign is aimed at enhancing patriotism amongst Kenyans by celebrating various ground-breaking moments as well as achievements made by Kenyans.

Tusker Malt and Tusker Lite

Our first premium beer products, Tusker Malt Lager and Tusker Lite, continue to grow the premium segment of the market. The new campaigns, 'The True Taste of Legends' for Tusker Malt Lager, and Tusker Lite's 'Lite The Way' were both launched in the year and have had significant impact in boosting the profile of these premium products.

Tusker Malt was the first premium beer in Kenya to be packaged in a green bottle

Senator Lager

Senator is our high-quality and affordable product targeted at the value end of the market. Following the successful review of the excise tax on Senator in June, we ran a tactical price campaign to refresh consumer demand, which has been positively received in the market.

The rest of our product range, comprising Pilsner Lager, White Cap Lager, Allsopps lager and Balozi Lager, continues to support our beer portfolio, offering our consumers a wide variety of choice and ensuring a strong presence in the market.

Guinness

Guinness continued to perform well in the year, growing by double digits. The brand was boosted by the 'Guinness Get Booked' campaign which leverages on the strong connection the brand has with football. The campaign, which entered its second edition through 'Guinness Get Booked Again' was hugely successful and will remain the main platform for promoting the product in F16.

Uganda

Bell Lager

Bell Lager, the flagship of Uganda Breweries Limited (UBL) achieved better sales in F15 compared to the two previous years, maintaining its number 1 position in the mainstream beer products segment. Bell Lager's quality was confirmed, having been awarded its 5th Gold Monde Selection medal in F 15.

Tanzania

Serengeti Premium Lager

Serengeti Premium Lager is the only lager in Tanzania made from 100% malt. Available in 330ml and 500ml packaging, the brand has won many quality awards since 2006 including the latest Monde Selection Institute for Quality Selections in Belgium as well as prestigious DLG Awards, an honour from the German Agricultural Society.

During the year, Serengeti Premium Lager won an international recognition for its brewing quality, receiving three Gold Monde selection awards.

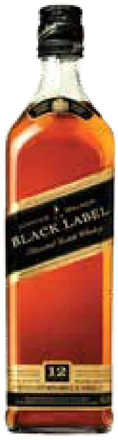
Growth in 6 out of 8 categories

BEER AND RTD's

SPIRITS

Growing faster with spirits

Johnnie Walker



Johnnie Walker, the number 1 whisky in the market, was the best-selling product in the super premium and reserve spirits category. The line of extension in the Johnnie Walker brand ranges from Johnnie Walker Red Label to the John Walker and Sons Reserve. The 'Johnnie Ginger' campaign which entered its third year continued to stimulate consumer excitement as a platform to try new cocktail experiences. Johnnie Walker remains the leading brand for gifting, as well as for the 'Love Whisky' campaign which aims at growing consumer knowledge on whisky.

Smirnoff

Smirnoff, the world's number 1 vodka, continued to perform well in the premium market segment driving our spirits growth. The brand has successfully leveraged its reputation as the number one choice for mixed drinks and cocktails. During the year, we ran the Smirnoff Juice campaign to boost the product's uptake during occasions by encouraging consumers to create their own mixed drinks. The strong showing by the Smirnoff Ready-to-Drink range and Smirnoff Ice also drove growth in this segment.

Kenya Cane

Kenya Cane has maintained strong sales since it was launched in 1976. It is Kenya's finest cane spirit, and has a strong presence in the mainstream product category, supported by communication and consumer promotional campaigns, as well as the redesign of the pack in F15. The new pack gave the brand a fresh and distinctive look that will strengthen its leadership position in the mainstream spirits category.

Models pose at one of the Johnnie Walker consumer activations during the year.


BCLB NO. 002160
GET SPOTTED DRINKING GUINNESS &
GET BOOKED
AGAIN
FOR A CHANCE TO WATCH A LIVE MATCH IN THE UK
WIN
INSTANT PRIZES
WIN
A TRIP FOR 2
WIN INSTANTLY
GUINNESS
FOREIGN EXTRA
STOUT BEER
WIN
100,000/=
WEEKLY
SMS THE CODE UNDER THE CROWN TO 21199
TEXT CODE TO 21199
'GET BOOKED' FOR A CHANCE TO WIN
CHECK UNDER CROWN
Guinness Helpline: 0701 000 001
EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH.
STRICTLY NOT FOR SALE TO PERSONS UNDER 18 YEARS.

Kenya: Innovation to meet new consumer needs

Jebel

Jebel's performance has continued to grow strongly in a highly-fragmented market. It was created as a quality spirit for the lower end market. Jebel Gold, a variant of Jebel, further supported the brand category performance through its spirits keg offering, a first of its kind. This product is expected to lead new innovative offers in the current financial year.

Smirnoff Ice Double Black with Guarana

Launched in June 2014, this product has enjoyed huge success and contributed to a strong performance by the brand. Smirnoff Ice Double Black with Guarana drove a big buzz in the market beating its annual target, and is expected to continue delivering growth in the current financial year.

Snapp Strawberry

Snapp, a product that celebrates the modern, sophisticated and classy woman, has delivered consistent growth in the last two years to become a market leader in its category. We introduced the new strawberry flavour in February to offer additional choice to the consumers in support of volume growth.

Chrome Vodka

Chrome Vodka was launched in December 2014 as an innovation aimed at introducing affordability to the premium vodka category. The brand has been positively received in the market and has a great potential to drive volume growth in the current financial year.

Innovation was a key pillar of growth in the period under review delivering double nsv contribution to the overall business.

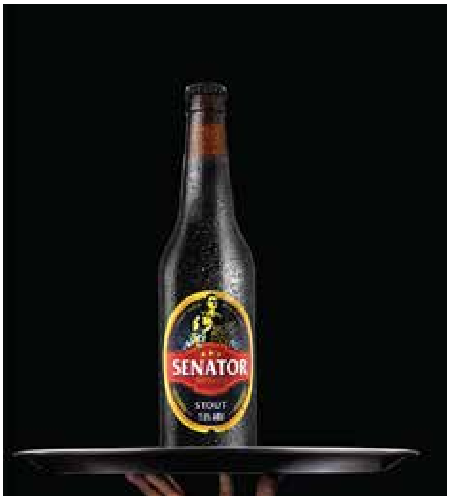
Origin RTD

Origin is a new alcoholic beverage created from African fruits and herbs. It was launched in March 2015 in the affordable ready-to-drink (RTD) category. Launched in a 300ml returnable glass bottle, the brand has been well-received in the market as is expected to grow in the current year.


TRY THE NEW
CHROME
PREMIUM VODKA
CHROME
VODKA
#ShineOn
40%
750ml
CHROME
VODKA
#ShineOn
40%
250ml
#SHINEON
EXCESSIVE CONSUMPTION OF ALCHOHOL IS HARMFUL TO YOUR HEALTH. STRICTLY NOT FOR SALE TO PERSONS UNDER 18 YEARS.

Uganda: Innovation to meet new consumer needs

Senator Stout



Senator Stout was the first innovation we launched in F15 in 500ml and 300ml bottles. The product received its first Monde Selection Silver Award in F15, attesting to its high quality.

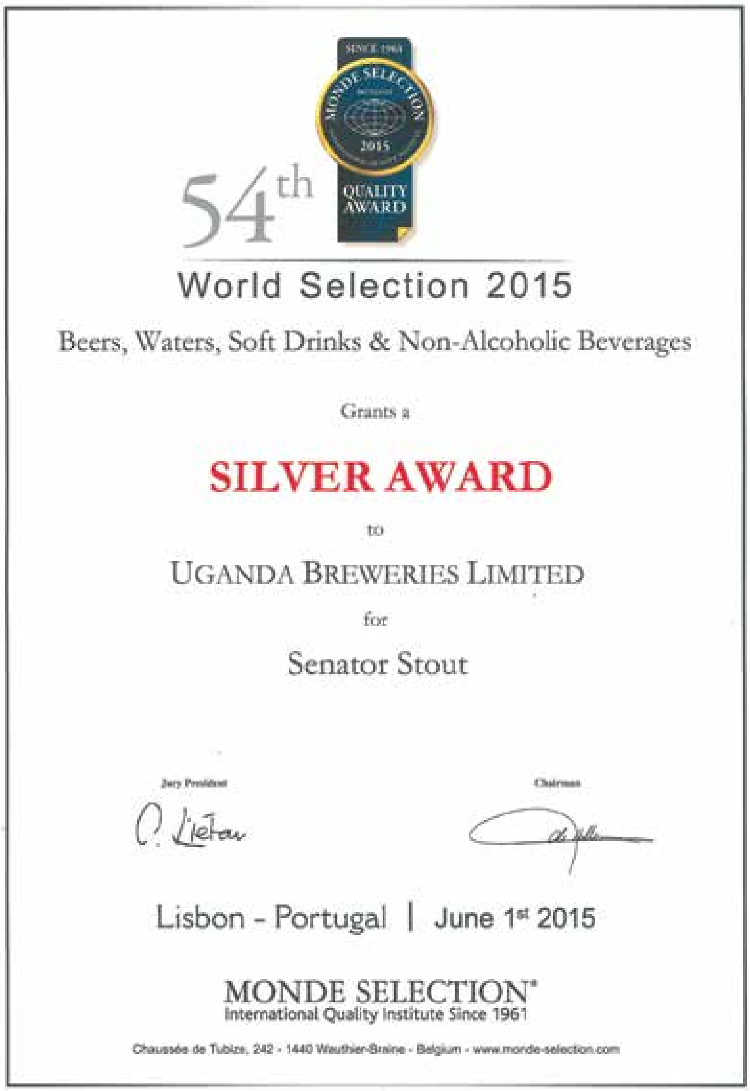
Senator Stout received its first Monde Selection Silver Award in F15, attesting to its high quality.

Smirnoff Ice Double Black with Guarana

Since its launch in June 2014, Smirnoff Ice Double Black with Guarana continues to create a positive buzz in the Ugandan market. Targeted at the male consumers, Smirnoff Ice Double Black with Guarana combines the refreshing and invigorating taste of the world's number one vodka Smirnoff, blended with Guarana and Soda. It was unveiled in an ultra-modern slim 330ml can format.

Uganda Waragi flavors

Uganda Waragi celebrated 50 years since it was first launched. We carried out several promotional activities to mark this milestone achievement.



SINCE 1961
MONDE SELECTION
2015
QUALITY AWARD

54th

World Selection 2015

Beers, Waters, Soft Drinks & Non-Alcoholic Beverages

Grants a

SILVER AWARD

to

UGANDA BREWERIES LIMITED

for

Senator Stout

Jury President

Chairman

Lisbon - Portugal | June 1st 2015

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International Quality Institute Since 1961

Chaussée de Tubize, 242 - 1440 Wauthier-Braine - Belgium - www.monde-selection.com

One of the RTC motorbike salesmen pose with Diageo Global CEO Ivan Menezes and former Africa President , Andy Fennell.

Consumer focus

Building on our route-to-consumer (RTC) advantage remains one of our six 'Must Do' focus areas ensuring we meet our F'17 business goals. A lot has gone into the design, planning and implementation of the RTC project and our efforts have started to bear some great returns. We achieved the following milestones in the last financial year:

- Established a distribution network that ensures our products are sold in remote and hard-to-reach areas through the complementary use of motorbike salesmen.
- Through the Gold distributor standard, we now have a robust tool that will enable us to evaluate, support and improve our distributor capacity in a first-of-its-kind system, which we believe is a best-practice example for Diageo Africa.
- In Kenya, we have partnered with over 20 counties through "licensing the unlicensed" programme as part of the project's aim to increase our footprint converting informal illicit brew outlets to clean, healthy and sustainable legal entities. At the end of F15 we had recruited 1,202 outlets.
- We have commenced the ONE sales force team integration by initiating the Sales Force Automation (SFA) journey which has borne some positive results.
- The journey to create an efficient supply chain system also kicked off, ensuring our products are in trade on time, in full through the Gold distributor programme rollout and logistics processes review. These highlights paint a strong picture of the critical role that RTC has in our commercial transformation journey.


TUSKER
MALT
TUSKER
ESTD 1922
MALT
Alc 5.0% V/V 330ml
THE TASTE
OF LEGENDS
TUSKER MALT NOW IN A NEW BOTTLE

SUSTAINABILITY

Sample of the Gardam Sorghum from a farmer in Eastern Kenya. This variety is used to produce our Senator product

Productivity

Improvement in our productivity yielded a complete performance turnaround for East African Maltings in the year under review. This was mainly driven by a clear focus on driving out cost, huge benefits from financing farmers with collection at 99.7 %, and good sales volumes of malt.

Malt conversion (the process of converting barley into malt for brewing) continued to improve in F15 compared to the previous year. Key focus was on quality, meeting customer expectations and driving out cost. Malt index improved while conversion cost per kilo reduced by 8%.

Zero-Harm culture in Safety

Delivering a zero-harm culture and enhancing a safe working environment for staff, contractors, customers and visitors is top priority in all our manufacturing sites in Kenya, Uganda and Tanzania.

During the year, we passed all safety audits and continued to build and improve on our people's safe working capabilities. This was done through staff training in various safety modules including First Aid, Fire Fighting and Defensive Driving.

The following interventions have been instrumental in delivering positive behavior transformation in the team:

1. Proactive engagement amongst team members and their leaders, resulting in improved planning and execution in order to effectively embed a culture of excellence and compliance.
2. Leveraging our *Kiwanda Maalum,* (Perfect Plant Management System) programme, which was introduced in Kenya's Tusker Plant and replicated in Uganda and Tanzania as a continuous improvement tool to ensure accountability and compliance.
3. Introduction of section audit champions who worked with their respective teams through structured regular meetings and inspections to embed new and improved ways of working.

KBL Supply Chain exceeded targets in driving out cost to invest in growth, through elimination of waste in production processes and efficiency improvements. This was driven by the following:

- Commissioning of a new spirits line to inject additional production capacity.
- Site beer waste management process that grew efficiency by 20% through a structured improvement task force, beer recovery project and improved standards.
- Packaging Beer Overall Equipment Effectiveness improved by 6% in F15.
- Spirits Overall Equipment Effectiveness improved by 9% in F15.
- Canning line efficiency improved by 7% in the year, growing utilization from 26% to 45%.

Community Investment

Kenya: Water of Life:

The local leadership from Sirandumb Village, Siaya County, sought the support of EABL Foundation to invest in a water project in their community. The Foundation responded by drilling and equipping a borehole complete with the installation of three water service points. The groundbreaking ceremony took place in May 2015, presided over by former KBL Managing Director, Joe Muganda.

Environment: World Environment Day 2015

World Environment Day is the United Nation's special day set aside on 5th June, annually, to promote worldwide awareness on environmental conservation. Through this forum, staff and EABL Foundation contributed a total of 800 tree seedlings in support of tree planting activities through the months of July and September in conjunction with Nairobi Green Line, a leading environmental advocacy group in the capital city.

Tanzania: Water of Life:

Serengeti Breweries Limited completed three borehole projects in Songea and Temeke districts which will benefit over 412,000 people.

Skills For Life:

Four university students were recruited into the EABL Foundation *Skills for Life* Proramme during the year.

Environmental Conservation

Over 4,000 trees were planted in Marangu District, Moshi to support in the environmental conservation efforts in an area that is quite hilly and has continuously suffered soil degradation due to tree logging.

Uganda: Water of Life:

15 boreholes were commissioned and handed over to various communities in the northern districts of Kitgum, Lamwo and Pader, where we source over 50% of our local raw materials. The boreholes project will support over 15,000 farmers from the community, who form a key part of our supply value chain.

During the year, we also launched three 10,000-litre water tanks at the Entebbe Grade B Hospital to act as reservoirs for rainwater harvesting. The tanks will serve the maternity wing, casualty ward and the surgery facility. As a token of appreciation, the hospital in turn hosted free health clinics to company staff on various dates.

Since June 2005, EABL Foundation has commissioned over 50 water projects in East Africa, touching over 5 million lives in the region.

An EABL E-green team member (right) plants a seedling to commemorate World Environment Day.

Responsible drinking campaigns

A retail outlet staff is awarded with a certificate of participation after the Under 18 Asipewe training program session. The programme was rolled out countrywide to create awareness on Underage Drinking.

Kenya: Under 18 Asipewe retail staff training

Following the launch of the 'Under 18 Asipewe' campaign in March 2015, KBL embarked on retail staff trainings to support enforcement of responsible behaviour among outlet partners across the country.

A total 9,369 retail staff from over 3,000 outlets were covered in the first phase using a curriculum developed by KBL that included different aspects of alcohol and its responsible use, the laws on underage drinking in Kenya and how to deal with potential underage purchasers or consumers.

The second phase of the trainings began in October 2015, focusing a lot more on retail staff from off-trade outlets.

Uganda: The F15 Red Card 'Don't Drink and Drive'

The campaign was successfully launched and ran over a period of 6 to 8 months under the theme "Your actions have consequences." The initiative, which was a multi-media campaign, involved a brand ambassador and staff interacting with consumers and encouraging them to drink responsibly.

A media DrinkIQ training was also launched where 40 journalists were equipped with knowledge on alcohol abuse and invited to be ambassadors for responsible drinking.

The UBL Corporate Relations teams also engaged the bodaboda community and recruited them as responsible drinking and road safety ambassadors. Each bodaboda rider was given a reflective jacket containing the "Don't Drink and Drive" caution.

Underage campaigns also ran successfully on radio programmes produced and broadcast in 6 traditional languages (Luganda, Luo, Lusoga, Kakwa, Ngakarimojong, Lebthur) on 18 radio stations across the country. A total of 196 (90 female and 106 males) peer educators were trained for all the eight districts (Kabale, Soroti, Gulu, Kampala, Moroto, Adjumani, Kitgum and Nwoya).

This training was aimed at equipping them with knowledge and skills to enable them to have peer to peer conversations on dangers of underage drinking. It also serves to enable us to manage the conversation around this subject.

A quiz competition on "How do students sneak alcohol into school? What can be done to stop students from sneaking alcohol into school?" ran from February to June. This was open to all schools across the country and aimed at involving the students in finding a solution.

Tanzania: Responsible Drinking Campaign in MWEMBE YANGA, TEMEKE

Through our responsible drinking campaign 'Don't Drink and Drive', SBL partnered with the Taxi Drivers Association from three districts of Temeke, Ilala and Kinondoni in Dar es Salaam to offer safe taxi ride services to patrons wishing to enjoy a night out.

The campaign, launched in December last year, was successfully augmented through consumer awareness in the media, effectively positioning the business and reinforcing our commitment to promote responsible use of alcohol by consumers in our society.

UNDER 18 ASIPEWE
SI MTEJA, NI MTOTO WAKO.

Compliance and Ethics

EABL is committed to conducting business responsibly and continuously reviews its corporate governance system in order to better respond to emerging business needs.

In F15 we strengthened our Controls, Compliance & Ethics (CCE) structure through the appointment of an internal Controls Assurance team to perform audits and control reviews across all our business units and a CCE Manager for EABLi.

We also launched a newly revised Code of Business Conduct (COBC) that will further strengthen our CCE program across the business.

"EABL is committed to embedding a sound corporate governance culture through a strong structure underpinned by a robust risk, controls and compliance framework, contained in a newly launched Code of Business Conduct (COBC)"

David Obulutsa,
Head of Controls Assurance

Risk Management And Controls

EABL has, over the years, developed strong internal controls covering all aspects of business risks. All risk controls are assessed every year for their effectiveness.

EABL's Risk Management Standards are meant to enhance staff capacity in identifying and mitigating risks both internally and externally. General Managers of each business unit are directly in charge of their respective Risk Management Committees, meeting at least four times a year.

Breach Management

We launched our Breach Management Standards in F15, and introduced cross-functional Breach Management Committees in all our business units. The introduction of the new Standards and Breach Committees has resulted in a significant reduction in open cases and a higher standard of investigation. Through enhanced communications that continuously reports on breaches in the business and consequences of such breaches, we have created a better platform to educate staff on how to make the right choices and 'do the right thing' whenever they are faced with ethical dilemmas.

Increased focus on breach management and EABL's culture has had positive results in F15. The number of employees dismissed for breaching the code dropped by 30% while general breaches of the COBC have fallen by half during the year.

Pathway of Pride 5

During the year we rolled out the fifth edition of Pathway of Pride (POP5), a Cultural Transformation initiative for CCE, to train and build capacity of employees and contractors in understanding our corporate governance principles and to help them embed our ethical standards in theirdaily activities. The event which kicked off in April was attended by over 2,000 EABL employees in their respective business units. The theme of this year's event was Trusted, Respected and Celebrated – reinforcing the price of doing the right thing by our employees from both the demand and supply side of the business whenever they are faced with tough or routine ethical choices in their course of duty.

Pathway of Pride 5 keynote Speaker Wilfred Bungei awards one of the Ethics Conference participants during the session.

SBL Agribusiness Manager, Shafii Mndeme (right) shares barley growing tips with a farmer during his visit to Basuto Katesh at the onset of the 2015/2016 planting season.

Working with our farmers

We continue working with our research partners, Kenya Agricultural Research Institute (KARI), Syngenta and Moi University, to introduce improved sorghum and barley varieties to our farmers.

Embedding best-practice resulted in an improved average unit yield of 2.81 tons per ha up from 2.56 tons per ha the previous year. Project Pangilio was launched with the aim of improving soil and pest management through crop rotation. EAML has partnered with three other partners to introduce Oil Seed Rape crop in the barley production system.

Two new barley varieties (Grace and Aliciana) were released after going through national performance trials, and offer great yield and quality potential going forward.

One high yielding hybrid sorghum variety was officially released towards the end of 2014. Hybrid sorghum varieties are known to have better brewing qualities than the open pollinated varieties.

Sorghum production, however, declined 17%, following a tax regime on Senator the previous year that resulted in lower sales of Senator beer and hence high stock holding.

“Sourcing our raw materials locally provides our farmers with a reliable market for their crops and assures them of a regular income. In Kenya we contract over 20,500 farmers to grow barley and sorghum with earnings of over kshs 1.4 billion”

Jean Kiarie-Ngumo,
Head of Group Sustainability


IN THE BELL NATION, GOOD TIMES LAST LONGER
BELL
UGANDA'S HERITAGE
PREMIUM QUALITY LAGER
UGANDA BREWERIES

OUR PEOPLE

Amazing Line Managers

The Amazing Line Manager (ALM) programme was rolled out in F15 in all our Business Units. Our line managers must have the right skills to be able to motivate, train, coach and lead their teams in a manner that brings out the best in them. The initiative supports our managers to maximize their own potential, continuously improve their leadership capabilities, and become ALMs.

Uganda held their annual staff conference at the start of the year to celebrate their successes, take stock of the lessons, understand their focus, and have fun. They launched "FIGHTING FIT", which serves to inspire staff to focus on overcoming challenges and deliver their targets, despite the challenging economic environment that characterized the year.

EABL staff share moments with Diageo's global CEO, Ivan Menezes after a townhall session.

Other leadership programmes

Our leadership programmes continued in F15. These programmes include the following:

Early Career Programmes - a three-year development programme that targets fresh graduate employees that are brought into the business, and equips them in both functional and leadership capabilities.

Future Leaders Programme (FLP)- targets the best talent for postings overseas, to give them global exposure.

Growing Leaders Programme (GLP) - targets top performers at the senior management level and prepares them for future board positions. It has served the company very well and its graduates have been promoted into critical roles in the company.

Diageo Leadership Performance Programme (DLPP) - targeting senior directors and those in senior leadership, it aims at unleashing their full potential. So far, nine senior leaders have graduated from the programme, while five directors enrolled in F 15.

Motivating staff for excellence

We ran a staff incentive programme in F 15, to motivate staff to increase sales and meet targets.

H1 Special incentive - 'TWO2TWO' The BU teams earned additional pay for delivery of targets in each quarter and H1 overall. The reward categories ranged from two to six weeks' salary depending on the achievements.

Most Valuable Players - This monthly award recognized and rewarded those identified as having made the most significant impact to our respective businesses in line with our "6 Must Dos" whilst demonstrating our "4 Leadership Behaviours". There were six winners every month in each BU.

Diversity and empowerment

The first ever study of female board membership in Africa by the African Development Bank (AFDB) ranked East African Breweries Limited as the firm with the highest representation of women directors. EABL emerged top with a 45.5% female board representation, followed by South African firms, Impala Platinum Holdings (38.5%) and Woolworths Holdings (30.8%). In F15, Uganda Breweries was also ranked 5th Overall Best Employer in Uganda by the Federation of Employers.

SBL sales conference participants


ONE WAY

CORPORATE GOVERNANCE STATEMENT

Overview

East African Breweries Limited is committed to the highest standards of Corporate Governance and business ethics. The company has instituted systems to ensure that high standards of corporate governance are maintained at all levels of the organisation and is in compliance with the Capital Markets Authority Guidelines on Corporate Governance Practices by Public Listed Companies in Kenya ("the Corporate Governance Guidelines") as well as the equivalent guidelines for listed companies in Tanzania and Uganda.

Besides complying with external corporate governance guidelines, the company has committed to embedding internal rules of engagement to support corporate governance. These internal guidelines are constituted in the Code of Business Conduct (the Code) to which every employee makes a commitment to comply. The Code is aligned to globally accepted standards and meets the requirements of local laws as well as internationally applicable laws and regulations.

The Role of the Board

The Board comprises nine Non-Executive Directors including the Chairman and three Executive Directors. The Board is collectively responsible to the Company's shareholders for the long-term success of the Company and for its overall strategic direction, its values and governance. It provides the leadership necessary to meet its business objectives within the framework of its internal controls, while also discharging the Company's obligations to its shareholders. Responsibility for implementing strategy and day-to-day operations has been delegated by the Board to the Group Managing Director and the Company's executive team.

Four standing Committees have been established by the Board namely, the Board Corporate Governance Committee, the Audit and Risk Management Committee, the Board Remuneration Committee and the Board Nomination Committee. The majority of members of the Committees are Independent Non-Executive Directors.

Division of Responsibilities

The Chairman and the Group Managing Director's roles are separate, with each having distinct and clearly defined duties and responsibilities. The Chairman is responsible for leadership of the Board, for ensuring its effectiveness on all aspects of its role and for facilitating productive contribution of all Directors. He is also responsible for ensuring that the interests of the Company's shareholders are safeguarded and that there is effective communication with them.

The Group Managing Director has overall responsibility for the performance of the business and provides leadership to facilitate successful planning and execution of the objectives and strategies agreed by the Board.

Non-Executive Directors

The Board had nine Non-Executive Directors during the course of the year. Two of the Non-Executive Directors resigned on 30th April 2015 and 30th June 2015 respectively. The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business. The Chairman and five of the Non-Executive Directors, as at the date of this Report, are considered to be independent, as defined in the Corporate Governance Guidelines and accordingly over half of the Board is constituted of Independent Non-Executive Directors.

On joining the Board, all Directors receive a full induction. Non-Executive Directors also receive a full programme of briefings on all areas of the Company's business from Executive Directors, the Company Secretary and other senior executives.

All Directors are expected to disclose, on appointment and at the beginning of each Board meeting, any circumstances which may give rise to any actual or potential conflict of interest with their roles as Directors.

The Board is committed to on-going training and development of its Directors and, towards that goal, appropriate training interventions were identified during the year for attendance by Directors. These include the Executive Directors Programme conducted by the Strathmore Business School. To enable the Non-Executive Directors to gain exposure to the Group's business on the ground one of the four scheduled Board meetings is held in one of the end markets. This year the May 2015 Board meeting was held at Uganda Breweries Limited, Kampala. The Board and its Committees also receive regular functional briefings and briefings on legal and regulatory developments that affect the business. This year a full day session in June 2015 was conducted on the topics of Compliance, Controls, Ethics and Culture.

The Chairman and the Non-Executive Directors have a particular responsibility for ensuring that business strategy and operations are fully discussed and critically reviewed. This enables the Board to promote the success of the Company for the benefit of all its shareholders as a whole. In so doing, the Board has regard to such matters as the interests of the Company's employees, the fostering of business relationships with customers, suppliers and other stakeholders and the impact that the Company has on the environment and communities in which it operates.

The Non-Executive Directors do not have service contracts with the Company but instead have letters of appointment which stipulate the terms of their appointment.

The Composition of the Board

The Composition of the Board is as set out on page 46.

Attendance at Board and Annual General meetings during the Financial Year

Name	Meetings Attended	Meetings Eligible to Attend
Mr. C. Muchene (Group Chairman)	7	7
Mr. C. Ireland (Group Managing Director)	7	7
Ms. T. Barnes (Group Finance Director)	7	7
Dr. N. Blazquez	3	7
Dr. A. Shonubi	6	7
Mrs. S. Githuku	3	7
Mrs. J. Karuku	6	7
Mr. J. Katto[1]	5	7
Mr. N. Mchechu[1]	1	7
Mr. A. Fennell[2]	3	7
Mr. E. Mwaniki[3]	1	3

[1]Mr. N. Mchechu was unable to attend a number of Board meetings as the dates coincided with important stakeholder engagements he was conducting in Dar-es-salaam, on behalf of the Company, in his capacity as Chairman of Serengeti Breweries Limited.

[2]Mr. A. Fennell resigned from the Board on 30 June 2015

[3]Mr. E. Mwaniki resigned from the Board on 30 April 2015

Board Corporate Governance Committee

The Board Corporate Governance Committee has oversight on the adherence and compliance by the Company to the principles and requirements of good corporate governance and business ethics. All members of the Committee are Non-Executive Directors.

Members:
Mr. J. Katto * (Chairman)
Dr. A. Shonubi*
Mr. E. Mwaniki*
Mr. A. Fennell
Ms. R. T. Ngobi (Company Secretary)
*Independent Non-Executive Directors

Attendance at Board Corporate Governance Committee meetings during the Financial Year

Name	Meetings Attended	Meetings Eligible to Attend
Mr. J. Katto	3	3
Dr. A. Shonubi	2	3
Mr. A. Fennell[1]	1	3
Mr. E. Mwaniki[2]	1	2

[1]Mr. A. Fennell resigned from the Board on 30 June 2015

[2]Mr. E. Mwaniki resigned from the Board on 30 April 2015

Board Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for monitoring and reviewing the integrity of the financial statements, the effectiveness of the accounting, internal control and business risk systems of the Group, the efficiency of the Group's procedures for handling whistle blowing allegations. The Committee is also responsible for monitoring and reviewing the performance of the Group's external auditors by keeping under review their independence and objectivity, making recommendations as to their reappointment (or where appropriate, making recommendations for change), and approving their terms of engagement and the level of audit fees payable to them. All members of the Committee are Non-Executive Directors.

KPMG were the Group's auditors during the financial year. KPMG has issued written confirmation to the Board of their intention NOT to seek reappointment as the Company's Auditors at the AGM. In accordance with the Company's Articles of Association and the Companies Act the Board appointed the Audit firm of PricewaterhouseCoopers as External Auditors of the Company SUBJECT to approval by Shareholders at the AGM.

Members:

Mr. N. Mchechu* (Chairman)

Dr. N. Blazquez

Dr. A. Shonubi*

Mrs. J. Karuku*

*Independent Non-Executive Directors

Attendance at Board Audit and Risk Management Committee meetings during the Financial Year

Name	Meetings Attended	Meetings Eligible to Attend
Mr.N. Mchechu	3	4
Dr. N. Blazquez	3	4
Dr. A. Shonubi	3	4
Mrs. J. Karuku	4	4

Board Nomination Committee

The Nomination Committee has the mandate to make recommendations to the Board on the suitability of candidates for appointment to the Board, whilst ensuring that the Board has an appropriate balance of expertise and ability. The Nomination Committee also evaluates and makes recommendations with regard to the composition of all Board Committees. In so doing, it monitors and ensures that appropriate Independent Non-Executive, Non-Executive and Executive Directors' ratios are maintained.

The Committee is also charged with the responsibility of evaluating the effectiveness of the Board and the effectiveness of the Directors in the discharge of their responsibilities.

Members:

Dr. N. Blazquez (Chairman)

Mr. E. Mwaniki*

Dr. A. Shonubi*

*Independent Non-Executive Directors

Attendance at Board Nominations Committee meetings during the Financial Year

Name	Meetings Attended	Meetings Eligible to Attend
Dr. N. Blazquez	3	3
Dr. A. Shonubi	3	3
Mr. E. Mwaniki[1]	2	3

[1]Mr. E. Mwaniki resigned from the Board on 30 April 2015.

Board Remuneration Committee

The Remuneration Committee's main responsibility is the review and approval of remuneration for Executive Directors and senior management and staff incentive schemes. It also makes recommendations on remuneration of Non-Executive Directors. It ensures that remuneration is appropriately benchmarked against other companies in the region. All members of the Committee were Non-Executive Directors as at 30 June 2015.

Current Members:

Dr. N. Blazquez (Chairman)

Mr. E. Mwaniki*

Mrs. S. Githuku*

Mrs. J. Karuku*

*Independent Non-Executive Directors

Attendance at Board Remunerations Committee meetings during the Financial Year

Name	Meetings Attended	Meetings Eligible to Attend
Dr. N. Blazquez	3	3
Mrs. S. Githuku	2	3
Mrs. J. Karuku	2	2
Mr. E. Mwaniki[1]	1	2

[1]Mr. E. Mwaniki resigned from the Board on 30 April 2015.

Board Evaluation

The effectiveness of the Board, its Committees, the Executive and Non-Executive Directors, the Chairman, and the Company Secretary were assessed for the year ended 30 June 2014. A report was prepared for the Board on the results of the exercise. While the Board and each of its Committees were considered to be fully effective, opportunities for improvement were identified and actions agreed implemented.

Communication with Shareholders

East African Breweries Limited is committed to ensuring that shareholders, investors and the financial markets are provided with full and timely information about its performance. This is achieved through the release of its half-year and annual results in the local press, distribution of annual reports and holding of investor briefings as appropriate. The Annual General Meeting provides a useful opportunity for shareholder engagement and, in particular, for the Chairman to explain the Company's progress and receive and answer questions from investors. The Board believes that there is an active and regular interaction with shareholders. In addition to information on the Company's activities the following documents and policies are readily available to Shareholders on the Company's website:

1. The Board Charter
2. Terms of Reference of all Board Committees
3. The Board Diversity Policy


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TUSKER LITE.
SAME REFRESHING TASTE
TUSKER
LITE
Excessive consumption of alcohol is harmful to your health.
Not for sale to persons under 18.

TABLE OF CONTENT

CORPORATE INFORMATION

Board of Directors

Mr. C. Muchene**	Group Chairman
Dr. N. Blazquez*	Group Deputy Chairman
Mr. C. Ireland	(Group Managing Director)
Dr. György Geiszl	(Group Finance Director - Appointed 1 October 2015)
Dr. A. Shonubi**	
Mrs. J.W. Karuku*	
Mr. J. Katto**	
Mr. N. Mchechu**	
Mr. J. Okeeffe*	(Appointed 1 July 2015)
Ms. C. Musyoka**	(Appointed 24 September 2015)
Mr. E. Mwaniki**	(Resigned 30 April 2015)
Mr. A. Fennell*	(Resigned 30 June 2015)
Mrs. S. Githuku**	(Resigned 28 July 2015)
Ms. T. Barnes	(Resigned 30 September 2015)
Ms. R. T. Ngobi	(Company Secretary)

Audit and Risk Management Committee

Mr. N. Mchechu **	(Chairman)
Dr. N. Blaquez*	
Mr. J. Katto**	
Mrs. J. Karuku*	
Mr. C. Ireland	(permanent invitee)
Dr. György Geiszl	(permanent invitee)
Mr. P. Kioko	(permanent invitee)
Mr. P. Rich	(permanent invitee)
Mrs. W. Kosgey	(permanent invitee)
Ms. R.T. Ngobi	(Secretary)

Nominations and Remunerations Committee

Dr. N. Blazquez*	(Chairman)
Dr. A. Shonubi**	
Mrs. J. Karuku*	
Mr. C. Ireland	(permanent invitee)
Mr. P. Kasimu	(permanent invitee)
Ms. R.T. Ngobi	(Secretary)

Corporate Governance Committee

Mr. J. Katto **	(Chairman)
Dr. A. Shonubi**	
Mr. J. Okeeffe*	
Mrs. W. Kosgey	(permanent invitee)
Ms. R.T. Ngobi	(Secretary)

* Non-Executive Directors
** Independent Non-Executive Directors

Auditors
KPMG Kenya
Certified Public Accountants of Kenya
8th Floor, ABC Towers
ABC Place, Waiyaki way
P.O. Box 40612
00100 Nairobi, GPO

Share Registrars
Custody & Registrar Services Limited,
Bruce House, 6th Floor, Standard Street,
P. O. Box 8484-00100,
Nairobi

Advocates
Kaplan & Stratton,
Williamson House,
4th Ngong Avenue,
P.O. Box 40111-00100
Nairobi

Coulson Harney Advocates
5th Floor, ICEA Lion Centre, West Wing
Riverside Park, Chiromo Road, Nairobi
P.O Box 10643
00100 Nairobi, GPO

Bankers
Barclays Bank of Kenya Limited
Citibank NA
Standard Chartered Bank Kenya Limited
CfC Stanbic Bank Limited

Secretary and Registered Office
Ms. R.T. Ngobi (CPS No. 726)
Corporate Centre
Ruaraka
P.O. Box 30161-00100
Nairobi

Top 10 Shareholders as at 30 June 2015

RANK	NAME	RESIDENCE	NO. OF SHARES	%
1	Diageo Kenya Limited	Kenyan	338,618,340	42.82%
2	Diageo Holdings Netherlands B.V.	Foreign	36,361,290	4.60%
3	Guiness Overseas Limited	Foreign	20,628,804	2.61%
4	Standard Chartered Nominees A/C KE13084	Foreign	12,768,427	1.61%
5	Standard Chartered NOM A/C KE11916	Foreign	11,595,842	1.47%
6	Standard Chartered Nominees Non Res A/C KE9273	Foreign	11,331,400	1.43%
7	Kenya Commercial Bank Nominees Limited A/C 915B	Kenyan	10,834,544	1.37%
8	Standard Chartered Nominees Non-Resd. A/C 9866	Foreign	8,425,105	1.07%
9	Standard Chartered Nominee Account KE17682	Foreign	7,668,800	0.97%
10	Standard Chartered Nominees Non-Resd. A/C 9069	Foreign	6,281,139	0.79%
	Shares Selected		**464,513,691**	**58.74%**
	Shares Not Selected - 25,084 Shareholders		**326,260,665**	**41.26%**
	Shares Issued		**790,774,356**	**100.00%**
	Total No. Of Shareholders		**25,094**	

EABL Directors' Shareholding as at 30 June 2015

	DIRECTOR'S NAMES	No. of shares
1	Alan Shonubi	2,600
2	Jane Karuku	1,296

Shareholding Status for Diageo & Associate Companies as at 30 June 2015

	FULL NAMES	SHARES HELD	% Shareholding
a)	Diageo Kenya Limited	338,618,340	42.82%
b)	Guiness Overseas Limited	20,628,804	2.61%
c)	Diageo Holdings Netherlands BV.	35,952,396	4.55%
d)	Diageo Holdings Netherlands BV.	408,894	0.05%
	Total for Diageo Netherlands BV (c+d)	**36,361,290**	**4.60%**
	Total for Diageo & Associate Companies	395,608,434	50.03%
	All other shareholders	395,165,922	49.97%
	Issued Share Capital	**790,774,356**	**100.00%**

Analysis by Domicile

DOMICILE	SHARES	%	HOLDERS
Foreign Companies	257,728,103	32.59%	218
Foreign Individuals	9,696,695	1.23%	606
Local Companies	449,371,093	56.83%	1,121
Local Individuals	73,978,465	9.35%	23,149
TOTAL	**790,774,356**	**100%**	**25,094**

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 30 June 2015 in accordance with section 157 of the Kenyan Companies Act, which disclose the state of affairs of East African Breweries Limited (the 'Group' and 'Company').

Principal activities
East African Breweries Limited is a holding Company with subsidiaries involved in the marketing, brewing/manufacturing and selling of drinks, glass containers, malt and barley.

Results and Dividend
The Directors recommend a final dividend of KShs 6.00 per ordinary share payable, net of Withholding Tax, on or about the 7 December 2015 to Shareholders on the Register at the close of business on 31 August 2015.

During the year an interim dividend of KShs 1.50 per share, amounting to a total of KShs 1,186,162,000 was paid. The total dividend for the year is therefore KShs 7.50 per share (2014: KShs 5.50) amounting to a total of KShs 5,930,808,000 (2014: KShs 4,349,259,000)

Board of Directors
The following changes have taken place in the Board of Directors since the last Annual General Meeting:

Mr. E. Mwaniki and Mr. A. Fennell resigned from the board on 30 April 2015 and 30 June 2015 respectively.
Ms. T. Barnes resigned as Group Finance Director and Executive Director on 30 September 2015.
Mr. J. O'Keeffe was appointed as a Director on 1 July 2015 to fill a casual vacancy on the Board.
Mrs. C. Musyoka was appointed as a Director on 24 September 2015 to fill a casual vacancy on the Board.
Dr. György Geiszl was appointed Group Finance Director and Executive Director on 1 October 2015.

In accordance with Article 105 Mr. J. O'Keeffe, Dr. György Geiszl and Ms. C. Musyoka retire from the Board and being eligible, offers themselves for re-election.

Dr. A. Shonubi and Mrs. J. Karuku retire by rotation and being eligible, offer themselves for re-election in accordance with Article 106 of the Articles of Association.

Auditors
The auditors, KPMG Kenya, will retire at the conclusion of the Annual General Meeting in accordance with Section 159(2) of the Kenyan Companies Act. The Directors recommend the appointment of PricewaterhouseCoopers as auditors subject to approval by shareholders at the next Annual General Meeting in accordance with Section 159(1) of the Kenyan Companies Act.

Approval of financial statements
The financial statements were approved by the Board of Directors on 30 July 2015.

By order of the Board

R.T. Ngobi (Ms.)
Company Secretary
30 July 2015

Ripoti ya Wakurugenzi

Wakurugenzi wanawasilisha ripoti yao pamoja na taarifa ya fedha iliyofanyiwa ukaguzi wa hesabu ya mwaka ulioisha Juni 30, 2015 kuambatana na Kifungu 157 cha Sheria za Makampuni ya Kenya, ambayo inaonyesha hali mambo yalivyo katika kampuni ya East African Breweries Limited.

Shughuli Kuu
East African Breweries ni kampuni asiliyenye makampuni tanzu yanayojishughulisha na usambaji, upikaji na uuzaji wa vinywaji pamoja na glasi, shayiri na kileo cha pombe.

Matokeo na Mgao wa Mwaka
Wakurugenzi wanapendekeza kulipwa kwa mgao wa mwisho wa Ksh 6.00 kwa kila hisa ya kawaida, kabla ya kutozwa ushuru tarehe 7 Desemba 2015 au hapo karibu kwa wenye hisa watakao kuwa kwenye daftari kufikia mwisho wa siku ya Agosti 31, 2015.

Mwakani, mgao wa muda wa Sh 1.50 kwa kila hisa ulilipwa, kufikia jumla ya KSh1,186,162,000. Kwa hivyo, mgao wa mwisho wa mwaka, ni Ksh 7.50 kwa kila hisa (2014: Ksh 5.50) kufikia jumla ya KSh 5,930,808,000 (2014: KSh 4,349,259,000).

Halmashauri ya Wakurugenzi
Mabadiliko yafuatayo yalifanyika mwakani katika halmashauri ya wakurugenzi tangu mkutano mkuu wa mwaka uliopita:

Bw. E. Mwaniki na Bw. A. Fennell walistaafu kutoka kwa halmashauri mnamo Aprili 30, 2015 na Juni 30, 2015 mtawalia. Bi. T. Barnes alistaafu kama Mkurugenzi Mkuu wa Fedha wa Kampuni na Mkurugenzi Mtendaji mnamo Septemba 30, 2015.
Bw. J. O'Keeffe aliteuliwa kama mkurugenzi mnamo Julai Mosi, 2015kujaza nafasi isiyo ya kudumu katika halmashauri.
Bi. C. Musyoka aliteuliwa kama mkurugenzi mnamo Septemba 24, 2015 kujaza nafasi isiyo ya kudumu katika halmashauri.
Dr. Gyorgy Geiszl aliteuliwa kama Mkurugenzi Mkuu wa Fedha wa Kampuni na Mkurugenzi Mtendaji tarehe 1, Oktoba 2015.

Kuambatana na Kifungu 105 cha Sheria za Kampuni, Bw. J. O'Keeffe, Dr. Gyorgy Geiszl na Bi. C. Musyoka wamestaafu kutoka kwenye halmashauri na wakiwa wanastahiki, wamejitoleakuchaguliwa tena.

Dkt. A. Shonubi na Bi. J. Karuku wamestaafu kwa mzunguko na wakiwa wanastahiki, wanajitoleakuchaguliwa tena kuambatana na Kifungu 106 cha Sheria za Kampuni.

Wakaguzi wa Mahesabu
Wakaguzi wetu, KPMG Kenya, watastaafu mwishoni mwa mkutano wa mwaka kuambatana na Sehemu 159(2) ya Sheria za Makampuni ya Kenya. Wakurugenzi wanapendekeza kuteuliwa kwa PricewaterhouseCoopers kama wakaguzi wa hesabu, ikiwa wataidhinishwa na wenyehisa kwenye mkutano mkuu ujao kuambatana na Sehemu 159(2) ya Sheria za Makampuni ya Kenya.

Kupitishwa kwa Taarifa za hali ya Fedha

Taarifa za hali ya fedha zilipitishwa na mkutano wa wakurugenzi uliofanyika Julai 30, 2015.

Kwa amri ya Halmashauri

R.T.Ngobi (Bi)
Katibu wa Kampuni
Julai 30 2015

Statement of Directors' Responsibilities

The Directors are responsible for the preparation and presentation of the consolidated and separate financial statements of East African Breweries Limited set out on pages 52 to 106 which comprise the consolidated and separate statement of financial position at 30 June 2015, and the consolidated and separate income statements, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Directors' responsibilities include: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal control relevant to the preparation and presentation of these financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Under the Kenyan Companies Act, the Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the operating results of the Group for that year. It also requires the Directors to ensure the Group keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and the Company and of the Group's operating results.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the Company and its subsidiaries' ability to continue as a going concern and have no reason to believe they will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on 30 July 2015 and were signed on its behalf by:

Mr. Charles Ireland

Group Managing Director

Ms. Tracey Barnes

Group Finance Director

Report of the independent auditors to the members of East African Breweries Limited

We have audited the consolidated and separate financial statements of East African Breweries Limited set out on pages 52 to 106. These financial statements comprise the consolidated and separate statements of financial position as at 30 June 2015, the consolidated and separate income statements, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

As stated on page 50, the Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required of the Kenyan Companies Act and for such internal control, as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated and separate financial position of East African Breweries Limited at 30 June 2015, and the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act.

Report on other legal requirements

As required by the Kenyan Companies Act we report to you, based on our audit, that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and

(iii) The Company's statement of financial position and income statement are in agreement with the books of account.

The Engagement Partner responsible for the audit resulting in the Independent auditors' report is FCPA Eric Aholi - P/1471.

KPMG Kenya
Certified Public Accountants of Kenya
8th Floor, ABC Towers
ABC Place, Waiyaki way
P.O. Box 40612
00100 Nairobi, GPO

Date: 30 July 2015

Consolidated income statement

	Note	Year ended 30 June 2015 Kshs'000	Restated 2014 Kshs'000
Revenue	6 (a)	64,420,458	60,748,887
Cost of sales	7 (a)	(32,389,041)	(30,586,648)
Gross profit		**32,031,417**	**30,162,239**
Selling and distribution costs	8	(6,038,162)	(5,761,488)
Administrative expenses	9 (a)	(7,871,377)	(9,330,026)
Other income/(expenses)	10 (a)	103,746	(422,125)
Finance income	13 (a)	-	84,942
Finance costs	13 (a)	(4,074,380)	(4,343,869)
Profit before income tax	11	**14,151,244**	**10,389,673**
Income tax expense	14 (a)	(4,616,027)	(3,541,370)
Profit for the year from continuing operations		**9,535,217**	**6,848,303**
Profit from discontinued operations, net of tax	16	39,688	10,305
Profit for the year		**9,574,905**	**6,858,608**
Profit attributable to:			
Equity holders of the Company		8,952,352	6,498,725
Non-controlling interest	19	622,553	359,883
Profit for the year		**9,574,905**	**6,858,608**
Earnings per share			
Basic (Kshs per share)	17	11.32	8.22
Diluted (Kshs per share)	17	11.31	8.21
Earnings per share – Continuing operations			
Basic (Kshs per share)	17	11.27	8.21
Diluted (Kshs per share)	17	11.26	8.20

The notes on pages 62 to 106 are an integral part of these financial statements.

Consolidated statement of profit or loss and other comprehensive income

	Year ended 30 June	
		Restated
	2015	2014
	Kshs'000	Kshs'000
Profit for the year	**9,574,905**	**6,858,608**
Other comprehensive income, net of tax:		
Items that may be reclassified to profit or loss:		
Exchange differences from translation of net foreign operations (Page 58)	(151,530)	(25,059)
Total comprehensive income for the year	**9,423,375**	**6,833,549**
Total comprehensive income for the year attributable to:		
Equity holders of the Company	9,021,217	6,488,000
Non-controlling interest	402,158	345,549
Total comprehensive income for the year	**9,423,375**	**6,833,549**

The notes on pages 62 to 106 are an integral part of these financial statements.

Separate income statement

	Note		Year ended 30 June 2015 Kshs'000	2014 Kshs'000
Revenue	6	(b)	3,776,297	4,922,237
Cost of sales	7	(b)	(7,820)	-
Gross profit			**3,768,477**	**4,922,237**
Administrative expenses	9	(b)	(2,124,872)	(3,100,988)
Other income/expenses	10	(b)	1,125,759	230,068
Finance costs	13	(b)	(4,447,518)	(4,348,675)
Finance income	13	(b)	1,172,878	1,020,125
Dividend income			8,363,500	8,411,677
Profit before income tax	11		**7,858,224**	**7,134,444**
Income tax credit/(expense)	14	(b)	104,478	(102,265)
Profit for the year			**7,962,702**	**7,032,179**

The notes on pages 62 to 106 are an integral part of these financial statements.

Separate statement of profit or loss and other comprehensive income

	Year ended 30 June 2015 Kshs'000	2014 Kshs'000
Profit for the year	7,962,702	7,032,179
Other comprehensive income, net of tax	-	-
Total profit or loss and other comprehensive income for the year	**7,962,702**	**7,032,179**

The notes on pages 62 to 106 are an integral part of these financial statements.

Consolidated statement of financial position

	Note		At 30 June 2015 Kshs'000	2014 Kshs'000
Equity attributable to the owners of Parent				
Share capital	18		1,581,547	1,581,547
Share premium	18		1,691,151	1,691,151
Capital reserve	39	(a)	1,285,324	1,285,324
Retained earnings			27,105,032	22,501,939
Share based payment reserve	39	(b)	73,387	73,387
Translation reserve	39	(c)	246,531	177,666
			31,982,972	**27,311,014**
Non-controlling interest	19		(337,752)	81,871
Other reserves	39	(d)	(18,292,037)	(18,292,037)
Total equity			**13,353,183**	**9,100,848**
Non-current liabilities				
Deferred tax liabilities	22	(a)	3,980,937	4,010,342
Borrowings	37	(a)	24,469,236	22,294,103
Finance lease liabilities	21		205,653	-
			28,655,826	**26,304,445**
Total equity and non-current liabilities			**42,009,009**	**35,405,293**
Non-current assets				
Property, plant and equipment	23	(a)	35,580,377	37,254,785
Intangible assets – Software	24	(a)	376,790	434,439
Intangible assets – Goodwill	25	(a)	3,577,191	3,577,191
Intangible assets – Brand	25	(b)	563,005	563,005
Prepaid operating lease rentals	26	(a)	10,538	10,957
Other investments	28		10,000	10,000
Deferred tax assets	22	(a)	1,330,722	1,208,412
			41,448,623	**43,058,789**
Current assets				
Inventories	31		10,674,406	9,703,689
Trade and other receivables	32	(a)	9,113,813	7,716,617
Income tax recoverable	14	(a)	591,389	1,285,448
Cash and bank balances	36	(c)	3,005,133	1,101,400
Assets held for sale	30	(a)	2,106,414	-
			25,491,155	**19,807,154**

(Continued Page 56)

The notes on pages 62 to 106 are an integral part of these financial statements.

Brands
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Consolidated statement of financial position (continued)

	Note		At 30 June 2015 Kshs'000	At 30 June 2014 Kshs'000
Current liabilities				
Trade and other payables	33	(a)	14,142,200	12,351,560
Dividends payable	15		614,869	800,180
Income tax payable	14	(a)	453,096	4,985
Borrowings	37	(a)	4,898,623	12,545,500
Bank overdraft	36	(c)	4,397,031	1,758,425
Liabilities held for sale	30	(a)	424,950	-
			24,930,769	**27,460,650**
Net current assets/(liabilities)			**560,386**	**(7,653,496)**
Net assets			**42,009,009**	**35,405,293**

The financial statements on pages 52 to 106 were approved for issue by the Board of Directors on 30 July 2015 and signed on its behalf by:

Mr. Charles Ireland

Group Managing Director

Ms. Tracey Barnes

Group Finance Director

The notes on pages 62 to 106 are an integral part of these financial statements.

Separate statement of financial position

	Notes		At 30 June 2015 Kshs'000	2014 Kshs'000
EQUITY				
Share capital	18		1,581,547	1,581,547
Share premium	18		1,691,151	1,691,151
Capital reserve	39	(a)	25,616	25,616
Share based payment reserve	39	(b)	73,387	73,387
Retained earnings			12,422,901	8,809,458
Total equity			**15,794,602**	**12,181,159**
Non-current liabilities				
Borrowings	37	(b)	24,469,236	21,181,702
Total equity and non-current liabilities			**40,263,838**	**33,362,861**
REPRESENTED BY				
Non-current assets				
Property, plant and equipment	23	(b)	623,191	442,608
Prepaid operating lease rentals	26	(b)	1,265	1,335
Intangible assets - software	24	(b)	168,828	188,955
Investment in subsidiaries	27		29,053,949	29,844,237
Other investments	28		10,000	10,000
Receivable from related parties	38	(b)	12,117,891	3,923,980
Deferred income tax assets	22	(b)	961,741	850,983
			42,936,865	**35,262,098**
Current assets				
Trade and other receivables	32	(b)	9,341,851	17,466,895
Current income tax recoverable	14	(b)	495,813	466,864
Asset held for sale	30	(b)	790,288	-
Cash and bank balances	36	(c)	600,381	-
			11,228,333	**17,933,759**
Current liabilities				
Trade and other payables	33	(b)	6,045,554	5,376,538
Dividends payable	15		614,869	800,180
Bank overdraft	36	(c)	3,525,176	1,110,778
Borrowings	37	(b)	3,715,761	12,545,500
			13,901,360	19,832,996
Net current liabilities			**(2,673,027)**	**(1,899,237)**
Total assets			**40,263,838**	**33,362,861**

The financial statements on pages 52 to 106 were approved for issue by the Board of Directors on 30 July 2015 and signed on its behalf by:

Mr. Charles Ireland
Group Managing Director

Ms. Tracey Barnes
Group Finance Director

The notes on pages 62 to 106 page are an integral part of these financial statements.

Consolidated statement of changes in equity

Year ended 30 June 2015	Share capital	Share premium	Capital reserve	Translation reserves	Retained earnings	Share based payment reserve	Other reserves	Total	Non controlling interest	Total equity
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 July 2014	1,581,547	1,691,151	1,285,324	177,666	22,501,939	73,387	(18,292,037)	9,018,977	81,871	9,100,848
Total comprehensive income										
Profit for the year	-	-	-	-	8,952,352	-	-	8,952,352	622,553	9,574,905
Other comprehensive income	-	-	-	68,865	-	-	-	68,865	(220,395)	(151,530)
Total comprehensive income for the year	**-**	**-**	**-**	**68,865**	**8,952,352**	**-**	**-**	**9,021,217**	**402,158**	**9,423,375**
Transactions with owners of the Company										
Dividends:										
-2015 interim paid	-	-	-	-	(1,186,162)	-	-	(1,186,162)	(809,106)	(1,995,268)
-2014 final paid	-	-	-	-	(3,163,097)	-	-	(3,163,097)	(12,675)	(3,175,772)
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**(4,349,259)**	**-**	**-**	**(4,349,259)**	**(821,781)**	**(5,171,040)**
At 30 June 2015	**1,581,547**	**1,691,151**	**1,285,324**	**246,531**	**27,105,032**	**73,387**	**(18,292,037)**	**13,690,935**	**(337,752)**	**13,353,183**
Year ended 30 June 2014										
As previously stated	1,581,547	1,691,151	1,281,545	188,391	20,778,624	71,373	(18,292,037)	7,300,594	1,133,596	8,434,190
Prior period adjustment	-	-	-	-	(426,151)	-	-	(426,151)	(409,439)	(835,590)
At 1 July 2013 - As restated	**1,581,547**	**1,691,151**	**1,281,545**	**188,391**	**20,352,473**	**71,373**	**(18,292,037)**	**6,874,443**	**724,157**	**7,598,600**
Comprehensive income										
Profit for the year	-	-	-	-	6,498,725	-	-	6,498,725	359,883	6,858,608
Other comprehensive income	-	-	-	(10,725)	-	-	-	(10,725)	(14,334)	(25,059)
Total comprehensive income for the year	**-**	**-**	**-**	**(10,725)**	**6,498,725**	**-**	**-**	**6,488,000**	**345,549**	**6,833,549**
Prior period adjustment	-	-	3,779	-	-	-	-	3,779	-	3,779
Transactions with owners of the Company										
Share based payment reserve	-	-	-	-	-	2,014	-	2,014	-	2,014
Dividends:										
- 2013 final paid	-	-	-	-	(3,163,097)	-	-	(3,163,097)	(987,835)	(4,150,932)
- 2014 interim paid	-	-	-	-	(1,186,162)	-	-	(1,186,162)	-	(1,186,162)
Total transactions with owners of the Company	**-**	**-**	**3,779**	**-**	**(4,349,259)**	**2,014**	**-**	**(4,343,466)**	**(987,835)**	**(5,331,301)**
At 30 June 2014	**1,581,547**	**1,691,151**	**1,285,324**	**177,666**	**22,501,939**	**73,387**	**(18,292,037)**	**9,018,977**	**81,871**	**9,100,848**

The notes on pages 62 to 106 are an integral part of these financial statements.

Separate statement of changes in equity

Year ended 30 June 2015	Share Capital Kshs'000	Share Premium Kshs'000	Capital reserve Kshs'000	Share based payment reserve Kshs'000	Retained earnings Kshs'000	Total equity Kshs'000
At 1 July 2014	1,581,547	1,691,151	25,616	73,387	8,809,458	12,181,159
Total comprehensive income:	-	-	-	-	7,962,702	7,962,702
Transactions with owners of the Company:						
Dividends:						
- Interim for 2015	-	-	-	-	(1,186,162)	(1,186,162)
- Final for 2014	-	-	-	-	(3,163,097)	(3,163,097)
Total distribution to owners	-	-	-	-	(4,349,259)	(4,349,259)
At 30 June 2015	**1,581,547**	**1,691,151**	**25,616**	**73,387**	**12,422,901**	**15,794,602**
Year ended 30 June 2014						
At 1 July 2013	1,581,547	1,691,151	21,837	71,373	6,126,536	9,492,444
Total comprehensive income:				-	7,032,179	7,032,179
Prior period adjustment - Capital Reserve	-	-	3,779	-	-	3,779
Transactions with owners of the Company						
Share based payment	-	-	-	2,014	-	2,014
Dividends:						
- Interim for 2014	-	-	-	-	(1,186,161)	(1,186,161)
- Final for 2013	-	-	-	-	(3,163,096)	(3,163,096)
Total distribution to owners	-	-	3,779	2,014	(4,349,257)	(4,343,464)
At 30 June 2014	**1,581,547**	**1,691,151**	**25,616**	**73,387**	**8,809,458**	**12,181,159**

The notes on pages 62 to 106 are an integral part of these financial statements.

Consolidated statement of cash flows

	Notes	2015 Kshs'000	2014 Kshs'000
		Year ended 30 June	
Operating activities			
Cash generated from operations	36 (a)	22,164,309	15,180,597
Interest received	13 (a)	-	24,072
Interest paid	13 (a)	(4,074,380)	(4,343,869)
Income tax paid	14 (a)	(3,563,087)	(4,667,510)
Net cash from operating activities		**14,526,842**	**6,193,290**
Investing activities			
Purchase of property, plant and equipment	23 (a)	(4,944,285)	(6,940,638)
Proceeds from disposal of leasehold land and buildings		195,000	-
Proceeds from disposal of property, plant and equipment		65,590	152,507
Proceeds on disposal of investment		-	50,000
Net cash used in investing activities		**(4,683,695)**	**(6,738,131)**
Financing activities			
Dividends paid to Company's shareholders	15	(4,534,570)	(4,267,000)
Dividends paid to non-controlling interests		(821,781)	(987,835)
Proceeds from borrowings	37 (a)	5,000,000	10,605,366
Loan repayments	37 (a)	(10,427,322)	(575,884)
Movement in finance lease liability	21	205,653	-
Net cash generated (used in)/from financing activities		**(10,578,020)**	**4,774,647**
Net (decrease)/increase in cash and cash equivalents		**(734,873)**	**4,229,806**
Movement in cash and cash equivalents			
At start of year		(657,025)	(4,886,831)
Net (decrease)/increase during the year		(734,873)	4,229,806
Cash and cash equivalents at end of year	36 (c)	**(1,391,898)**	**(657,025)**

The notes on pages 62 to 106 are an integral part of these financial statements.

Separate statement of cash flows

	Notes	Year ended 30 June 2015 Kshs'000	2014 Kshs'000
Operating activities			
Cash generated from/(used in) operations	36 (b)	4,102,966	(6,355,841)
Interest received	13 (b)	1,172,878	1,020,125
Interest paid	13 (b)	(4,447,518)	(4,348,675)
Income tax paid	14 (b)	(35,229)	(45,754)
Net cash from operating activities		**793,097**	**(9,730,145)**
Investing activities			
Purchase of property, plant and equipment	23 (b)	(326,003)	(175,490)
Proceeds on disposal of property and equipment		195,000	80,381
Proceeds on disposal of investment		-	50,000
Dividends received from subsidiaries		7,600,664	6,942,882
Net cash used in investing activities		**7,469,661**	**6,897,773**
Financing activities			
Dividends paid to Company's shareholders	15	(4,534,570)	(4,267,000)
Proceeds from borrowings	37 (b)	5,000,000	9,492,966
Loan repayments	37 (b)	(10,542,205)	-
Net cash used in financing activities		**(10,076,775)**	**5,225,966**
Increase/(decrease) in cash and cash equivalents		**(1,814,017)**	**2,393,594**
Movement in cash and cash equivalents			
(Bank overdraft)/cash and bank balances			
At start of year		(1,110,778)	(3,504,372)
Increase/(decrease) during the year		(1,814,017)	2,393,594
At end of year	36 (c)	**(2,924,795)**	**(1,110,778)**

The notes on pages 62 to 106 are an integral part of these financial statements.

Brands
People
Performance

Notes

1. General information

East African Breweries Limited is incorporated as a limited liability Company in Kenya under the Kenyan Companies Act and is domiciled in Kenya. The address of its registered office and principal place of business is as follows:

East African Breweries Limited
Corporate Centre, Ruaraka
PO Box 30161
00100 Nairobi GPO

The consolidated financial statements for the Company as at 30 June 2015 and for the year then ended comprise the Company and the subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group is primarily involved in marketing, manufacturing and selling of drinks, glass, containers, malt and barley.

The Company's shares are listed on the Nairobi Securities Exchange, Dar es Salaam Stock Exchange and Uganda Stock Exchange.

For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the income statement, in these financial statements.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

(i) Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Kenyan Companies Act. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

(ii) Functional and presentation currency

The financial statements are presented in Kenya Shillings (Kshs) which is the Company's functional currency. All financial information presented in Kenya Shillings have been rounded to the nearest thousand except when otherwise indicated.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates 'the functional currency' except where otherwise indicated.

(iii) Use of judgement and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(iv) Standards, amendments and interpretations to existing standards effective in 2015 and relevant to the Group

New standard or amendments	Effective for annual periods beginning on or after
• Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities (2011)	1 January 2014
• Investment Entities- Amendments to IFRS 10, IFRS 12, and IAS 27 (2012)	1 January 2014
• Amendments to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets (2013)	1 January 2014
• Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	1 January 2014
• IFRIC 21 Levies (2013)	1 January 2014

Notes (continued)

2. Summary of significant accounting policies (continued)

(a) Basis of preparation

Impact of relevant new and amended standards and interpretations to published standards on the financial statements for the year ended 30 June 2015 are as follows:

Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities *(effective for annual periods beginning on or after 1 January 2014)*

The amendments to IAS 32 clarify the offsetting criteria in IAS 32 by explaining when an entity currently has a legally enforceable right to set-off and when gross settlement is equivalent to net settlement.

The Group's policy is to offset financial assets and financial liabilities when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The clarification contained in these amendments reinforces the Group's policy and would not alter the manner in which offsetting arrangements are accounted for.

Amendments to IFRS 10, IFRS 12 and IAS 27: *Investment entities* *(effective for annual periods beginning on or after 1 January 2014)*

The amendments clarify that a qualifying investment entity is required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity's investment activities. The consolidation exemption is mandatory and not optional.

The application of these amendments have had no material impact on the disclosures or on the amounts recognised in the Group and Company's financial statements.

Amendments to IAS 36: *Recoverable Amount Disclosures for Non-Financial Assets* *(effective for annual periods beginning on or after 1 January 2014)*

The amendments reverse the unintended requirement in IFRS 13 Fair Value Measurement to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated.

Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.

The application of this amendment has had no material impact on the disclosures or on the amounts recognised in the Group and Company's financial statements.

Amendments to IAS 39: *Novation of Derivatives and Continuation of Hedge Accounting* *(effective for annual periods beginning on or after 1 January 2014)*

The amendments permit the continuation of hedge accounting in a situation where a counterparty to a derivative designated as a hedging instrument is replaced by a new central counterparty (known as 'novation of derivatives'), as a consequence of laws or regulations, if specific conditions are met.

The application of this amendment has had no material impact on the disclosures or on the amounts recognised in the Group and Company's financial statements.

IFRIC 21: *Levies* *(effective for annual periods beginning on or after 1 January 2014)*

IFRIC 21 defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It confirms that an entity recognises a liability for a levy when – and only when – the triggering event specified in the legislation occurs.

The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group and Company's financial statements.

Notes (continued)

2. Summary of significant accounting policies (continued)

(v) Impact of relevant new and amended standards and interpretations to published standards on the financial statements for the year ended 30 June 2015 are as follows:

New standard or amendments	Effective for annual periods beginning on or after
• Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	1 July 2014
• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	1 January 2016
• Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	1 January 2016
• Amendments to IAS 41 - Bearer Plants (Amendments to IAS 16 and IAS 41)	1 January 2016
• Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciations and Amortisation	1 January 2016
• Equity Method in Separate Financial Statements (Amendments to IAS 27)	1 January 2016
• IFRS 14 Regulatory Deferral Accounts	1 January 2016
• Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016
• Disclosure Initiative (Amendments to IAS 1)	1 January 2016
• IFRS 15 Revenue from Contracts with Customers	1 January 2017
• IFRS 9 Financial Instruments (2014)	1 January 2018

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the Group).

Defined benefit plans – Employee contributions (Amendments to IAS 19)

The amendments introduce relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. Such contributions are eligible for practical expedient if they are:

- set out in the formal terms of the plan;
- linked to service; and
- independent of the number of years of service.

When contributions are eligible for the practical expedient, a Company is permitted (but not required) to recognise them as a reduction of the service cost in the period in which the related service is rendered.

The amendments apply retrospectively for annual periods beginning on or after 1 July 2014 with early adoption permitted.

The application of this amendment will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 *Business Combinations*. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised

The amendments will be effective from annual periods commencing on or after 1 January 2016.

The application of these amendments will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business.

Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interest in the joint operation will not be re-measured.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.

Notes (continued)

2. Summary of significant accounting policies (continued)

(v) Impact of relevant new and amended standards and interpretations to published standards on the financial statements for the year ended 30 June 2015 are as follows:

Th e application of this amendment will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

Amendments to IAS 41- Bearer Plants (Amendments to IAS 16 and IAS 41)

The amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture require a bearer plant (which is a living plant used solely to grow produce over several periods) to be accounted for as property, plant and equipment in accordance with IAS 16 Property, Plant and Equipment instead of IAS 41 Agriculture. The produce growing on bearer plants will remain within the scope of IAS 41.

The new requirements are effective from 1 January 2016, with earlier adoption permitted.

The application of these amendments will have no material impact on the disclosures or on the amounts recognised in the Group and Company's financial statements.

***Clarification of Acceptable Methods of Depreciation and Amortisation* (Amendments to IAS 16 and IAS 38)**

The amendments to IAS 16 *Property, Plant and Equipment* explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment.

The amendments to IAS 38 *Intangible Assets* introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.

The application of these amendments will have no material impact on the disclosures or on the amounts recognised in the Group and Company's financial statements.

Equity Method in Separate Financial Statements (Amendments to IAS 27)

The amendments allow the use of the equity method in separate financial statements, and apply to the accounting not only for associates and joint ventures but also for subsidiaries.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with early adoption permitted.

The application of this amendment will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

IFRS 14 *Regulatory Deferral Accounts*

IFRS 14 provides guidance on accounting for regulatory deferral account balances by first-time adopters of IFRS. To apply this standard, the entity has to be rate-regulated i.e. the establishment of prices that can be charged to its customers for goods and services is subject to oversight and/or approval by an authorised body.

The standard is effective for financial reporting years beginning on or after 1 January 2016 with early adoption is permitted.

The application of this standard will have no material impact on the disclosures or on the amounts recognised in the Group and Company's financial statements.

***Investment Entities: Applying the Consolidation Exception* (Amendments to IFRS 10, IFRS 12 and IAS 28)**

The amendment to IFRS 10 *Consolidated Financial Statements* clarifies which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit and loss. The amendment also modifies the condition in the general consolidation exemption that requires an entity's parent or ultimate parent to prepare consolidated financial statements.

The amendment clarifies that this condition is also met where the ultimate parent or any intermediary parent of a parent entity measures subsidiaries at fair value through profit or loss in accordance with IFRS 10 and not only where the ultimate parent or intermediate parent consolidates its subsidiaries.

The amendment to IFRS 12 *Disclosure of Interests in Other Entities* requires an entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10 to make disclosures required by IFRS 12 relating to investment entities.

The amendment to IAS 28 *Investments in Associates and Joint Ventures* modifies the conditions where an entity need not apply the equity method to its investments in associates or joint ventures to align these to the amended IFRS 10 conditions for not presenting consolidated financial statements. The amendments introduce relief when applying the equity method which permits a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016, with early application permitted.

The application of these amendments will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

Notes (continued)

2. Summary of significant accounting policies (continued)

(v) Impact of relevant new and amended standards and interpretations to published standards on the financial statements for the year ended 30 June 2015 are as follows:

***Disclosure Initiative* (Amendments to IAS 1)**

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted.

The application of these amendments will have no material impact on the disclosures or on the amounts recognised in the Group and Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter of Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The standard specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers in recognising revenue being: Identify the contract(s) with a customer; Identify the performance obligations in the contract; Determine the transaction price; Allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption is permitted.

Management is currently evaluating the impact of the new standard to the Group and Company's financial statements.

IFRS 9: Financial Instruments (2014)

On 24 July 2014 the IASB issued the final IFRS 9 *Financial Instruments* Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

This standard introduces changes in the measurement bases of the financial assets to amortized cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

Management is currently evaluating the impact of the new standard to the Group and Company's financial statements.

(b) Basis of consolidation

The Group accounts for business combinations using the acquisition method when the control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchases is recognised in profit or loss immediately.

Transactions costs are expensed as incurred except if related to the issue of debt or equity securities.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Investments in subsidiaries are accounted for at cost in the separate financial statements.

(ii) Non-controlling Interest ("NCI")

NCI are measured at their proportionate share of the acquired identifiable net assets at the acquisition date.

(iii) Transactions eliminated at consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographic area of operations; or
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or

Notes (continued)

2. **Summary of significant accounting policies (continued)**

(c) Discontinued operation (continued)

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-of-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-represented as if the operation had been discontinued form the start of the comparative year.

(d) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax (VAT), returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

(i) Sales of goods are recognised in the period in which the Group delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured

(ii) Dividend income is recognised as income in the period in which the right to receive payment is established.

(iii) Royalty income is recognised based on agreed rates applied on net sales value of the related products.

(iv) Management fee is recognised based on actual costs plus an agreed mark up.

(e) Finance income and expenses

Finance income comprises interest income and foreign exchange gains that relate to borrowings and cash and cash equivalents. Interest income is recognised in profit or loss on a time proportion basis using the effective interest method.

Finance expenses comprise interest expense and foreign exchange losses that relate to borrowings and cash and cash equivalents. Interest income is recognised in profit or loss using the effective interest method.

All other foreign exchange gains and losses are presented in profit or loss within 'other income'.

(f) Foreign currency translation

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Consolidation of group entities

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve except to the extent that the translation difference is allocated to NCI.
- Finance expenses comprise interest expense and foreign exchange losses that relate to borrowings and cash and cash equivalents. Interest income is recognised in profit or loss using the effective interest method.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the profit or loss as part of the gain or loss on sale. If the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, then the relevant proportion of the cumulative amount is reattributed to NCI.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into presentational currency at the spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentational currency at spot exchange rates at the dates of the transactions.

(g) Property, plant and equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset.

Notes (continued)

2. Summary of significant accounting policies (continued)

(g) Property, plant and equipment (continued)

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Expenditure on Assets under Construction is charged to work in progress until the asset is brought into use.

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Expenditure on Assets under Construction is charged to work in progress until the asset is brought into use.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation is calculated on the straight line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life as follows:

Building	25 years or unexpired period of lease if less than 25 years
Plant, equipment, furniture and fittings	5 – 33 years
Motor vehicles	4 – 5 years
Moulds	5 – 15 years

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reassessed annually at each reporting date and adjusted if appropriate.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within “other income” in the profit or loss.

(h) Intangible assets

(i) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of intangible asset from the date that they are available for use. The estimated useful life is three to five years.

(ii) Goodwill

Goodwill arising on acquisition of subsidiaries and associates is stated at cost less accumulated impairment losses. At the reporting date, the Group assesses the goodwill carried in the books for impairment.

(iii) Brands

Brands acquired as part of acquisitions of businesses are capitalised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group. Certain brands are considered to have an indefinite economic life because of the institutional nature of the brands, their proven ability to maintain market leadership and the Group’s commitment to develop and enhance their value. The carrying value of these intangible assets are reviewed at least annually for impairment and adjusted to the recoverable amount if required.

(i) Financial instruments

(i) Classification

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. These are classified as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short-term or that it has designated as at fair value through profit or loss or available for sale. Loans and receivables comprise trade and other receivables, cash and bank balances and intercompany balances.

These are measured at amortised cost using the effective interest method, less any impairment losses.

Other financial liabilities

Other financial liabilities are non-derivative financial liabilities that are recognized on the date the Group becomes party to the contractual provisions of the instruments. Other financial liabilities are initially recognized at fair value less any directly attributable transaction costs. These include trade and other payables, loans and borrowings and intercompany balances. Other financial liabilities are measured at amortized cost.

(ii) Recognition

The Group recognizes loans and receivables on the date when they are originated. These assets are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

All other financial instruments are recognized on the trade date which is the date on which the Group becomes party to the contractual provisions of the instrument.

Notes (continued)

2. **Summary of significant accounting policies (continued)**

(i) Financial instruments (continued)

(iii) Measurement

Financial instruments are measured initially at fair value. In the case of financial instruments not at fair value, these are measured through profit or loss less applicable transaction costs.

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Other financial liabilities are measured at amortised cost.

(iv) De-recognition

A financial asset is derecognized when the Group loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is extinguished, cancelled or expires.

(v) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(j) Leases

i) Finance leases

Leases of equipment including hire purchase contracts where the Group assumes substantially all the risks and rewards incident to ownership are classified as finance leases. Finance leases are recognised as a liability at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The interest rate implicit in the lease is used as the discount factor in determining the present value. The finance cost is charged to the profit and loss account in the year in which it incurred. Equipment acquired under finance leases are capitalised and depreciated over the estimated useful life of the asset.

ii) Operating leases

Leases of assets where a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised to the profit and loss account on a straight line basis over the term of the lease. The leased assets are not recognised in the Group's statement of financial position.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is based on the weighted average method and expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The cost of finished goods and work in progress comprises an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(l) Employee benefits

(i) Retirement benefits obligations

The Group operates defined contribution retirement benefit schemes for some of its employees. The assets of all schemes are held in separate trustee administered funds, which are funded by contributions from both the Group and employees. The Group and all its employees also contribute to the National Social Security Funds, which are defined contribution schemes.

The Group's contributions to the defined contribution schemes are recognised in the profit or loss in the year to which they relate. The Company has no further obligation once the contributions have been paid.

(ii) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met. The Group funded the employee share options plan to acquire shares from the market and recognised the expense in the profit or loss upfront.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

(iv) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Notes (continued)

2. Summary of significant accounting policies (continued)

(m) Current and deferred tax (continued)

Current tax is the amount of tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation and any adjustment to tax payable or receivable in respect of previous years. The current tax charge is calculated on the basis of the tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured using tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised

(n) Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared.

(o) Segmental reporting

Segment information is presented in respect of the Group's geographical segments, which is the primary format and is based on the countries in which the Group operates. The Group has no distinguishable significant business segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis.

(p) Impairment

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence of impairment.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost such as trade and other receivables is calculated as the difference between its carrying amount, and the present value of estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment of loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Notes (continued)

2. Summary of significant accounting policies (continued)

(q) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances, and deposits held at call with the banks net of bank overdrafts.

(r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(s) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

(t) Comparative information

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year, and to correct errors in prior years.

(u) Other investments

Other investments are measured at cost.

(v) Assets and liabilities held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than continuing use.

Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining asset and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax asset, employee benefit assets or investment property, which continue to be measured in accordance with the group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit and loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expected future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(ii) Impairment of goodwill and other indefinite lived intangible assets

The Group annually tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(p). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations as stated in Note 25.

(iii) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iv) Property, plant and equipment

Critical estimates are made by the Directors in determining depreciation rates for property, plant and equipment. The rates used are set out in Note 2(g) above.

Notes (continued)

3. Critical accounting estimates and judgements (continued)

(v) Receivables

Critical estimates are made by the Directors in determining the recoverable amount of receivables. The carrying amount of receivables is set out in Note 4(a).

(b) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made judgements in determining:

i. the classification of financial assets and leases;

ii. whether assets are impaired

4. Financial risk management objectives and policies

Overview

The Group's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates, liquidity risk and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

This note presents information about the Group's exposure to financial risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

East African Breweries Limited has established a risk management committee made up of senior management which is responsible for developing and monitoring the Group's risk management policies which are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has established a risk and compliance function, which carries out regular and ad hoc reviews of risk management controls and procedures. The results are reported to senior management.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk.

The Group has established a credit policy under which each new customer is analysed individually for credit worthiness before the Group's Standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, where available, and in some cases bank references. Credit limits are established for each customer, which represents the maximum open amounts. These limits are reviewed quarterly.

In monitoring customer credit risk, customers are classified according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, maturity and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individual significant exposures. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities. The main investment is in term deposits with local financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Notes (continued)

4. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

The maximum exposure to credit risk at the reporting date was:

Group	2015 Kshs'000	2014 Kshs'000
Trade receivables (Note 32 (a))	4,993,307	5,027,035
Other receivables	2,653,039	1,321,108
Receivables from related parties (Note 32(a))	225,650	25,184
Cash and bank balances (Note 36(c))	3,005,133	1,101,400
	10,877,129	**7,474,727**

Company	2015 Kshs'000	2014 Kshs'000
Trade Receivables (Note 32(b))	25,017	-
Receivables from related companies - current (Note 38(b))	6,855,992	14,720,261
Dividend receivable	2,231,631	1,468,796
Other receivables	229,211	1,277,838
Receivables from related companies - non-current (Note 38(b))	12,117,891	3,923,980
Cash and bank balances (Note 36(c))	600,381	-
	22,060,123	**21,390,875**

The aggregated aging of trade receivables, receivables from related parties and other receivables at the reporting date was:

Group	Gross Kshs'000	Impairment Kshs'000	Net Kshs'000
2015			
Current	7,146,320	(4,581)	7,141,739
Past Due			
0-30 days	268,694	-	268,694
31-120 days	299,888	(25,912)	273,976
120 days and above	899,169	(711,582)	187,587
	8,614,071	**(742,075)**	**7,871,996**
2014			
Current	4,826,193	-	4,826,193
Past Due			
0-30 days	640,284	-	640,284
31-120 days	429,333	(35,312)	394,021
120 days and above	1,195,878	(683,049)	512,829
	7,091,688	**(718,361)**	**6,373,327**

Company	Gross Kshs'000	Impairment Kshs'000	Net Kshs'000
2015			
Current	8,014,778	-	8,014,778
Past Due			
0-30 days	55,656	-	55,656
31-120 days	62,560	-	62,560
121 days and above	13,326,748	-	13,326,748
	21,459,742	**-**	**21,459,742**
2014			
Current	17,466,895	-	17,466,895
Past Due			
121 days and above	3,923,980	-	3,923,980
	21,390,875	**-**	**21,390,875**

Notes (continued)

4. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Group	2015 Kshs'000	2014 Kshs'000
At 1 July	718,361	633,875
Impairment recognised in profit or loss	23,714	84,486
At 30 June	**742,075**	**718,361**

The impairment loss recognised relates to the specific customer debtors provision. During the year the Group did not renegotiate the terms of a trade receivable from any long-standing customer.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

The Group had credit facility arrangements with both related party and banks as at 30 June 2015. The facilities include up to Kshs 38 billion (2014: Kshs 43 billion) in intercompany facilities, corporate bonds, commercial paper, bank overdrafts and short term loans with various banks across East Africa.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group

2015	Total amount	Current	0-30 days	31-120 days	121+ days
Financial liabilities	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
Trade and other payables (Note 33(a))	14,142,200	10,775,107	1,785,499	1,581,490	104
Dividends payable (Note 15)	614,869	-	-	-	614,869
Finance lease liabilities	205,653	-	-	-	205,653
Borrowings (Note 37 (a))	33,764,890	4,466,621	229,033	4,600,000	24,469,236
Total financial liabilities	**48,727,612**	**15,241,728**	**2,014,532**	**6,181,490**	**25,289,862**

2014	Total amount	Current	0-30 days	31-120 days	121+ days
Financial liabilities	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
Trade and other payables (Note 33(a))	12,351,560	8,211,030	3,113,239	1,027,291	-
Dividends payable (Note 15)	800,180	-	-	-	800,180
Borrowings (Note 37(a))	36,598,028	1,758,425	-	-	34,839,603
Total financial liabilities	**49,749,768**	**9,969,455**	**3,113,239**	**1,027,291**	**35,639,783**

Notes (continued)

4. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Company

2015 Financial liabilities	Total amount Kshs'000	Current Kshs'000	0-30 days Kshs'000	31-120 days Kshs'000	121+ days Kshs'000
Trade and other payables (Note 33(b))	6,045,554	5,619,645	119,267	306,642	-
Dividends payable (Note 15)	614,869	-	-	-	614,869
Borrowings (Note 37(b))	31,710,173	7,011,904	229,033	-	24,469,236
Total financial liabilities	**38,370,596**	**12,631,549**	**348,300**	**306,642**	**25,084,105**

2014 Financial liabilities					
Trade and other payables (Note 33(b))	5,376,538	4,721,808	654,104	626	-
Dividends payable (Note 15)	800,180	-	-	-	800,180
Borrowings (Note 37(b))	34,837,980	1,110,778	-	-	33,727,202
Total financial liabilities	**41,014,698**	**5,832,586**	**654,104**	**626**	**34,527,382**

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) *Foreign exchange risk*

Foreign currency risk arises on sales, purchases and borrowings denominated in currencies other than Kenya Shillings. Receipts of foreign currency denominated debtors finance repayments of foreign currency denominated borrowings.

Notes (continued)

4. Financial risk management objectives and policies (continued)

(c) Market risk (continued)

(i) *Foreign exchange risk (continued)*

The table below summarises the Group's exposure to foreign currency risks in the respective foreign currency:

Group 2015	UGX '000	GBP '000	SSP '000	USD '000	AUD '000	EUR '000	TZS '000
Effect in Kenya shillings							
Monetary assets							
Cash and bank balances	402,977	119,364	1,751,833	1,753,947	-	-	122,293
Trade and other receivables	1,033,031	1,422,578	792,998	1,250,299	-	148,654	825,379
	1,436,008	1,541,942	2,544,831	3,004,246	-	148,654	947,672
Monetary liabilities							
Bank overdraft	(144,318)	(611,950)	-	-	-	(368,313)	(675,115)
Trade and other payables	(269,920)	(2,106,477)	9,188	(422,980)	-	(422,102)	-
	(414,238)	(2,718,427)	9,188	(422,980)	-	(790,415)	(675,115)
Net open position	**1,021,770**	**(1,176,485)**	**2,554,019**	**2,581,266**	**-**	**(641,761)**	**272,557**
2014							
Effect in Kenya shillings							
Monetary assets							
Cash and bank balances	398,472	877,737	92,438	1,891,237	-	7,670	1,087,446
Trade and other receivables	53,338	18,277	484,327	253,719	-	5,154	-
	451,810	896,014	576,765	2,144,956	-	12,824	1,087,446
Monetary liabilities							
Trade and other payables	(302,979)	(792,495)	(32,031)	(473,269)	-	(215,011)	(59,801)
Borrowings	-	(398,644)	-	-	-	(95,161)	(633,270)
	(302,979)	(1,191,139)	(32,031)	(473,269)	-	(310,172)	(693,071)
Net open position	**148,831**	**(295,125)**	**544,734**	**1,671,687**	**-**	**(297,348)**	**394,375**

Company 2015 Effect in Kenya shillings	UGX '000	GBP '000	SSP '000	USD '000	AUD '000	EUR '000	TZS '000
Monetary assets							
Trade and other receivables	54,469	1,810,821	11,383	-	529,159	-	6,987
	54,469	1,810,821	11,383	-	529,159	-	6,987
Monetary liabilities							
Trade and other payables	(289)	-	(803)	-	(1,126,645)	(34)	-
Bank overdraft	(3,921)	-	-	-	-	(1,139)	-
	(4,210)	-	(803)	-	(1,126,645)	(1,173)	-
Net open position	**50,259**	**1,810,821**	**10,580**	**-**	**(597,486)**	**(1,173)**	**6,987**

2014 Effect in Kenya shillings	GBP '000	UGX '000	USD '000	ZAR '000	TZS '000	EUR '000	SSP '000
Monetary assets							
Trade and other receivables	5,402	6,713,880	10,477	-	234,775	12	3,052
Cash and bank balances	-	-	2,801	-	-	-	-
	5,402	6,713,880	13,278	-	234,775	12	3,052
Monetary liabilities							
Trade and other payables	(1,161)	-	(199)	(1,013)	-	(2)	-
Bank overdraft	(2,661)	-	-	-	-	(794)	-
	(3,822)	-	(199)	(1,013)	-	(796)	-
Net open position	**1,580**	**6,713,880**	**13,079**	**(1,013)**	**234,775**	**(784)**	**3,052**

Notes (continued)

4. Financial risk management objectives and policies (continued)

(c) Market risk (continued)

(i) Foreign exchange risk (continued)

The following exchange rates were applied during the year:

Currency	Average rates		Closing rates	
	2015	2014	2015	2014
EUR-KSHS	109.13	118.12	110.69	119.85
GBP-KSHS	144.30	142.07	156.07	149.81
SSP-KSHS	30.27	27.90	31.47	29.67
TZS-KSHS	0.05	0.05	0.05	0.05
UGX-KSHS	0.03	0.03	0.03	0.03
USD-KSHS	91.93	86.72	99.41	87.61
ZAR-KSHS	8.00	8.33	8.17	8.24
AUD-KSHS	75.79	-	76.50	-

Sensitivity analysis on foreign currency risk

A 5 percent strengthening of the Kenya shilling against the following currencies at 30 June would have increased/(decreased) post-tax profit/loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remains constant. The analysis is performed on the same basis for 2014.

Group	Profit or loss/equity	
As at 30 June	2015	2014
	Kshs'000	Kshs'000
Uganda Shillings (UGX)	(48,657)	14,867
Pound Sterling (GBP)	58,824	14,756
South Sudanese Pound (SSP)	(127,701)	41,723
US Dollar (USD)	(129,063)	(6,849)
Euro (EUR)	32,088	(30,286)
Tanzanian Shilling (TZS)	(12,979)	-
	(227,488)	**(34,211)**

Company	Profit or loss/equity	
At 30 June	2015	2014
	Kshs'000	Kshs'000
Pound Sterling (GBP)	297	11,835
Uganda Shillings (UGX)	90,541	11,310
US Dollar (USD)	529	57,291
South Africa Rand (ZAR)	-	(417)
Tanzania Shillings (TZS)	(29,874)	623
Euro (EUR)	(59)	(4,696)
South Sudanese Pound (SSP)	349	4,527
	61,783	**80,473**

A 5 percent weakening of the Kenya Shillings against the above currencies at 30 June would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes (continued)

4. Financial risk management objectives and policies (continued)

(c) Market risk (continued)

(ii) Interest rate risk

The Group's interest bearing financial assets and financial liabilities include bank loans and overdrafts. These are at variable rates, and they are therefore exposed to cash flow interest rate risk. The Group regularly monitors financing options available to ensure optimum interest rates are obtained. As at 30 June 2015, an increase/decrease of 1 percentage point would have resulted in a decrease/increase in post-tax profit of Kshs 40,822,000 (2014: 43,588,000), mainly as a result of higher/lower interest charges on variable rate borrowings.

The table below summarises the interest rate profile of the Group's financial assets and liabilities.

Group As at 30 June	Effective Interest Rate Kshs'000	Total Kshs'000	On Demand Kshs'000	Due in between three and twelve months Kshs'000	Due in over twelve months Kshs'000
2015					
Borrowings	12.09%	33,764,890	4,466,621	4,829,033	24,469,236
2014					
Borrowings	11.91%	36,598,028	1,758,425	12,545,500	22,294,103

As at 30 June 2015, an increase/decrease of 1 percentage point would have resulted in a decrease/increase in post-tax profit of Kshs 38,338,000 (2014: 40,656,000), mainly as a result of higher/lower interest charges on variable rate borrowings.

Company As at 30 June	Effective Interest Rate Kshs'000	Total Kshs'000	On Demand Kshs'000	Due in between three and twelve months Kshs'000	Due in over twelve months Kshs'000
2015					
Borrowings	12.09%	31,710,173	7,011,904	229,033	24,469,236
2014					
Borrowings	11.67%	34,837,980	1,110,778	12,545,500	21,181,702

(iii) Equity price risk

The investments are unquoted and there is no readily available market for valuation.

(d) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

(e) Fair value estimation

The fair values of significant financial assets and liabilities is an approximate of the carrying amounts as shown in the statement of financial position due to the short term nature of these items.
The Company had nil values of financial assets classified under the following categories in the fair value hierarchy:

i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes (continued)

4. Financial risk management objectives and policies (continued)

(e) Fair value estimation (continued)

Group	Carrying amount			Fair value			
2015	Loans and receivables	Other amortized cost	Total carrying amount	Level 1	Level 2	Level 3	Fair value
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Assets							
Financial assets							
Cash and bank balances	3,005,133	-	3,005,133	-	-	-	-
Trade and other receivables	7,871,996	-	7,871,996	-	-	-	-
Other investments	10,000	-	10,000	-	-	10,000	10,000
Total financial assets	**10,887,129**	**-**	**10,887,129**	**-**	**-**	**10,000**	**10,000**
Liabilities							
Borrowings	-	33,764,890	33,764,890	-	-	-	-
Finance lease liabilities	-	205,653	205,653	-	-	-	-
Trade and other payables	-	14,142,200	14,142,200	-	-	-	-
Dividends payable	-	614,869	614,869	-	-	-	-
Total financial liabilities	**-**	**48,727,612**	**48,727,612**	**-**	**-**	**-**	**-**
2014							
Assets							
Financial assets							
Cash and bank balances	1,101,400	-	1,101,400	-	-	-	-
Trade and other receivables	6,373,327	-	6,373,327	-	-	-	-
Other investments	10,000	-	10,000	-	-	10,000	10,000
Total financial assets	**7,484,727**	**-**	**7,484,727**	**-**	**-**	**10,000**	**10,000**
Liabilities							
Borrowings	-	36,598,028	36,598,028	-	-	-	-
Trade and other payables	-	11,925,409	11,925,409	-	-	-	-
Dividends payable	-	800,180	800,180	-	-	-	-
Total financial liabilities	**-**	**49,323,617**	**49,323,617**	**-**	**-**	**-**	**-**

Notes (continued)

4. Financial risk management objectives and policies (continued)

(e) Fair value estimation (continued)

Company	Carrying amount			Fair value			
2015	Loans and receivables	Other amortized cost	Total carrying amount	Level 1	Level 2	Level 3	Fair value
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Assets							
Financial assets							
Cash and bank balances	600,381		600,381				
Trade and other receivables	21,459,742	-	21,459,742	-	-	-	-
Other investments	10,000	-	10,000	-	-	10,000	10,000
Total financial assets	**22,070,123**	**-**	**22,070,123**	**-**	**-**	**10,000**	**10,000**
Liabilities							
Borrowings	-	31,710,173	31,710,173	-	-	-	-
Trade and other payables	-	6,045,554	6,045,554	-	-	-	-
Dividends payable	-	614,869	614,869	-	-	-	-
Total financial liabilities	**-**	**38,370,596**	**38,370,596**	**-**	**-**	**-**	**-**
2014							
Assets							
Financial assets							
Trade and other receivables	11,237,125	-	11,237,125	-	-	-	-
Other investments	10,000	-	10,000	-	-	10,000	10,000
Total financial assets	**11,247,125**	**-**	**11,247,125**	**-**	**-**	**10,000**	**10,000**
Liabilities							
Borrowings	-	34,837,980	34,837,980	-	-	-	-
Trade and other payables	-	5,376,538	5,376,538	-	-	-	-
Dividends payable	-	800,180	800,180	-	-	-	-
Total financial liabilities	**-**	**41,014,698**	**41,014,698**	**-**	**-**	**-**	**-**

5. Segmental reporting

Management has determined the operating segments based on the reports reviewed by the Group executive committee that are used to make strategic decisions.

The committee considers the business from a geographical perspective. Geographically, management considers the performance of the business in Kenya, Uganda and Tanzania.

The reportable operating segments derive their revenue primarily from brewing, marketing and selling of drinks, glass containers, malt and barley. The executive committee assesses the performance of the operating segments based on a measure of profit before income tax.

Notes (continued)

5. Segmental reporting (continued)

The segmental information provided to the executive committee is as follows:

	Kenya		Uganda		Tanzania		South Sudan		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
External sales	43,201,162	40,773,587	11,485,612	11,086,372	6,903,679	7,048,021	2,830,005	1,840,905	-	-	64,420,458	60,748,885
Inter segment sales	9,671,158	7,299,719	105,150	667,966	-	63,186	-	63,186	(9,776,308)	(8,772,966)	-	-
Total sales	**52,872,320**	**48,073,306**	**11,590,762**	**11,754,338**	**6,903,679**	**7,111,207**	**2,830,005**	**1,904,091**	**(9,776,308)**	**(8,772,966)**	**64,420,458**	**60,748,885**

Reportable segments assets and liabilities agree to the consolidated assets as follows:

Other information	Kenya		Uganda		Tanzania		South Sudan		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Segment assets	98,607,647	88,903,157	7,297,683	7,976,653	12,247,263	13,479,779	1,474,749	821,750	(52,687,564)	(48,315,396)	66,939,779	62,865,943
Segment liabilities	58,522,078	54,108,290	5,589,331	6,292,749	11,928,278	11,505,439	1,057,204	637,204	(23,305,853)	(18,778,098)	52,733,834	53,765,094
Capital expenditure	3,827,553	5,169,121	612,057	774,383	485,063	979,677	19,613	17,457	-	-	4,944,286	6,940,638
Depreciation expense and amortisation	2,264,864	1,967,263	549,998	507,287	785,724	762,059	675	780	-	-	3,601,201	3,237,389

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period. Segment revenue is based on the geogrephical location of both customers and assets. Sales between segments are carried out at arm's lenght. The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the income statement. There is no reliance on individually significant customers by the Group. The amounts provided to the executive committee in respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements.

6. Revenue

	2015	2014
	Kshs'000	Kshs'000
(a) Group		
Gross sales	100,956,069	92,266,456
Indirect taxes	(36,535,611)	(31,517,569)
	64,420,458	**60,748,887**
(b) Company		
Revenue	13,191	-
Management fees	3,008,935	4,227,220
Royalties	754,171	695,017
	3,776,297	**4,922,237**

7. Cost of sales

(a) Group		
Raw materials and consumables	15,899,055	14,246,229
Distribution and warehousing	4,744,903	5,246,892
Maintenance and other costs	4,881,803	4,759,527
Staff costs (including travel)	3,443,365	3,314,426
Depreciation	3,419,915	3,019,574
	32,389,041	**30,586,648**

Notes (continued)

7. Cost of sales (continued)

	2015 Kshs'000	2014 Kshs'000
(b) Company		
Raw materials and consumables	7,820	-
	7,820	**-**

8. Selling and distribution costs

Group		
Advertising and promotion costs	6,038,162	5,761,488

9. Administrative expenses

(a) Group		
Staff Costs	5,149,531	4,746,614
Travelling and entertainment	433,105	398,434
Office Supplies and other costs	2,058,597	2,830,255
Depreciation on property	230,144	173,643
Restructuring costs	-	1,181,080
	7,871,377	**9,330,026**

(b) Company		
Staff Costs	1,844,687	1,605,893
Travelling and entertainment	124,684	112,755
Office Supplies and Other costs	62,314	1,132,797
Depreciation, amortisation and impairment	93,187	77,640
Restructuring costs	-	171,903
	2,124,872	**3,100,988**

10. Other income/(expenses)

	2015 Kshs'000	2014 Kshs'000
(a) Group		
Other income		
Profit on disposal of investment	-	49,600
Profit on disposal of land (Note 36(a))	1,782,734	-
Profit on disposal of property, plant and equipment (Note 36(a))	-	41,604
Transactional foreign exchange gains	-	127,386
Rental income	23,800	2,138
	1,806,534	220,728
Other expenses		
Sundry expenses	596,204	284,145
Impairment losses on trade receivables	23,714	84,486
Impairment of inventories	88,818	119,892
Impairment losses on property, plant and equipment	82,507	154,330
Loss on disposal of property, plant and equipment (Note 36(a))	48,090	-
Transactional foreign exchange losses	863,455	-
	1,702,788	642,853
	103,746	**(422,125)**

Notes (continued)

10. Other income/(expenses)

	2015 Kshs'000	2014 Kshs'000
(b) Company		
Other income		
Profit on disposal of property, plant and equipment	1,782,734	75,475
Net transactional foreign exchange gains	-	123,055
Sundry other income /other expenses	-	383,536
Profit on disposal of investment	-	49,600
	1,782,734	631,666
Other expenses		
Net transactional foreign exhcange losses	13,576	-
Other expenses	107,406	-
Withholding tax irrecoverable	535,993	401,598
	656,975	401,598
	1,125,759	**230,068**

11 Profit before income tax

The following items have been charged/ (credited) in arriving at the profit before tax:

	2015 Kshs'000	2014 Kshs'000
a) Group		
Employee benefits expense (Note 12 (a))	5,149,531	4,757,206
Depreciation on property, plant and equipment (Note 23 (a))	3,546,805	3,183,114
Amortisation of intangible assets - software (Note 24(a))	54,090	53,969
Amortisation of prepaid operating lease (Note 26 (a))	306	306
Auditor's remuneration	36,008	29,150
b) Company		
Employee benefits expense (Note 12 (b))	1,844,687	1,605,893
Depreciation on property, plant and equipment (Note 23 (b))	72,957	46,854
Amortisation of intangible assets - software (Note 24(b))	20,127	30,347
Amortisation of prepaid operating lease (Note 26 (b))	71	72
Auditor's remuneration	1,460	1,300

12. Employee benefits expense

The following items are included within employee benefits expense:

(a) Group	2015 Kshs'000	2014 Kshs'000
Salaries and wages	3,836,748	3,155,946
Defined contribution scheme	312,460	302,828
National Social Security Fund	93,658	90,666
Share based payments expense	43,347	33,980
Other staff cost	863,318	1,173,786
	5,149,531	**4,757,206**

Notes (continued)

12. Employee benefits expense (continued)

	2015 Kshs'000	2014 Kshs'000
(b) Company		
Salaries and wages	1,450,580	1,043,105
Retirement benefits costs:		
Defined contribution scheme	48,674	45,490
National Social Security Fund	6,351	15,887
Other staff related costs	303,604	499,397
Share based payments expense	35,478	2,014
	1,844,687	**1,605,893**

13. Net finance cost

(a) Group	2015 Kshs'000	2014 Kshs'000
Finance income		
Interest income	-	24,072
Foreign exchange gains on cash and cash equivalents	-	60,870
	-	84,942
Finance costs		
Interest expense	(4,074,380)	(4,343,869)
Net finance costs	**(4,074,380)**	**(4,258,927)**

(b) Company		
Finance income		
Interest income	1,172,878	1,020,125
	1,172,878	**1,020,125**
Finance costs		
Interest expense	(4,413,206)	(4,218,239)
Other finance costs	(34,312)	(130,436)
	(4,447,518)	(4,348,675)
Net finance costs	**(3,274,640)**	**(3,328,550)**

14. Income tax

(a) Group	2015 Kshs'000	2014 Kshs'000
i) Income tax expense		
Current income tax		
- Current year charge	4,624,457	3,695,114
- Over provision of tax in prior years	(4,979)	(52,647)
- Tax effect of reclassification to asset held for sale	-	(6,817)
Current income tax charge	4,619,478	3,635,650
Deferred income tax (Note 22)		
- Current year credit	(263,427)	(53,908)
- Under/(over) provision of tax in prior years	259,976	(40,548)
- Tax effect of reclassification to asset held for sale	-	176
Deferred tax charge/(credit)	(3,451)	(94,280)
Total income tax expense	**4,616,027**	**3,541,370**

Notes (continued)

14. Income tax (continued)

(a) Group

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2015 Kshs'000	2014 Kshs'000
Profit before income tax	14,151,244	10,389,673
Tax calculated at the statutory income tax rate of 30% (2014 - 30%)	4,245,373	3,116,902
Tax effects of:		
Expenses not deductible for tax purposes	779,646	655,340
Income not subject to tax	(651,212)	(131,036)
Over provision of current tax in prior year	(4,979)	(52,647)
Under/(over) provision of deferred tax in prior year	259,976	(40,548)
Tax effect of reclassification to asset held for sale (Note 16)	(12,777)	(6,641)
Income tax expense	**4,616,027**	**3,541,370**
ii) Income tax recoverable		
Opening balance	1,280,463	250,894
Tax paid	3,563,087	4,667,510
Tax charge for the year	(4,624,457)	(3,688,223)
Prior year over provision	4,979	52,647
Translation difference	1,669	(2,365)
Transfer to assets held for sale	(87,448)	-
	138,293	**1,280,463**
Analysed as follows		
Current income tax recoverable	591,389	1,285,448
Current income tax payable	(453,096)	(4,985)
	138,293	**1,280,463**

(b) Company

(i) Income tax (credit)/expense	**2015 Kshs'000**	**2014 Kshs'000**
Current income tax:		
Under/(over) provision of tax in prior years	6,280	(1,486)
Current income tax charge/(credit)	6,280	(1,486)
Deferred income tax:		
Current year (credit)/charge	(158,416)	124,809
Under/(over) provision of tax in prior years	47,658	(21,058)
Deferred tax (credit)/charge (Note 22 (b))	(110,758)	103,751
Total tax (credit)/expense	**(104,478)**	**102,265**

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2015 Kshs'000	2014 Kshs'000
Profit before income tax	7,858,224	7,134,444
Tax calculated at the statutory income tax rate of 30%	2,357,467	2,140,333
Tax effects of:		
Non-taxable income	(3,043,235)	(2,561,776)
Expenses not deductible for tax purposes	527,352	546,252
Under/(over) provision of deferred tax in prior year	47,658	(21,058)
Under/(over) provision of current tax in prior year	6,280	(1,486)
Income tax (credit)/expense	**(104,478)**	**102,265**

Notes (continued)

14.Income tax (continued)

(b) Company (continued)	**2015**	**2014**
ii) Income tax recoverable	**Kshs'000**	**Kshs'000**
At 1 July	466,864	419,624
Tax paid	35,229	45,754
Prior year (over)/under provision	(6,280)	1,486
At 30 June	**495,813**	**466,864**

15. Dividends

A final dividend in respect of the year ended 30 June 2015 of Kshs 6.00 per share (2014: Kshs 4.00 per share) amounting to a total of Kshs 4,744,646,000 (2014: Kshs 3,163,097,000) has been proposed. During the year an interim dividend of Kshs 1.50 per share amounting to a total of Kshs 1,186,161,534 was paid. The total dividend for the year is therefore Kshs 7.50 per share (2014: Kshs 5.50 amounting to a total of Kshs 5,930,808,000 (2014: Kshs 4,349,259,000).

Payment of dividends is subject to withholding tax at a rate of 0%, 5% and 10% depending on the residence and the percentage shareholding of the respective shareholders.

The following is the movement in dividends during the year:

Group and Company	**2015 Kshs'000**	**2014 Kshs'000**
At 1 July	800,180	717,922
Dividend declared during the year	4,349,259	4,349,258
Dividends paid	(4,534,570)	(4,267,000)
At 30 June	**614,869**	**800,180**

16. Discontinued operation

In March 2015, the Board of Directors of the Group announced its intention to sell Central Glass Industries Limited, the glass and containers producing subsidiary within the Group, to Consol Glass Proprietary Limited following a strategic review of the business. Accordingly, the facility is presented as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected to be completed in the subsequent financial period.

Central Glass Industries Limited was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated income statement and other comprehensive income of East African Breweries Limited have therefore been restated to show the discontinued operation separately from continuing operations.

(a) Results of discontinued operations	**Note**	**2015 Kshs'000**	**2014 Kshs'000**
Revenue		343,365	543,289
Expenses		(290,900)	(526,343)
Results from operating activities		**52,465**	**16,946**
Income tax		(12,777)	(6,641)
Results from operating activities, net of tax		**39,688**	**10,305**
Attributable to:			
Equity holders of the Company		39,688	10,305
Basic earnings per share	17	0.05	0.01
Diluted earnings per share	17	0.05	0.01
(b) Cash flows from/(used in) discontinued operation			
Net cash generated from operating activities		348,685	58,600
Net cash used from investing activities		(627,657)	(25,508)
Net cash generated from financing activities		280,576	(33,090)
Net cash flow for the year		**1,604**	**2**

Notes (continued)

17. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2015 was based on profit attributable to ordinary shareholders of Kshs 8,952,352,000 (2014: Kshs 6,498,725,000) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2015 of 790,878,344 (2013 – 790, 785,034) as the effect of share options exercised is immaterial.

	Continuing operations	Discontinued operations	2015 Total	Continuing operations	Discontinued operations	2014 Total
Profit attributable to ordinary shareholders	8,912,664,000	39,688,000	8,952,352,000	6,488,420,000	10,305,000	6,498,725,000
Weighted average number of ordinary shares						
Issued and paid shares (Note 29)	790,774,356	790,774,356	790,774,356	790,774,356	790,774,356	790,774,356
Effects of share options exercised	103,988	103,988	103,988	10,678	10,678	10,678
	790,878,344	790,878,344	790,878,344	790,785,034	790,785,034	790,785,034
Basic earnings per share (Kshs per share)	11.27	0.05	11.32	8.21	0.01	8.22

Diluted earnings per share

The calculation of diluted earnings per share as at 30 June 2015 was based on profit attributable to ordinary shareholders of Kshs 8,952,352,000 (2014: Kshs 6,498,725,000) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2015 of 791,519,815 (2014 – 791,530,463).

	Continuing operations	Discontinued operations	2015 Total	Continuing operations	Discontinued operations	2014 Total
Profit attributable to ordinary shareholders (Kshs)	8,912,664,000	39,688,000	8,952,352,000	6,488,420,000	10,305,000	6,498,725,000
Weighted average number of ordinary shares						
Issued and paid shares (Note 29)	790,878,344	790,878,344	790,878,344	790,785,034	790,785,034	790,785,034
Effects of share options on issue	641,471	641,471	641,471	745,459	745,459	745,459
	791,519,815	791,519,815	791,519,815	791,530,493	791,530,493	791,530,493
Diluted earnings per share (Kshs per share)	11.26	0.05	11.31	8.20	0.01	8.21

18. Share capital

2015	**Number of shares**	**Ordinary shares Kshs'000**	**Share premium Kshs'000**
Issued and fully paid			
Balance as at 30 June 2015	790,774,356	1,581,547	1,691,151
2014			
Issued and fully paid			
Balance as at 30 June 2014	790,774,356	1,581,547	1,691,151

The total authorised number of ordinary shares is 1,000,000,000 with a par value of Kshs 2.00 per share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Notes (continued)

19. Non-controlling interest (NCI)

The following table summarizes the information relating to the Group's subsidiaries that have material non-controlling interests (NCI).

30 June 2015	UDV (Kenya) Limited Kshs'000	Serengeti Breweries Limited Kshs'000	Other subsidiaries with immaterial NCI Kshs'000	Total Kshs'000
Non-controlling interest percentage	**53.68%**	**49%**	**1% - 1.8%**	
Non-current assets	741,096	9,834,078	4,643,698	
Current assets	4,667,958	2,376,767	3,948,551	
Non-current liabilities	-	(11,996,223)	(907,211)	
Current liabilities	(3,141,165)	(3,461,443)	(5,506,760)	
Net assets/(liabilities)	**2,267,889**	**(3,246,821)**	**2,178,278**	
Carrying amount of Non-controlling interest	1,217,403	(1,590,942)	35,787	**(337,752)**
Revenue	10,179,357	6,903,679	14,420,767	
Profit/(loss)	2,056,340	(1,564,463)	1,155,139	
Total comprehensive income	**2,056,340**	**(1,025,019)**	**15,575,906**	
In respect of Non-controlling interest	1,103,843	(502,259)	20,969	**622,553**
Cash flows generated / (used in) from operating activities	1,592,877	(918,612)	624,375	
Cash flows used in investment activities	(174,665)	(502,033)	(30,385)	
Cash flows (used in)/generated from financing activities	(1,507,277)	1,462,267	-	
Net (decrease)/increase in cash and cash equivalents	**(89,065)**	**41,622**	**593,990**	

30 June 2014	UDV (Kenya) Limited Kshs'000	Serengeti Breweries Limited Kshs'000	Other Subsidiaries with immaterial NCI Kshs'000	Total Kshs'000
Non-controlling interest percentage	**53.68%**	**49%**	**1% - 1.8%**	
Non-current assets	742,189	10,770,316	5,193,259	
Current assets	2,696,103	2,670,602	3,423,073	
Non-current liabilities	-	(12,035,644)	(1,246,126)	
Current liabilities	(1,675,589)	(3,239,831)	(5,462,630)	
Net assets/(liabilities)	**1,762,703**	**(1,834,557)**	**1,907,576**	
Carrying amount of non-controlling interest	946,219	(898,933)	34,585	**81,871**
Revenue	7,815,186	7,111,205	13,244,093	
Profit/(loss)	1,686,324	(1,155,624)	1,238,928	
Total comprehensive income	**1,686,324**	**(1,155,624)**	**1,238,928**	
In respect of Non-controlling interest	905,219	(566,256)	20,920	**359,883**
Cash flows generated / (used in) from operating activities	2,245,519	(1,690,177)	1,744,962	
Cash flows used in investment activities	(510,021)	(967,867)	(783,278)	
Cash flows (used in)/generated from financing activities	(1,760,099)	4,823,490	(568,519)	
Net (decrease)/increase in cash and cash equivalents	**(24,601)**	**2,165,446**	**393,165**	

Notes (continued)

20. Unconsolidated structured entities

The Group has interest in Tusker Football Club, EABL Foundation and East African Breweries Limited Employee Share Options Plan. The Group provides financial infrastructure but is not involved in the day to day operations. These structured entities have therefore not been consolidated as the Group does not have control over them as defined in IFRS 12 Disclosure of Interests in Other Entities.

21. Finance lease liabilities

During the year (2015) the Group entered into a lease agreement to purchase motor vehicles. The purchased vehicles are recognized as Group's assets at their fair value at the inception of the lease. The corresponding liabilities to the lessor are disclosed as finance lease liabilities.

Lease payments are apportioned between finance lease expenses and reduction of the lease obligation to achieve a constant rate of interest in the remaining balance of the lease liability. Finance expenses are recognised immediately in profit and loss. The imputed cost on the liabilities is based on an agreed interest rate of 9%.

	Future Minimum Lease Payments 2015 Kshs'000	Present Value of Minimum Lease Payments 2015 Kshs'000	Future Minimum Lease Payments 2014 Kshs'000	Present Value of Minimum Lease Payments 2014 Kshs'000
Finance Lease Liabilities				
Less than one year	-		-	-
Between one and five years	311,018	205,653	-	-
More than five years	-		-	-
	311,018	**205,653**	**-**	**-**
Less future finance charges	(105,365)	-	-	-
Present value of lease obligations	**205,653**	**205,653**	**-**	**-**

22. Deferred tax

Deferred tax is calculated using the enacted domestic tax rate of 30% (2014 – 30%). The movement on the deferred tax account is as follows:

(a) Group	**2015 Kshs'000**	**2014 Kshs'000**
At 1 July	2,801,930	2,846,741
Charge to profit or loss	(263,427)	(53,908)
Under/(over) provision of deferred tax in prior year	259,976	(40,548)
Effect of change in exchange rates	(85,508)	49,645
Transfer to asset held for sale	(62,756)	-
At 30 June	**2,650,215**	**2,801,930**
Presented in the statement of financial position as follows:		
Deferred tax liabilities	3,980,937	4,010,342
Deferred tax assets	(1,330,722)	(1,208,412)
At 30 June	**2,650,215**	**2,801,930**

(b) Company	**2015 Kshs'000**	**2014 Kshs'000**
At the beginning of the year	(850,983)	(954,734)
(Charge)/credit to profit or loss	(158,416)	124,809
Prior year under/(over) provision	47,658	(21,058)
Total deferred tax movement	(110,758)	103,751
Deferred tax assets at end of year	**(961,741)**	**(850,983)**
Presented in the statement of financial position as follows:		
Deferred tax assets	**(961,741)**	**(850,983)**

Notes (continued)

22. Deferred tax (continued)

Deferred tax assets and liabilities and deferred tax charge/(credit) in the income statement are attributable to the following items:

(a) Group Year ended 30 June 2015:	At 1 July 2014	Prior year over/ (under) provision	Charged/ (credited) to income statement	Effect of exchange rate changes	Transfer to assets held for sale	At 30 June 2015
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Deferred income tax liabilities						
Property, plant and equipment on historical cost basis	3,954,642	(48)	563,494	(128,190)	(399,076)	3,990,822
Intangible assets	168,901	-	-	-		168,901
Unrealised exchange gains/ (losses)	27,591	-	(124,807)	5,356	2,439	(89,421)
Tax losses carried forward	(50,814)	(13,016)	(284,834)	-	320,298	(28,366)
Provisions	(89,978)	16,419	7,221	(8,244)	13,583	(60,999)
Deferred tax liabilities	**4,010,342**	**3,355**	**161,074**	**(131,078)**	**(62,756)**	**3,980,937**
Deferred income tax assets						
Property, plant and equipment on historical cost basis	1,619,111	189	470	(100,998)	-	1,518,772
Unrealised exchange gains/ (losses)	26,257	(48,749)	(152,120)	12,428	-	(162,184)
Tax losses carried forward	(2,759,369)	358,741	(234,781)	118,020	-	(2,517,389)
Provisions	(94,411)	(53,560)	(38,070)	16,120	-	(169,921)
Deferred tax assets	**(1,208,412)**	**256,621**	**(424,501)**	**45,570**	**-**	**(1,330,722)**
Net deferred income tax	**2,801,930**	**259,976**	**(263,427)**	**(85,508)**	**(62,756)**	**2,650,215**

Year ended 30 June 2014:	At 1 July 2013	Prior year over/ (under) provision	Charged/ (credited) to income statement	Effect of exchange rate changes	At 30 June 2014
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Deferred income tax liabilities					
Property, plant and equipment on historical cost basis	3,551,867	-	386,616	16,159	3,954,642
Intangible assets	168,901	-	-	-	168,901
Unrealised exchange gains/(losses)	52,783	-	(24,613)	(579)	27,591
Tax losses carried forward	(21,029)	-	(29,215)	(570)	(50,814)
Provisions	(79,429)	-	(9,891)	(658)	(89,978)
Deferred tax liabilities	**3,673,093**	**-**	**322,897**	**14,352**	**4,010,342**
Deferred income tax assets					
Property, plant and equipment on historical cost basis	1,773,053	-	(204,155)	50,213	1,619,111
Unrealised exchange gains/(losses)	(548)	-	27,388	(583)	26,257
Tax losses carried forward	(2,500,360)	-	(245,339)	(13,670)	(2,759,369)
Provisions	(98,497)	-	4,754	(668)	(94,411)
Deferred tax assets	**(826,352)**	**-**	**(417,352)**	**35,292**	**(1,208,412)**
Net deferred tax liabilities	**2,846,741**	**-**	**(94,455)**	**49,644**	**2,801,930**

Notes (continued)

22. Deferred tax (continued)

(b) Company Year ended 30 June 2015:	At 1 July 2014	Prior year over/ (under) provision	Charged/ (credited) to income statement	At 30 June 2015
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Deferred income tax liabilities				
Property, plant and equipment:	-	-	-	-
- on historical cost basis	15,388	-	(6,812)	8,576
- on revaluation surpluses	7,410	-	(3,280)	4,130
Unrealised exchange	-	-	54,879	54,879
	22,798	**-**	**44,787**	**67,585**
Deferred income tax assets				
Provisions	(39,645)	-	(34,726)	(74,371)
Unrealised exchange (losses)/gains	(29,693)	-	-	(29,693)
Tax losses	(804,443)	47,658	(168,477)	(925,262)
	(873,781)	**47,658**	**(203,203)**	**(1,029,326)**
Net deferred income tax	**(850,983)**	**47,658**	**(158,416)**	**(961,741)**

Year ended 30 June 2014:	At 1 July 2013	Prior year over/ (under) provision	Charged/ (credited) to income statement	At 30 June 2014
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Deferred income tax liabilities				
Property, plant and equipment:	-	-	-	-
- on historical cost basis	21,231	(433)	(5,410)	15,388
- on revaluation surpluses	10,224	(209)	(2,605)	7,410
	31,455	**(642)**	**(8,015)**	**22,798**
Deferred income tax assets				
Provisions	(20,755)	(20,114)	1,224	(39,645)
Unrealised exchange (losses)/gains	32,149	1	(61,843)	(29,693)
Tax Losses	(997,583)	(303)	193,443	(804,443)
	(986,189)	**(20,416)**	**132,824**	**(873,781)**
Net deferred income tax asset	**(954,734)**	**(21,058)**	**124,809**	**(850,983)**

Notes (continued)

23. Property, plant and equipment

(a) Group

Year ended 30 June 2015	Freehold property	Leasehold buildings	Plant and equipment	Motor vehicles	Returnable packaging materials	Capital work in progress	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost:							
At 1 July 2014	3,611,805	3,243,458	35,702,899	109,098	11,544,050	3,694,891	57,906,201
Additions	344,811	156,846	2,352,987	19,613	997,623	1,072,405	4,944,285
Transfers from work in progress	296,854	110,187	1,645,700	-	230	(2,052,971)	-
Disposals	(7,365)	(5,535)	(759,204)	(878)	(30,747)	(70,777)	(874,506)
Assets written off	-	-	-	-	(279,339)	-	(279,339)
Reclassification to assets held for sale (Note 30)	(719)	(200,628)	(2,350,147)	(8,460)	-	(103,752)	(2,663,706)
Effect of exchange rate	(10,454)	(177,639)	(1,094,299)	2,935	(304,689)	(1,078,715)	(2,662,861)
At 30 June 2015	**4,234,932**	**3,126,689**	**35,497,936**	**122,308**	**11,927,128**	**1,461,081**	**56,370,074**
At 1 July 2014	831,463	704,623	13,633,123	59,797	5,422,410	-	20,651,416
Charge for the year	154,574	118,319	1,570,172	178	1,703,562	-	3,546,805
On assets disposed	(3,806)	(3,806)	(717,201)	(641)	(23,914)	-	(749,368)
On assets written off	-	-	-	-	(196,832)	-	(196,832)
Reclassification to assets held for sale (Note 30)	-	(21,284)	(939,383)	(6,699)	-	-	(967,366)
Effect of exchange rates	(5,200)	(27,650)	(364,758)	8,923	(1,106,273)	-	(1,494,958)
At 30 June 2015	**977,031**	**770,202**	**13,181,953**	**61,558**	**5,798,953**	**-**	**20,789,697**
Carrying amount at 30 June 2015	**3,257,901**	**2,356,487**	**22,315,983**	**60,750**	**6,128,175**	**1,461,081**	**35,580,377**

There are no assets pledged by the Group to secure liabilities other than as disclosed under note 38. Collaterised borrowings are secured by land, industrial property and bank guarantee. The capital work in progress is mainly due to the information systems, safety and supply related projects within the Group.

Year ended 30 June 2014	Freehold property	Leasehold buildings	Plant and equipment	Motor vehicles	Returnable Packaging materials	Capital work in progress	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost:							
At 1 July 2013	2,010,355	3,169,552	32,880,634	90,180	10,700,005	3,090,401	51,941,127
Additions	896,948	1,138	1,188,040	17,457	1,222,409	3,614,646	6,940,638
Transfers from work in progress	770,768	55,497	1,935,454	-	224,243	(2,985,962)	-
Disposals	(65,798)	-	(341,793)	-	(124,987)	(8,388)	(540,966)
Assets written off	-	-	-	-	(505,667)	-	(505,667)
Transfers to inventory	-	-		-	-	(11,436)	(11,436)
Transfers to software (Note 24 (a))			(66,333)			(6,701)	(73,034)
Effect of exchange rate	(468)	17,271	106,897	1,461	28,047	2,331	155,539
At 30 June 2014	**3,611,805**	**3,243,458**	**35,702,899**	**109,098**	**11,544,050**	**3,694,891**	**57,906,201**

Notes (continued)

23. Property, plant and equipment (continued)

(a) Group (continued)

Year ended 30 June 2014	Freehold property	Leasehold buildings	Plant and equipment	Motor vehicles	Returnable Packaging materials	Capital work in progress	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 July 2013	768,377	586,044	12,399,654	58,744	4,413,220	-	18,226,039
Revaluation reserve adjustment	-	(3,779)	-	-	-	-	(3,779)
Charge for the year	95,092	119,308	1,516,512	1,057	1,451,145	-	3,183,114
On assets disposed	(32,006)	-	(308,525)	(73)	(100,896)	-	(441,500)
On assets written off	-	-	-	-	(351,337)	-	(351,337)
Transfers to inventory	-	-	(9,319)	-	-	-	(9,319)
Effect of exchange rates	-	3,050	34,801	69	10,278	-	48,198
At 30 June 2014	**831,463**	**704,623**	**13,633,123**	**59,797**	**5,422,410**	**-**	**20,651,416**
Carrying amount at 30 June 2014	**2,780,342**	**2,538,835**	**22,069,776**	**49,301**	**6,121,640**	**3,694,891**	**37,254,785**

There are no assets pledged by the Group to secure liabilities other than as disclosed under note 38. Collaterised borrowings are secured by land, industrial property and bank guarantee. The capital work in progress is mainly due to additional spirit line in Kenya.

(b) Company

2015:	Freehold land and buildings	Leasehold Buildings	Plant, Equipment furniture & fitting	Capital Work in progress	Returnable Packaging	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost:						
At 1 July 2014	147,324	41,420	223,818	153,056	-	565,618
Additions	24,414	-	17,629	283,960	-	326,003
Disposal	(11,458)	-	(2,982)	(58,888)	-	(73,328)
Transfers	2,025	-	95,264	(97,289)	-	-
Transfers to related companies	-	-	-		-	
At 30 June 2015	**162,305**	**41,420**	**333,729**	**280,839**	**-**	**818,293**
At 1 July 2014	-	(16,314)	(106,696)	-	-	(123,010)
Charge for the year	-	(2,636)	(70,321)	-	-	(72,957)
On assets disposed	-	-	865	-	-	865
At 30 June 2015	-	(18,950)	(176,152)	-	-	(195,102)
Carrying amount at 30 June 2015	**162,305**	**22,470**	**157,577**	**280,839**	**-**	**623,191**

2014:	Freehold land and buildings	Leasehold Buildings	Plant, Equipment furniture & fitting	Capital Work in progress	Returnable Packaging	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost:						
At 1 July 2013	140,403	41,420	175,665	35,004	-	392,492
Additions	-	-	2,961	172,529	-	175,490
Disposal	(2,215)	-	(148)	-	-	(2,363)
Transfers	9,136	-	45,341	(54,477)	-	-
At 30 June 2014	**147,324**	**41,420**	**223,819**	**153,056**	**-**	**565,619**

Notes (continued)

23. Property, plant and equipment (continued)

(b) Company (continued)

2014:	Freehold land and buildings Kshs'000	Leasehold Buildings Kshs'000	Plant, Equipment furniture & fitting Kshs'000	Capital Work in progress Kshs'000	Returnable Packaging Kshs'000	Total Kshs'000
Depreciation:						
At 1 July 2013	-	(18,452)	(61,576)	-	-	(80,028)
Charge for the year	-	(1,642)	(45,212)	-	-	(46,854)
On reclassifications	-	3,780	-	-	-	3,780
On assets disposed	-	-	91	-	-	91
At 30 June 2014	**-**	**(16,314)**	**(106,697)**	**-**	**-**	**(123,011)**
Carrying amount at 30 June 2014	**147,324**	**25,106**	**117,122**	**153,056**	**-**	**442,608**

There are no assets pledged by the Company to secure liabilities other than as disclosed under Note 38. Collaterised borrowings are secured by land, industrial property and bank guarantee.

24. Intangible assets - software

(a) Group	2015 Kshs'000	2014 Kshs'000
Cost		
At 1 July	1,543,240	1,469,814
Transferred from property, plant and equipment (Note 23 (a))	-	73,034
Effect of exchange rate changes	(6,300)	392
Carrying amount as at 30 June	**1,536,940**	**1,543,240**
Amortisation		
At 1 July	1,108,801	1,045,738
Amortisation during the year	54,090	53,969
Transferred from property, plant and equipment	-	9,319
Effect of exchange rate changes	(2,741)	(225)
Carrying amount as at 30 June	**1,160,150**	**1,108,801**
Carrying amount as at 30 June	**376,790**	**434,439**

(b) Company		
Cost		
At start of year	1,265,040	1,265,040
Amortisation		
At start of year	(1,076,085)	(1,045,738)
Charge for the year	(20,127)	(30,347)
Carrying amount as at 30 June	**(1,096,212)**	**(1,076,085)**
Net book amount	**168,828**	**188,955**

Transfer of assets from property plant and equipment to intangible assets in the prior year related to costs incurred in the acquisition of software.

Notes (continued)

25. (a) Goodwill

Year ended 30 June 2015	At 1 July Kshs'000	Cumulative Impairment Kshs'000	Carrying amount as 30 June Kshs'000
UDV (Kenya) Limited (UDV)	415,496	-	415,496
International Distillers (Uganda) Limited (IDU)	233,168	-	233,168
Serengeti Breweries Limited (SBL)	2,928,527	-	2,928,527
Total	**3,577,191**	**-**	**3,577,191**
Year ended 30 June 2014			
UDV (Kenya) Limited (UDV)	415,496	-	415,496
International Distillers (Uganda) Limited (IDU)	233,168	-	233,168
Serengeti Breweries Limited (SBL)	2,928,527	-	2,928,527
Total	**3,577,191**	**-**	**3,577,191**

The goodwill represents the excess of cost of acquisitions over the fair value of identifiable assets and liabilities of the respective companies.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

(b) Brand

This represents value of brand intangibles in the acquired subsidiary as calculated under the relief from royalties methodology and based on Directors' forecast of brand performance.

	2015 Kshs'000	2014 Kshs'000
On acquisition of subsidiary	**563,005**	**563,005**
Deferred tax thereon	**(168,901)**	**(168,901)**

26. Prepaid operating lease rentals

Leases of land have been classified as operating leases.

(a) Group

	2015 Kshs'000	2014 Kshs'000
Cost		
At 1 July	16,846	16,969
Reclassification to assets held for sale (Note 30)	(43)	-
Effect of exchange rate changes	(167)	(123)
Carrying amount as at 30 June	**16,636**	**16,846**
Amortisation and impairment		
At 1 July	5,889	5,721
Amortisation during the year	306	306
Reclassification to assets held for sale (Note 30)	(20)	-
Effect of exchange rate changes	(77)	(138)
Carrying amount as at 30 June	**6,098**	**5,889**
Carrying amount as at 30 June	**10,538**	**10,957**

Notes (continued)

26. Prepaid operating lease rentals (continued)

(b) Company

	2015	2014
	Kshs'000	Kshs'000
Cost:		
At start and end of year	2,250	2,250
Amortisation:		
At start of year	(915)	(843)
Charge for the year	(70)	(72)
At end of year	**(985)**	**(915)**
Net book amount	**1,265**	**1,335**

27. Investments in subsidiaries

	Country of incorporation	Effective ownership interest	30 June 2015	30 June 2014
			Kshs'000	Kshs'000
Kenya Breweries Limited	Kenya	100%	22,377,809	22,377,809
Salopia Limited	Kenya	100%	200	200
Allsopps (EA) Sales Limited	Kenya	100%	2	2
East African Breweries (Mauritius) Limited	Mauritius	100%	-	-
Central Glass Industries Limited (Note 30)	Kenya	100%	-	790,288
Uganda Breweries Limited	Uganda	98%	687,648	687,648
International Distillers Uganda Limited	Uganda	100%	300,000	300,000
East African Maltings (Kenya) Limited	Kenya	100%	-	-
East African Maltings (Uganda) Limited	Uganda	100%	-	-
UDV (Kenya) Limited	Kenya	46%	589,410	589,410
EABL International Limited	Kenya	100%	150,000	150,000
EABL Tanzania Limited	Tanzania	100%	5,610	5,610
Serengeti Breweries Limited	Tanzania	51%	4,942,998	4,942,998
East African Beverages (South Sudan) Limited	South Sudan	99%	272	272
Kenya Liquor Distributors Limited	Kenya	46%	-	-
Harp Distributors Limited	Kenya	46%	-	-
International Distillers Kenya Limited	Kenya	46%	-	-
Kenya Distillers Limited	Kenya	46%	-	-
Gilbeys East Africa Limited	Kenya	46%	-	-
Net book amount			**29,053,949**	**29,844,237**

Movement in investment in subsidiaries

	2015	2014
	Kshs'000	Kshs'000
At 1 July	29,844,237	29,844,237
Reclassified to non current assets held for sale (Note 30 (b))	(790,288)	-
At 30 June 2015	**29,053,949**	**29,844,237**

Notes (continued)

28. Other investments (Group and Company)

	2015 Kshs'000	2014 Kshs'000
Unquoted: at cost		
20% investment in Challenge Fund Limited who in turn have subscribed to 50% in Central Depository and Settlement Corporation Limited	10,000	10,000
At end of year	**10,000**	**10,000**
Movement during the year		
Opening balance as at 1 July	10,000	10,400
Disposal during the year	-	(400)
Closing balance as at 30 June	**10,000**	**10,000**

During the year, the investment in Challenge Fund Limited did not change.
This entity is not listed and the amounts are not material to warrant investment in complex valuation models.

29. Employees benefit

Equity compensation benefits
The Directors, through an independent Trust, are empowered to grant share options to Group employees. These options are granted for a maximum period of ten years and a minimum period of three years at a price determined by the market value ruling on the Nairobi Securities Exchange on the day preceding the day on which the options are granted. The shares to be exercised within this Trust have been issued directly through the Company and also purchased at the securities exchange

i) Executive share option scheme

Movements in the number of share options held for the employees under the Executive Option Scheme are as follows:

	2015 Number of shares	2014 Number of shares
Outstanding at start of year	745,459	756,137
Exercised	(103,988)	(10,678)
	641,471	**745,459**
Exercise price per share - Kshs	**134.80**	**135.00**

Options may be exercised at prices ranging between Kshs 74 and Kshs 135 (2014 – Kshs 74 and Kshs 135).The trading price of EABL share as at 30 June 2015 on the Nairobi Securities Exchange was Kshs 308 (2014: Kshs 283).

ii) Employee Share Save Scheme

As at 30 June 2015, the Trust's obligation to members under the employee share save scheme stood at 727,271 shares (2014 -1,321,163). During the year 593,892 (2014 – Nil) shares were exercised by employees.

Notes (continued)

30. Assets and liabilities of disposal group classified as held for sale

In March 2015, the EABL Board announced its intention to sell Central Glass Industries Limited to Consol Glass Proprietary Limited following a strategic review of the business.

Management is committed to sell this entity in the 2016 financial year once completion of the transaction is attained. The transaction received the approval of Shareholders, Capital Markets Authority and Competition Authority of Kenya following the end of the financial year ended 30 June 2015.

Accordingly Central Glass Industries Limited is presented as disposal group held for sale.

a) Group

Assets and liabilities of disposal group held for sale

At 30 June 2015, the disposal group was stated at carrying amount and comprised the following assets and liabilties:

	30 June 2015 Kshs'000	30 June 2014 Kshs'000
Property, plant and equipment	1,696,340	-
Prepaid operating lease rentals	23	-
Inventories	194,974	-
Receivables and prepayments	124,660	-
Current income tax recoverable	87,448	-
Cash and bank balances	2,969	-
Assets held for sale	**2,106,414**	**-**
Payables and accrued expenses	362,194	-
Deferred tax liability	62,756	-
Liabilities held for sale	**424,950**	**-**

b) Company

Assets held for sale

Assets classified as held for sale	**790,288**	**-**

The non-current assets classified as held for sale relates to investment in Central Glass Industries Limited which has been reclassified in the separate financial statements in accordance with IFRS 5.

31. Inventories

Group	2015 Kshs'000	2014 Kshs'000
Raw materials and consumables	5,995,490	5,148,525
Work in progress	611,721	593,093
Finished goods	3,976,772	3,726,554
Goods in transit	90,423	235,517
	10,674,406	**9,703,689**

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to Kshs 20,157,579,000 (2014 – Kshs 14,359,111,000). Finished goods and work in progress in 2014 were reclassified to consumables in 2015.

Notes (continued)

32. Trade and other receivables

(a) Group

	2015 Kshs'000	2014 Kshs'000
Trade receivables	5,688,960	5,745,396
Less: provision for impairment losses	(695,653)	(718,361)
	4,993,307	5,027,035
Other receivables	2,653,039	1,321,108
Less: provision for impairment losses	(46,422)	-
Prepayments	1,288,239	1,343,290
Receivables from related companies (Note 38(a))	225,650	25,184
	9,113,813	**7,716,617**

Movements on provision for impairment of trade receivables is detailed in Note 4(a).

(b) Company

	2015 Kshs'000	2014 Kshs'000
Trade Receivables	25,017	-
Receivables from related companies (Note 38(b))	6,855,992	14,720,261
Other receivables and prepayments	2,460,842	2,746,634
	9,341,851	**17,466,895**

33. Trade and other payables

(a) Group	2015 Kshs'000	2014 Kshs'000
Trade payables	3,741,415	3,689,886
Other payables and accrued expenses	8,585,304	7,978,408
Payables to related parties (Note 38(b))	1,815,481	683,266
	14,142,200	**12,351,560**

(b) Company	2015 Kshs'000	2014 Kshs'000
Trade payables	72,074	1,561,520
Payables to related parties (Note 38(b))	4,870,270	3,815,018
Other payables and accrued expenses	1,103,210	-
	6,045,554	**5,376,538**

34. Contingent liabilities

In the normal course of business the Company and its subsidiaries are faced with litigation. These cases will not crystallise hence no accrual has been made in the financial statements. The potential exposure that may arise from these legal cases is quantified below:

(a) Group	2015 Kshs'000	2014 Kshs'000
Guarantees	12,437	12,000
Pending legal cases	298,801	344,368
	311,238	**356,368**

(b) Company		
Guarantees	12,000	12,000
Pending legal cases	-	2,763
	12,000	**14,763**

Notes (continued)

35. Commitments – Group

(i) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised in the financial statements is as follows:

	2015	2014
	Kshs'000	Kshs'000
Contracted but not provided for	1,419,256	5,104,726
Authorised but not contracted for	236,061	1,906,190
	1,655,317	**7,010,916**

ii) Operating lease commitments

(a) Group leases as lessee

Two subsidiaries in the Group (Kenya Breweries Limited and Uganda Breweries Limited) have entered into operating lease agreements for leasing of commercial and non-commercial vehicles and point-of-sale refrigerators. Lease payments cover principal rentals, maintenance fees, fleet management costs and insurance costs.

Future minimum lease payments under these operating leases are as follows:

	2015	2014
	Kshs'000	Kshs'000
Not later than 1 year	1,044,096	915,723
Later than 1 year and not later than 5 years	3,512,509	720,136
	4,556,605	**1,635,859**

(b) Group leases as lessor

The Group has entered into operating lease agreements for leasing part of its properties.
Future minimum lease receipts under these operating leases are as follows:

	2015	2014
	Kshs'000	Kshs'000
Not later than 1 year	33,790	-
Later than 1 year and not later than 5 years	116,259	25,158
	150,049	**25,158**

(c) Company leases as lessee

The Company has entered into operating lease agreements for leasing of printers and motor vehicles. Future minimum lease payments under these operating leases are as follows:

	2015	2014
	Kshs'000	Kshs'000
Not later than 1 year	9,517	25,631
Later than 1 year and not later than 5 years	41,303	33,193
	50,820	**58,824**

Notes (continued)

36. Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations:

(a) Group	2015 Kshs'000	2014 Kshs'000
Profit before income tax	14,151,244	10,406,619
Interest income (Note 13 (a))	-	(24,072)
Interest expense (Note 13 (a))	4,074,380	4,343,869
Depreciation (Note 23 (a))	3,546,805	3,183,114
Employee Share Ownership Plan Reserve	-	2,014
Impairment of tangible assets (Note 23 (a))	82,507	154,330
Amortisation of intangible asset - software (Note 24 (a))	54,090	53,969
Amortisation of prepaid operating lease rentals (Note 26 (a))	306	306
Gain on disposal of land	(1,782,734)	-
Loss/(gain) on disposal of property, plant and equipment	48,090	(41,604)
Loss/(gain) on disposal of investment	-	(49,600)
Exchange differences	967,702	(71,061)
Cash generated from operations before working capital adjustments	**21,142,390**	**17,957,884**
Changes in working capital:		
-Trade and other receivables	201,996	1,299,205
-Inventories	(970,717)	(2,233,082)
-Trade and other payables	1,790,640	(1,843,410)
Cash generated from operations	**22,164,309**	**15,180,597**

Reconciliation of profit before income tax to cash generated from operations:

(b) Company	2015 Kshs'000	2014 Kshs'000
Profit before income tax	7,858,224	7,134,444
Adjustments for:		
Interest income (Note 13(b))	(1,172,878)	(1,020,125)
Interest expense (Note 13(b))	4,447,518	4,348,675
Depreciation (Note 23 (b))	72,957	46,854
Employee Share Ownership Plan Reserve	-	2,014
Amortisation of intangible asset - software (Note 24(b))	20,127	30,347
Amortisation of prepaid operating lease rentals (Note 26(b))	70	72
Dividend income receivable	(7,600,664)	(6,942,884)
Profit on disposal of business	-	(49,600)
Gain on property, plant and equipment disposal/retirement	(1,782,734)	(78,109)
Loss on retirement of plant and equipment	2,119	-
Receivable from subsidiary	(8,193,911)	(3,923,980)
Cash generated from operations before working capital adjustments	**(6,349,172)**	**(452,292)**
Changes in working capital:		
-Trade and other receivables	9,783,122	(6,229,768)
-Trade and other payables	669,016	326,219
Cash generated from/(used in) operations	**4,102,966**	**(6,355,841)**

Notes (continued)

36. Cash generated from operations (continued)

(c) Cash and cash equivalents	2015	2014
Group	**Kshs'000**	**Kshs'000**
Cash and bank balances	3,005,133	1,101,400
Bank overdraft (Note 37(a))	(4,397,031)	(1,758,425)
	(1,391,898)	**(657,025)**
Company		
Cash and bank balances	600,381	-
Bank overdraft (Note 37(b))	(3,525,176)	(1,110,778)
	(2,924,795)	**(1,110,778)**

(d) Group

Movement in trade and other receivables		
Movement per statement of financial position	(1,397,196)	1,299,205
Non cash transactions (receivable on sale of leasehold land)	1,599,192	-
Net movement in receivables as per cash flow (Note 36(a))	**201,996**	**1,299,205**

Company

Movement in receivables and prepayments		
Movement per statement of financial position	8,125,044	(6,229,768)
Non cash transactions (receivable on sale of leasehold land)	1,599,192	-
Intergroup transfer	58,886	-
Net movement in receivables as per cash flow (Note 36(b))	**9,783,122**	**(6,229,768)**

37. Borrowings

(a) Group

The borrowings are made up as follows:

	2015	2014
	Kshs'000	**Kshs'000**
Non-current		
Long-term debt (inter-company)	19,469,236	22,294,103
Medium term note	5,000,000	-
	24,469,236	**22,294,103**
Current		
Borrowings	4,898,623	12,545,500
Bank overdraft	4,397,031	1,758,425
	9,295,654	**14,303,925**
	33,764,890	**36,598,038**

Notes (continued)

37. Borrowings (continued)

(a) Group - continued

The carrying amounts of current borrowings approximate their fair value, as the impact of discounting is not material.

The movement in borrowings is as follows:	2015 Kshs'000	2014 Kshs'000
At start of year	36,598,028	31,086,189
Advanced in the year	5,000,000	10,605,366
Repayments	(10,427,322)	(575,884)
Movement in bank overdrafts	2,638,606	(4,534,497)
Effect of exchange rate changes	(44,422)	16,854
At end of the year	**33,764,890**	**36,598,028**

Bank borrowings mature between July 2015 and June 2016 and at average annual interest rates of 11.37% (2014: 12.19%)

Total borrowings include medium term note of Kshs 5,000,000,000 (2014: Nil), commercial papers of nil (2014: Kshs 4,665,500,000 and secured liabilities (bank and collateralised borrowings) of Kshs 954,242,530 (2014: Kshs 980,459,000). Collateralised borrowings are secured by land, industrial property and bank guarantee.

The commercial paper matured in January 2015 and at a weighted average annual interest rate of 11.52%. The medium term note is unsecured and matures in March 2018. It has a weighted average annual interest rate of 12.25%.

The related party loan attracts variable interest rates at 1.5% above 364 Treasury bill rate plus 1.5%. The loan is repayable after a period of five years from the draw down date.

(b) Company

The borrowings are made up as follows:	2015 Kshs'000	2014 Kshs'000
Non-current		
Long-term borrowings	19,469,236	21,181,702
Medium term note	5,000,000	-
	24,469,236	**21,181,702**
Current		
Borrowings	3,715,761	12,545,500
Bank overdraft	3,525,176	1,110,778
	7,240,937	**13,656,278**
Total borrowings	**31,710,173**	**34,837,980**

Notes (continued)

37. Borrowings (continued)

(b) Company - continued

The carrying amounts of current borrowings approximate their fair value, as the impact of discounting is not material.

The movement in borrowings is as follows:

	2015	2014
	Kshs'000	**Kshs'000**
At start of year	34,837,980	27,738,608
Advanced in the year	5,000,000	9,492,966
Repayments	(10,542,205)	-
Movement in bank overdrafts	2,414,398	(2,393,594)
At end of the year	**31,710,173**	**34,837,980**

Bank borrowings mature between July 2014 and June 2015 and at average annual interest rates of 10.55% (2013: 11.76%)

The Company did not have secured liabilities (bank and collateralised borrowings) (2014: Nil).

The related party loan attracts variable interest rates at 1.5% above 364 Treasury bill rate. The loan is repayable after a period of five years from the draw down date.

38. Related party transactions

The Company is controlled by Diageo Kenya Limited incorporated in Kenya. The ultimate parent of the group is Diageo plc, incorporated in the United Kingdom. There are other companies that are related to East African Breweries Limited through common shareholdings or common Directorships.

The following transactions were carried out with related parties:

a) Management and manufacturing fees payable/receivable to/from companies and royalties paid

	2015	2014
(i) Sale of goods and services	**Kshs'000**	**Kshs'000**
East African Beverages (Southern Sudan) Limited	690,569	433,423
Central Glass Industries	17,544	19,587
EABL International Limited	659,573	633,035
UDV (Kenya) Limited	155,886	338,438
Serengeti Breweries Limited	37	-
Uganda Breweries Limited	1,217,407	1,103,830
Guinness Ghana Breweries Limited	-	16,954
	2,741,016	**2,545,267**

(ii) Purchase of goods and services		
Parent Company	1,988,749	1,988,749
Fellow subsidiaries	2,290,845	2,290,845
	4,279,594	**4,279,594**

Sales and purchases to/from related parties were made at terms and conditions similar to those offered to major customers.

Notes (continued)

38. Related party transactions(continued)

(b) Outstanding balances arising from sale and purchase of goods/services

	2015 Kshs'000	2014 Kshs'000
Group		
Receivables from related parties	225,650	25,184
Payable to related parties	1,815,481	683,266
Company		
Non-current assets – due from related party	12,117,891	3,923,980
Current assets		
Receivables from subsidiaries	4,907,431	12,690,128
Receivables from related parties	1,948,561	2,030,133
	6,855,992	**14,720,261**
Current liabilities		
Payables to subsidiaries	4,614,642	3,187,402
Payables to related parties	255,628	627,616
	4,870,270	**3,815,018**

(c) Directors' remuneration

	2015 Kshs'000	2014 Kshs'000
Group		
Fees for services as a Director	15,918	14,313
Other emoluments (included in key management compensation in (d) below)	260,418	247,427
	276,336	**261,740**

Directors' remuneration include fees in relation to non-executive directors and compensation to executive directors in the company and its subsidiaries.

	2015 Kshs'000	2014 Kshs'000
Company		
Fees for services as a Director	7,395	9,557
Other emoluments (included in key management compensation in (d) below)	100,004	91,639
	107,399	**101,196**

(d) Key management compensation

Key management includes Directors (executive and non-executive) and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2015 Kshs'000	2014 Kshs'000
Salaries and other shorter term employment benefits	672,118	639,975
Termination benefits	8,028	24,140
Post-employment benefits	36,793	30,392
	716,939	**694,507**

The key management compensation included compensation to the senior management of the Company and its subsidiaries.

Notes (continued)

39. Reserves

(a) Capital reserve

The capital reserve represents the surplus on the revaluation of property, plant and equipment net of deferred income tax and is non-distributable. This is revaluation surplus recognised prior to adoption of International Financial Reporting Standards in 2000. It is released upon impairment or de-recognition of the related item of property, plant and equipment.

(b) Share based payment reserve

Share based payment reserve is the benefit granted to employees arising from equity settled Employee Share Ownership Plan. During the year, a fair value charge of nil (2014: Kshs 2,014,000) was recognised in respect of the employees in the Employee Share Ownership Plan (ESOP).

(c) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(d) Other reserves

On 25 November 2011, the Group completed the acquisition of SABMiller Africa BV's 20% non-controlling equity stake in Kenya Breweries Limited (KBL), for a total consideration of Kshs 20.6 billion. This figure was arrived at based on a fair valuation of KBL's business. KBL is now a wholly owned subsidiary of the Group. The other reserves of Kshs 18,292,037,000 relates to the difference between the cash consideration and the carrying value of the net assets attributable to non-controlling interests and has been accounted for as a charge to equity in line with the requirements of IAS 27 (2008).

Principal shareholders and share distribution

The ten largest shareholdings in the Company and the respective number of shares held at 30 June 2015 are as follows:

	Name(s) and Address	Number of shares	%
1	Diageo Kenya Limited	338,618,340	42.82%
2	Diageo Holdings Netherlands B.V.	36,361,290	4.60%
3	Guinness Overseas Limited	20,628,804	2.61%
4	Standard Chartered Nominees A/C KE13084	12,768,427	1.61%
5	Standard Chartered Nom A/C KE11916	11,595,842	1.47%
6	Standard Chartered Nominees Non Res A/C KE9273	11,331,400	1.43%
7	Kenya Commercial Bank Nominees Limited A/C 915B	10,834,544	1.37%
8	Standard Chartered Nominees Non-Resd. A/C 9866	8,425,105	1.07%
9	Standard Chartered Nominee Account KE17682	7,668,800	0.97%
10	Standard Chartered Nominees Non-Resd. A/C 9069	6,281,139	0.79%
	Total number of shares	**464,513,691**	**58.74%**

Distribution of shareholders	Number of shares	Number of shareholders	%
1 – 500	2,376,884	12,317	0.30%
501 – 5,000 shares	15,988,482	10,015	2.02%
5,001 – 10,000 shares	6,719,106	949	0.85%
10,001 – 100,000 shares	40,002,927	1,407	5.06%
100,001 – 1,000,000 shares	108,201,643	333	13.68%
Over 1,000,000 shares	617,485,314	73	78.09%
Total	**790,774,356**	**25,094**	**100.00%**

EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH. STRICTLY NOT FOR SALE TO PERSONS UNDER 18 YEARS

Proxy Form

I/We	
of (address)	

Being a member/members of East African Breweries Limited, hereby appoint

_____________________________ of _________________________________, or failing him

_____________________________ of_________________________________ as my/our proxy to vote for me/us on my/our behalf at the 93rd Annual General Meeting of the Company to be held on the 5 November 2015 at 11.00 a.m. and at any adjournment thereof.

Number of shares held _________________

Account number: ___________________ (if known)

Signed this ___________ day of __________ 20___.

Note:

1. A member may appoint the chairman of the meeting as his proxy.
2. If the appointer is a corporation, this Form of Proxy must be completed under its Common Seal or under the hand of the officer or attorney duly authorized on that behalf.
3. Proxies must be completed and returned to the Company's Registered Office or to Custody & Registrar Services Limited, Bruce House, 6th Floor, Standard Street and P. O. Box 8484-00100, Nairobi. Alternatively, duly signed proxy forms can be scanned and emailed to **proxy@candrgroup.co.ke** in PDF format, no later than 2:30pm on 3 November 2015.

ADMISSION CARD

Please Admit

____

To the Annual General Meeting of East African Breweries Limited which will be held at Safari Park Hotel, Ruaraka, Nairobi on 5 November 2015 at 11.00 a.m.

This admission card must be produced by the Shareholder or proxy in order to obtain entrance to the Annual General Meeting.

R.T. Ngobi (Ms.)
Company Secretary

Fomu ya Uwakilishi

Mimi/Sisi	
Anwani	

Kama mwanachama / wanachama wa East African Breweries Limited, namteua/

tunamteua_______________________wa____________________________, au kama si

yeye___________________________wa_____________________________ kama wakala wa kunipigia

mimi/sisi/kwa niaba yangu/yetu katika Mkutano wa 93 wa Mwaka wa kampuni ambao utakuwepo

Novemba 5, 2015 saa 11.00 adhuhuri na kwa kuahirishwa kwake kukiweko.

Hisa zangu __________________

Namba ya akaunti: ____________________ (kama inajulikana)

Sahihi ___________ Siku ya __________ 20___.

Maelezo Muhimu:

1. Mwanachama anaweza kumteua mwenyekiti wa mkutano kama wakala wake.
2. Ikiwa mteuzi ni shirika, fomu hii ya wakala lazima ijazwe na kupigwa muhuri
   na afisa au wakili niliyemteua.
3. Fomu za wakala zilizojazwa zitumwe kwa afisi rasmi za kampuni au kwa Custody & Registrar
   Services Limited, Bruce House, 6th Floor, Standard Street, SLP 8484-00100, Nairobi.

   Kama sivyo, fomu zilizojazwa zichanganuliwe na kusafirishwa kwa miale, na zitumwe kwa
   proxy@candrgroup.co.ke isipite saa nane unusu tarehe 3, Novemba 2015.

KADI YA KIINGILIO

Tafadhali mruhusu

____

Kwa Mkutano wa Mwaka wa East African Breweries Limited utakaofanyika Safari Park Hotel, Ruaraka, Nairobi tarehe 5, Novemba, 2015 saa 11.00 adhuhuri.

Kadi hii ya kiingilio lazima mwenyehisa au wakala wake kuitoa ili aruhusiwe katika Mkutano wa Mwaka.

R.T. Ngobi (Bi)
Katibu wa Kampuni

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