JOURNEY TO GREATNESS

GREAT PEOPLE, GREAT BRANDS AND GREAT HERITAGE

2016

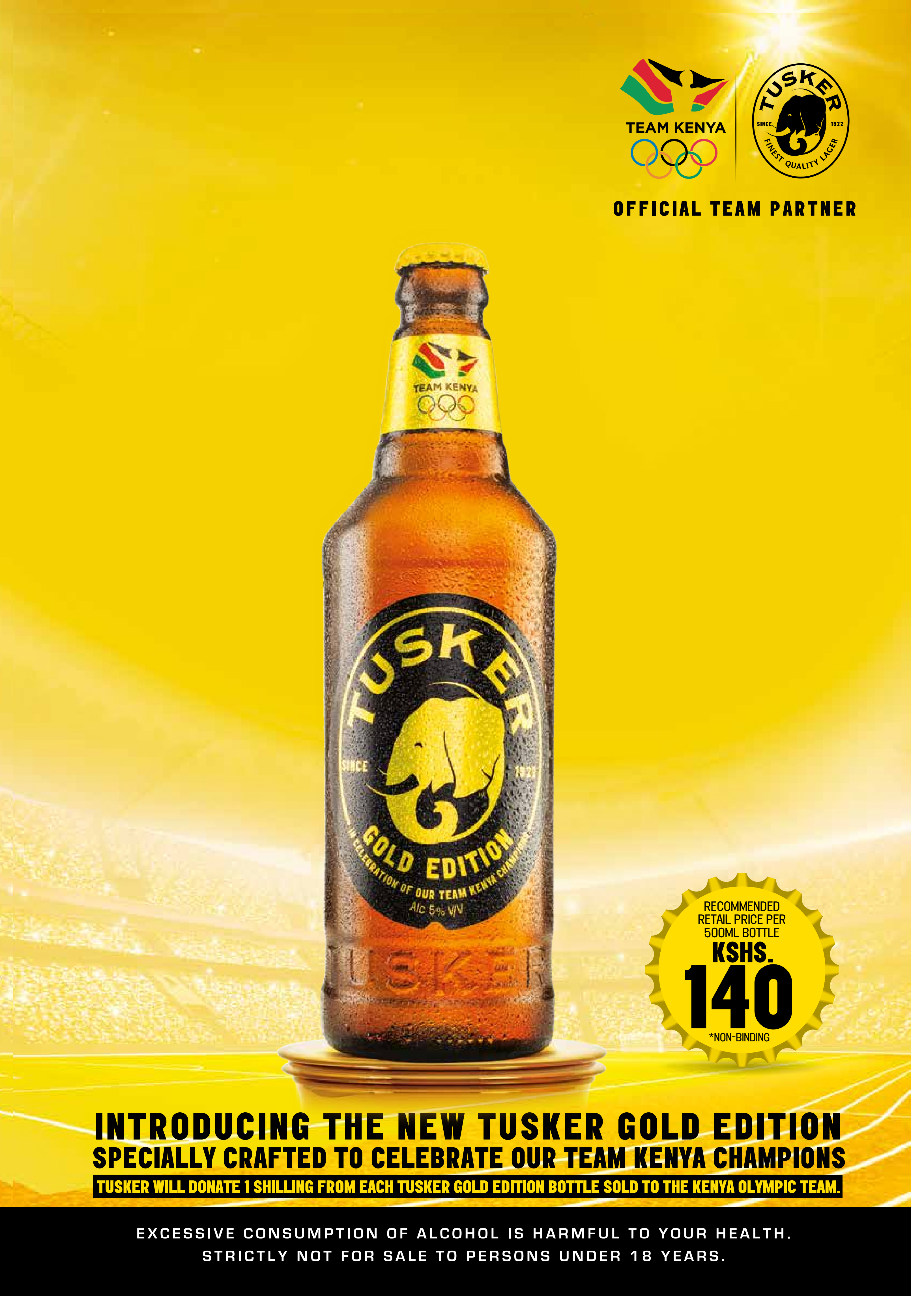
eabl
ANNUAL REPORT


TANZANIA
SERENGETI
PREMIUM LAGER
100% Malt
TUSKER
TOGETHER FOREVER
TUSKER
SINCE 1922
FINEST QUALITY LAGER
Alc 4.2% V/V
TUSKER
BELL
UGANDA'S HERITAGE
BELL
PREMIUM QUALITY LAGER

CONTENTS







TEAM KENYA
TUSKER
SINCE 1922
FINEST QUALITY LAGER
OFFICIAL TEAM PARTNER
TEAM KENYA
TUSKER
SINCE 1922
GOLD EDITION
IN CELEBRATION OF OUR TEAM KENYA CHAMPIONS
Alc 5% V/V
TUSKER
RECOMMENDED RETAIL PRICE PER 500ML BOTTLE
KSHS.
140
*NON-BINDING
INTRODUCING THE NEW TUSKER GOLD EDITION
SPECIALLY CRAFTED TO CELEBRATE OUR TEAM KENYA CHAMPIONS
TUSKER WILL DONATE 1 SHILLING FROM EACH TUSKER GOLD EDITION BOTTLE SOLD TO THE KENYA OLYMPIC TEAM.
EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH.
STRICTLY NOT FOR SALE TO PERSONS UNDER 18 YEARS.

FINANCIAL HIGHLIGHTS

Net Sales Value
(Kshs ‘000)

Profit for the year
(Kshs ‘000)

Earnings per share
(Kshs)

Dividend per share
(Kshs)

Cashflow from operations
(Kshs ‘000)

KEY

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

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 the highest quality brands to East African consumers and long-term value to East African investors. EABL operates through the following subsidiaries: Kenya Breweries Limited, Uganda Breweries Limited, Serengeti Breweries Limited, UDV (Kenya) Limited, East African Beverages Southern Sudan and East African Maltings Limited.

EABL provides direct employment to over 1500 and indirect employment to over 2 million East Africans. As an international company, we work with our trade partners and communities to ensure that we are building sustainable practices and livelihoods. We continue working with our suppliers who include our farmers, to ensure that there is continuous improvement to achieve excellence.

Our key areas of engagement with our suppliers include:

- Ethical business practices;
- The protection of human rights;
- Health & Safety standards;
- The reduction of environmental impact through the supply chains of which we are a part;
- Working with suppliers to create a more positive role for alcohol in society.

CHAIRMAN'S MESSAGE

Interim dividend per share - KES 2.00

Special dividend per share -KES 4.50

Final recommended dividend per share - KES 5.50

Total Dividend per share + 60%

MR. CHARLES MUCHENE
Group Chairman

"As the leading firm in its industry, EABL is well positioned in terms of its execution focus, geographical play and wide range of products, to ensure the consumer remains at the core of what we do and in the process ensuring that the business has a solid platform, to deliver sustained growth into the long term in our journey to be the best performing, most trusted, respected and celebrated consumer products company in Africa."

Charles Muchene
Group Chairman

SOLID PERFORMANCE IN A VOLATILE ENVIRONMENT

I am pleased with the results that EABL delivered this year where we had a 25% growth in volume, 12% growth in net sales on a constant currency basis (but flat in Kenya Shillings) and a 7% growth in profit for the year.

EABL has positioned the consumer at the core of its business with our marketing geared towards enhancing our brands and consumer experience. Our drive behind innovation is about expanding consumer choices and participation in our portfolio. Our regional play and support behind our premium core brands is about enhancing our core brand assets that connect deeply with our consumers.
In Kenya, we associate our iconic brand Tusker with sports platform sponsorships, such as the Olympics and football through Tusker FC. We embarked on a drive in Uganda to position our flagship brand, Bell, as a quintessential Ugandan brand and increased support for Serengeti in Tanzania. We also continued our organisational development activities to ensure that we have the right consumer facing culture at EABL.

OPERATING ENVIRONMENT

The financial year to 30 June 2016 was a year of mixed fortunes for the business. In Kenya, the re-introduction of tax remissions on beers made primarily out of locally grown sorghum, millet and cassava spurred the resurgence of Senator Keg, contributing significantly to the growth in volume during the year.

The growth in volume of bottled beers and spirits was however, slowed down half-way through the year by the Excise Duty increase of 43% and 46% for beer and spirits respectively. The net effect of these factors as well as the strong performance by Kenya Cane was 16% growth in net sales.

In Uganda, the continued depreciation of the Uganda Shilling, the revenue authority's inability to achieve revenue targets and adverse climatic conditions impacted negatively on customer demand for our products. Despite this, we were able to record a 5% growth in net sales primarily attributable to strong growth in Tusker Lite, our new product Ngule beer as well as strong performance in premium spirits.

Although the Tanzanian economy recorded strong growth during the year, the government's focus on public sector efficiency led to a curtailment of government spending and hence a reduction of cash circulating in the economy. Nonetheless, strong performance by Pilsner and Smirnoff Black Ice contributed to a 12% growth in net sales.

Our export markets presented significant challenges to our business. The drastic devaluation of the South Sudanese Pound, lack of foreign exchange and the continuing political instability had a devastating impact on our business. Political instability in Burundi and Eastern DRC curtailed our ability to grow the business in those markets.

The only export market that recorded growth during the year was Rwanda. During the year under review, our export business accounted for only 3% of our net sales, down from 6% in the preceding year.

While 2015/2016 had its challenges, the board and management were able to capitalise on opportunities available in our environment and drive the business towards our performance ambition through focused investment in our route to consumer and enhancing our innovations agenda while at the same time driving the organisational change agenda to continue inculcating a culture that is agile and focused on delivering growth.

POLICY AND REGULATION

The policy and regulatory environment remains largely volatile in the region. In Kenya, we have seen continued reviews of the legal framework around alcohol consumption and advertisement where the Alcoholic Drinks Control Act was revised, newer guidelines on alcohol advertisements and outlet-opening timing were issued and enforced by various government bodies and we also saw a renewed crackdown on illicit alcohol consumption.

Tanzania saw moves towards restriction on sachets and review of on-premise alcohol consumption hours and Uganda saw reviews towards local raw materials taxation for spirits and also restriction on sachets.

Despite the issuance of new and simpler rules of origin in order to ease non-tariff barriers to intra-EAC trade, there are still significant administrative challenges and the intended benefits are yet to be realised.

PERFORMANCE

Gross turnover was KES 116 billion, an increase of 15% compared to prior year driven by our organic growth in Kenya (both in beer and spirits) and improvement in our Tanzania business more than offsetting the decline in South Sudan. However, during the same period, excise duties in Kenya increased by 43 to 46% leaving net sales flat compared to the previous financial year.

During the year, we completed the sale of our glass manufacturing business and recorded a gain of KES 2.3 billion as we continued to execute our strategy of divesting from non-core assets. Our interest cost reduced by KES 0.8 billion primarily because we settled part of our long term debt during the year.

However, this gain was offset by the exchange loss booked in respect of our operations in South Sudan. As the regional currencies depreciated against our reporting currency, the Kenya Shilling, during the year, our reported consolidated results include a currency translation loss. Overall, the profit after tax increased by 7%.

The results show that our business is solid and on the right path and in a better environment with more stable taxation environment, stable legal and political conditions, we still expect growth.

SUSTAINABILITY

We believe in partnering with our communities and remain committed to advocating the role of alcohol in society and impact of harmful consumption. We therefore 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 undertaking responsible drinking programmes and, anti-under age advocacy campaigns. With 30,000 people in the alcohol sector already signed up on the responsible drinking digital platform shows that these initiatives have been successful in Kenya, Uganda and Tanzania where they will be enhanced, with expansion into our emerging markets such as Rwanda, Burundi and South Sudan in the coming year.

We have made huge progress with our Water of Life programmes with over 33,000 benefiting from the program during the year adding to the 5 million impacted since the inception of the programme.

We will continue to invest in our communities by providing safe water and sanitation amenities, undertaking capacity building initiatives through our skills for life programme, and make valuable contributions to our value chain in the various programmes we have with our farmers .

With the current local raw materials sourcing at 80 percent by volume, we have engaged local farmers primarily in semi-arid areas to supply sorghum to the business. This has had a significant impact on their livelihoods with over 30,000 farmers already engaged in supply of sorghum to the brewery in Kenya to make Senator keg beer.

Our focus on reducing our environmental impact has made significant progress. Water usage has reduced from 5 litres per 1 litre of final product to 4.3 litres and energy efficiency has improved from 85% to 90% and we are working with key stakeholders on partnerships and collaborations towards impactful management of natural resources.

GOOD PROGRESS ON STRATEGIC PRIORITIES

Our strategic imperatives are at the centre of our narrative in making our consumer the focal point of all we do to drive sustainable business growth, and we made great progress in the year on our strategic imperatives with innovations portfolio growing at 67% in Kenya, 9% in Uganda and 122% in Tanzania through increased distribution and launches of new innovation brands such as Kenya Cane coconut in Kenya and Ngule beer in Uganda.

Route to consumer transformation journey progressed into implementation in Kenya with uplifting of 3 distributors to the Gold standard which equates to world class operations alongside investment in Distributor Management System (DMS), which is a customer relationship software in Kenya and Uganda and expected rollout into Tanzania in financial year 2017.

We are leaders in the Reserve segment in East Africa with the business experiencing a 22% growth through the right activities in select Key accounts. This was in spite of a reduction of business with some of our duty free customers whose portfolio mainly comprises of premium and reserve spirits. Our productivity agenda in driving out costs to enable more investment behind growth, has seen EABL move nearer to world class standards on water and energy efficiency while reducing waste in our production processes to deliver flat costs. People remain core to the business in ensuring we remain competitive and ensure a sustainable business. To this end, we have continued investing in capability and leadership programs for our senior leadership and emerging leaders. Programs such as Amazing Line Manage will ensure we have in place a strong talent pipeline. Our premium core however, had a challenging year due to mainstream beer decline of 6% which was mainly due to contraction of the South Sudan business and impact of excise tax increases in Kenya. The rest of portfolio was in growth excluding premium spirits that were impacted by the duty free business review with premium beer growing at 2%, Ready to Drink at 3% and mainstream spirits at 22%. The focus is, and will continue to be, on turning around the performance of our mainstream beer with the right investment behind the brands alongside innovation to expand the portfolio.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend of KES 5.50 per share in addition to the interim and special dividends paid during the year. This will mean an increase of 60% in total dividend (KES 12.00) when compared with prior year (2015: KES 7.50).

BOARD CHANGES

During the financial year, Dr. Martin Oduor-Otieno joined the Board as an Independent Non-Executive Director. After the financial year end, Mr. Paul Gallagher joined the Board as a Non-Executive Director. The Board and I welcome Dr. Oduor-Otieno and Mr. Gallagher and look forward to their contribution and participation.
After the financial year end, we bid farewell to Dr. Nick Blazquez and Mr. Charles Ireland, who resigned 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 endeavours.

OUTLOOK

The environmental outlook for the region is more positive due to more stable political environment post elections in Uganda and Tanzania and minimal disruption expected from Kenya, stabilising currencies across the region and low commodities prices benefiting Uganda and Kenya in the short term, while still being net importers on commodities. The improving conditions should translate to better disposable incomes and increased purchasing power which is then expected to translate into better demand for our products.

Management interventions through improved efficacy of our marketing spend, increased drive around reducing costs and efficiency of our operations, expanding our innovation agenda and building a culture around consumer focus will ensure that we are well positioned to capture opportunities and deliver growth.

APPRECIATION

In closing, I would like to record my and the board's appreciation first, to consumers of our products for their loyalty and support for our products and then to management and staff for their commitment in driving the business to the level of performance we have reported this year, and for positioning the business for continued growth in future.

I also thank all the board members for their contribution and effective oversight during the year, for their commitment to their role and for upholding the highest standards of corporate governance.

We celebrate you all.

Charles Muchene
Group Chairman

TAARIFA YA MWENYEKITI

Mgao wa muda kwa kila hisa – KES 2.00

Mgao maalumu kwa kila hisa – KES 4.50

Mgoa wa mwisho uliopendekezwa kwa kila hisa – KES 5.50

Mgao jumla kwa kila hisa + 60%

BW. CHARLES MUCHENE
Mwenyekiti Mkuu

UTENDAJI IMARA KWENYE MAZINGIRA YENYE CHANGAMOTO

Ninaridhika na matokeo kampuni ya EABL ilipata mwaka huu, ambapo ilinakili ukuaji wa asilimia 25 katika mauzo jumla, asilimia 12 katika mauzo halisi na faida ya asilimia 7.

Kampuni ya EABL inawatambua wateja wake kuwa nguzo ya ufanisi wake kibiashara, na ndio sababu inatilia mkazo matangazo ya bidhaa zake kwa minajili ya kuongeza ufahamu wa wateja. Kadhalika kampuni inatilia maanani utafiti na ubunifu kwa lengo la kuwapa wateja wetu chaguo pana, kando na kuwapa fursa kushiriki katika biashara yetu.

Shabaha yetu kuu katika kuangazia chapa maarufu za bia zetu katika kanda hii kupitia fani mbali mbali, ni kuongeza ufahamu na mauzo ya chapa hizo. Kwa mfano hapa nchini Kenya, chapa maarufu ya Tusker inahusishwa na ufadhili wa michezo kama vile olympiki na pia timu ya soka Tusker TC inayoshiriki ligi kuu ya soka hapa nchini Kenya. Na nchini Uganda, tumezindua kampeini ya kuipa umaarufu chapa ya Bell, ilhali nchini Tanzania tunaimulika chapa ya Serengeti.

Kadhalika tunaendelea kushiriki katika mipango mbali mbali ya maendeleo, kama sehemu ya wajibu wetu kwa jamii, na pia kuwapa wateja fursa ya kujifahamisha zaidi na shughuli za kampuni ya EABL.

MAZINGIRA YA BIASHARA

Kipindi cha kifedha kilichotamatika tarehe 30 mwezi Juni kilikuwa na manufaa na pia changamoto kwa biashara nyingi. Hapa nchini Kenya, kurejeshwa kwa mfumo wa malipo ya ushuru ziada kwenye bia zilizotengenezwa kwa kutumia mawele, mtama na mihogo inayokuzwa hapa nchini, kulichochea kuimarika kwa mauzo ya pombe ya Senator Keg, na hivyo kuchangia pakubwa katika kuongezeka kwa mauzo katika kipindi hicho. Ongezeko katika mauzo ya bia za chupa na mvinyo kali hata hivyo yalififia kati kati ya mwaka, kufuatia kuongezwa kutoka asilimia 43 hadi asilimia 46, ushuru unaotozwa vinywaji hivyo.

Hata hivyo licha ya athari za hatua hiyo, mauzo ya pombe ya Kenya Cane yalimarika katika kipindi hicho, na kuwezesha kampuni kunakili ukuaji wa asilimia 16 katika mauzo halisi.

Nchini Uganda, kuendelea kupungua kwa thamani ya shillingi ya nchi hiyo, kushindwa kwa halmashauri ya kukusanya ushuru nchini humo, kuafikia malengo yake katika ukusanyaji ushuru, na hali mbaya ya hewa viliathiri pakubwa mahitaji ya bidhaa zetu nchini humo.Hata hivyo licha hayo, tulifanikiwa kunakili ukuaji wa asilimia 5 katika mauzo yetu, kutokana na kuongezeka kwa mahitaji ya chapa yetu ya Tusker Lite, bidhaa yetu mpya ya bia ya Ngule na kuimarika kwa mauzo ya mivinyo maarufu ya spirits.

Ingawaje Uchumi wa Tanzania ulinakili ukuaji mkubwa katika kipindi hicho, hatua ya serikali ya kuangazia zaidi utendaji kazi bora katika sekta ya utumishi ya umma, uliathiri matumizi ya serikali, na hivyo kupunguza kiwango cha matumizi ya pesa. Hata hivyo mauzo ya chapa za Pilsner na Smirnoff Black Ice yaliongezeka na kuchangia ukuaji wa asilimia 12 katika mauzo halisi.

Mauzo yetu katika masoko ya nje pia yalikumbwa na changamoto. Kupungua kwa kiwango kikubwa kwa thamani ya pauni ya Sudan Kusini, uhaba wa pesa za kigeni na msukosuko wa kisiasa unaoendelea kukumba nchi hiyo, pia uliathiri biashara yetu.Aidha msukosuko wa kisiasa katika nchi ya Burundi na mashariki ya jamhuri ya DRC, pia uliathiri ukuaji wa biashara yetu katika masoko hayo. Soko la pekee la kigeni ambalo lilinakili ukuaji wakati wa kipindi hicho ni Rwanda. Katika kipindi tunachokikagua, tulipata ukuaji wa asilimia 3 pekee katika mauzo yetu ya nje, ikilinganishwa na asilimia 6 katika mwaka uliotangulia.

Licha ya changamoto za 2015/2016, bodi na wasimamizi wa EABL waliweza kuimarisha biashara na utenda kazi kwa kutumia fursa zilizopatikana kwa uwezekaji na uzalishaji mali, huku wakitilia maanani mahitaji ya wateja na mabadiliko na mazingira bora ya kuvutia kuimarika kwa biashara.

SERA NA UTHIBITI

Mazingira ya sera na uthibiti katika eneo hili yangali yanakumbwa na changamoto. Hapa nchini Kenya, tumeshuhudia kuendelea kufanyiwa marekebisho mfumo wa sheria kuhusu unywaji pombe na matangazo ya biashara kuhusu pombe,ambapo sheria kuhusu uthibiti wa unywaji pombe ilirekebishwa,kanuni mpya kuhusu matangazo ya biashara yanayohusu pombe na mwongozo mpya kuhusu, saa za kufungua na kufunga vituo vya kuuza pombe kutolewa na kutekelezwa na vitengo husika vya serikali. Kadhalika katika kipindi hicho tulishuhudia msako mkubwa dhidi ya upikaji, uuzaji na unywaji wa pombe zilizoharamishwa. Nchini Tanzania, hatua zilichukuliwa kuzuia uuzaji pombe zilizopakiwa kwenye vijipaketi na kutengwa kwa saa za kunywa pombe. Hatua sawia pia zilitekelezwa katika nchi jirani ya Uganda.

Na licha ya kutolewa kwa kanuni za kuondoa vizingiti vya kibiashara visivyohusiana na ushuru, baina ya mataifa ya jumuiya ya Afrika Mashariki, kungali na changamoto nyingi katika kutekeleza kanuni hizo, na ndiposa hadi sasa manufaa ya kibiashara yaliokusudiwa kupatikana kutokana na hatua hizo yangali ndoto.

UTENDAJI

Katika kipindi hicho cha mwaka, mauzo jumla yalikuwa shillingi billioni 116, hiyo ikiwa nyongeza ya asilimia 15, ikilinganishwa na mwaka uliotangulia kutokana na ongezeko la mahitaji ya bidhaa zetu hapa nchini, na kuimarika kwa biashara katika nchi jirani ya Tanzania. Biashara nchini Sudan Kusini hata hivyo ilififia. Wakati wa kipindi hicho ushuru unaotozwa bidhaa uliongogezwa kutoka asilimia 43 hadi asilimia 46 na kuathiri mauzo katika mwaka huo, ikilinganishwa na mwaka uliotangulia.

Wakati wa kipindi hicho, tulikamilisha mauzo ya biashara yetu ya utengenezaji chupa, na kupata faida ya shillingi za Kenya billioni 2.3, huku tukiendelea kutekeleza mkakati wetu wa kuuza raslimali zetu zisizokuwa msingi. Gharama ya faida yetu ilipungua kwa kiasi cha shilingi za Kenya billioni 0.8, baada ya kulipa sehemu ya deni letu la muda mrefu. Hata hivyo faida hiyo iliathiriwa na hasara tulipata kutokana na kufifia kwa biashara yetu nchini Sudan Kusini. Katika kipindi hicho thamani ya sarafu ya mataifa ya kanda hii ilipungua dhidi ya shilling ya Kenya na hivyo kuathiri matokeo yetu halisi kibiashara. Kwa jumla faida baada ya kulipa ushuru iliongezeka kwa asilimia 7 pekee.

Matokeo hayo yanaonyesha kuwa biashara yetu ni imara na ipo kwenye mwelekeo sawa, na kufuatia utulivu kisiasa unaoshuhudiwa hapa nchini pamoja na mfumo thabiti wa utozaji ushuru. Ni matumaini yetu kwamba tutanakili ukuaji hata zaidi.

UENDELEVU

Tunatambua umuhimu wa kushirikiana na jamii, ndiposa tumeamua kuendelea kutetea wajibu wa pombe katika jamii, athari na haja ya kuwajibika katika unywaji pombe. Hivyo basi tutaendelea kuhimiza unywaji pombe wenye kuwajibika, na kuunga mkono mpango wa shirika la afya duniani wa kupunguza unywaji pombe kiholela kwa angalau asilimia 10 kufikia mwaka 2025. Tumejitolea katika kufanikisha mpango huo, kwa kuanzisha kampeini za kuhimiza unywaji wa kuwajibika kando na kupinga uuzaji wa pombe kwa walio na umri mdogo. Na huku watu wasiopungua 30,000 kwenye sekta ya pombe wakiwa tayari wametia saini kuunga mkono mpango huo kupitia mfumo wa dijitali,ni bayana kwamba mpango huu unafaulu katika nchi za Kenya, Uganda na Tanzania, na kile kinachohitajika kufanywa sasa na kuuimarisha hasa katika nchi hizo tatu ,kabla ya kusambazwa hadi masoko ibuka kama vile Rwanda, Burundi na Sudan Kusini hapo mwakani.

Tumepata ufanisi mkubwa kupitia mpango wetu wa maji ya uhai ,huku zaidi ya watu 33,000 wakinufaika katika kipindi cha mwaka uliopita, kando na wengine takriban millioni 5 ambao tayari wamenufaika maishani tangu mpango huo ulipozinduliwa. Tutaendelea kuwekeza katika jamii zetu kwa kuzipa maji ,kujenga vyoo, kuandaa warsha za hamasishio na kuwapa uwezo kupitia mpango wetu wa maarifa kwa maisha. Tumeingia ubia na wakulima katika maeneo kame kuwasilisha mawele kwa kampuni kutengeneza bia ya senator Keg. Ushirikiano ambao umebadilisha maisha ya zaidi ya wakulima 30,000, huku asilimia 80 ya mawele yanayotumika kutengeneza kinywaji hicho yakiwasilishwa na wakulima wa hapa nchini.

Juhudi za kupunguza uharibifu wa mazingira pia zimefaulu, huku matumizi ya maji yakipungua kutoka lita 5 kwa kila lita moja ya bia kamilifu hadi lita 4.3. Aidha matumizi ya kawi pia yamepungua kutoka asilimia 90 hadi 85, na tunaendelea kushirikiana na wadau wengine kuhakikisha kuwa raslimali zetu zinalindawa.

UFANISI KATIKA MIKAKATI YETU

Mikakati yetu imekuwa nguzo muhimu katika kuafikia azma yetu ya kukidhi matarajio ya wateja wetu katika yale yote tunayotenda, ili kupata ukuaji endelevu katika biashara yetu. Hatua hiyo imetuwezesesha kupiga hatua kubwa katika fani ya ubunifu, huku tukinakili ukuaji wa asilimia 67 hapa nchini Kenya, asilimia

9 nchini Uganda na asilimia 122 nchini Tanzania. Kando na hayo tumeboresha njia na mbinu za usambazaji bidhaa zetu na pia kuzindua chapa mpya kama vile KC coconut hapa nchini Kenya na bia ya Ngule nchini Uganda.

Safari ya kutekeleza maazimio ya mikakati yetu ili kuafikia matarajio ya wateja ilianza hapa nchini kwa kupandisha hadhi wasambazaji watatu wa bidha zetu hadi kiwango cha dhahabu, ambacho kinatambulika kimataifa, pamoja na kuongeza uwekezaji katika mfumo wa uhifadhi na usambazaji stakabadhi yaani DMS, ambao umebainika kuwa muhimu katika kuwahudumia wateja katika nchi za Kenya na Uganda. Aidha mfumo huo unatarajiwa kuzinduliwa nchini Tanzania mwaka ujao wa 2017. Kampuni yetu inaendelea kuongoza katika biashara ya mivinyo kali kwa kukua kwa kiwango cha asilimia 22 licha ya punguzo la kibiashara kutoka kwa wateja wetu ambao hawatozwi ushuru kwa mivinyo kali.

Kupitia mkakati wetu wa uzalishaji unaolenga kupunguza gharama ya matumizi na kutenga raslimali za kutosha kwa uwekezaji, kampuni imepiga hatua kubwa na kufikia kiwango cha kimataifa katika matumizi bora na nafuu ya maji na kawi, na wakati huo huo kupunguza uharibifu katika mchakato wote wa utengenezaji bidhaa zetu.

Wateja wetu wamekuwa na wanaendelea kuwa kigezo muhimu katika kuhakikisha tunahimili ushindani, na kudumisha biashara endelevu. Ili kuafikia lengo hilo, tumeendelea kuwekeza katika mipango ya kujenga nyenzo kwa viongozi wakuu na viongozi chipukizi kwenye kampuni.

Madhumuni ya mipango hiyo ni kuhakikisha kuwa tuna akiba ya kutosha ya wafanyakazi walio na uzoefu.

Shughuli zetu muhimu hata hivyo zilikabiliwa na changamoto katika mwaka unaoangaziwa kufwatia kupungua kwa mauzo ya chapa zetu kwa asilimia 6, hasa kutokana na kufifia kwa biashara yetu nchini Sudan Kusini, na athari za kuongezwa kwa ushuru wa bidhaa hapa nchini .Biashara zetu nyingine hata hivyo zilinakili ukuaji isipokuwa mauzo ya mvinyo kali ambayo yaliathiriwa na marekebisho ya sheria kuhusu biashara ya bidhaa zisizotozwa ushuru, huku mauzo ya bia mashuhuri yakiongezeka kwa asilimia 2, vinywaji visivyochangwa asilimia 22 na mvinyo kali kwa asilimia 22. Juhudi zetu zitaendelea kuelekezwa katika kuboresha mauzo ya bia zetu maarufu kupitia ubunifu na upanuzi wa biashara yetu.

MGAO

Bodi ya wakurugenzi inapendekeza mgao wa mwisho wa faida wa shillingi 5 na senti 50 kwa kila hisa, kando na mgao wa muda na maalumu iliyolipwa mwaka huu. Hii inamaanisha kuwa mgao jumla umeongezeka kwa asilimia 60 mwaka huu hadi shillingi 12 kwa kila hisa, kutoka shillingi 7 na senti 50 mnamo mwaka 2015.

MABADILIKO KWENYE BODI

Katika kipindi kinachoangaziwa, Dkt. Martin Oduor-Otieno na Bw. Paul Gallagher walijiunga na bodi. Bodi pamoja nami tunachukua fursa hii kuwakaribisha, tukiwa na imani kwamba watachangia katika ukuaji wa kampuni hii.

Baada ya kukamilika kwa kipindi cha kifedha kilichomalizika, Dkt. Nick Blazquez na Bw. Charles Ireland, walijiuzulu kutoka bodi ya kampuni ili kujishughulisha na mambo mengine.
Bodi pamoja nami tunashukuru kila mmoja wao, kwa juhudi na mchango wao kwenye mijadala ya bodi, ambayo imechangia ufanisi wa kampuni hii. Tunawatakia kheri katika majukumu yao mapya.

MATARAJIO

Tunatarajia mazingira thabiti ya biashara katika kanda hii kutokana na uthabiti wa kisiasa kufuatia kukamilika kwa uchaguzi katika nchi za Uganda na Tanzania, ingawaje msukosuko kiasi unatarajiwa hapa nchini Kenya tunapoelekea mwaka wa uchaguzi. Hata hivyo uthabiti wa sarafu za mataifa ya kanda hii na kupungua kwa bei za bidhaa japo kwa muda kutazifaidi nchi za Uganda na Kenya. Kuimarika huko kwa hali ya maisha bila shaka kutaongeza mahitaji ya bidhaa zetu.

Hatua zilizochukuliwa na wasimamizi wa kampuni kuimarisha mauzo ya bidhaa zetu,kupunguza gharama ya matumizi, kuimarisha utendaji wetu na kupanua mipango ya utafiti na ubunifu, huku tukizingatia mahitaji ya wateja wetu zitasaidia kuimarisha biashara na shughuli za kampuni kwa ujumla na hivyo kuiwezesha kunakili ufanisi zaidi.

SHUKRANI

Mwisho, kwa niaba yangu binafsi na bodi nawashukuru sana wateja wetu kwa uaminifu wao, na kuwa imani katika bidhaa zetu,wasimamizi na wafanyakazi kwa ushirikiano wao, ambao umeiwezesha kampuni hii kunakili ukuaji katika kipindi kinachoangaziwa na kuweka msingi imara kwa ukuaji katika siku za usoni.

Pia nawashukuru wanabodi wote kwa mchango wao na ushauri wao katika kipindi hicho na kujitolea kwao kudumisha kiwango cha juu cha uongozi kwenye kampuni .

Tunawashukuru wote .

Charles Muchene
Mwenyekiti Mkuu

BOARD OF DIRECTORS

MR. CHARLES MUCHENE (AGE 59)

Independent Non-Executive Director
Group Chairman,
Kenyan

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

Mr. Charles Muchene is 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 Barclays Bank of Kenya Limited and AIG Kenya Limited, and has previously served on the boards of CfC Stanbic Holdings Limited, CfC Stanbic Bank Limited and SBG Securities Limited. Previously, he was the Country Senior Partner for Kenya at PwC for over a decade.
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. NICK BLAZQUEZ (AGE 55)

Non- Executive Director
Group Deputy Chairman - resigned on 28 July 2016.
British

Dr. Nick Blazquez was the President of Diageo Africa, Turkey, Russia Central and Eastern Europe and Global Sales. He was 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 Mercy Corps (UK).

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

MR. CHARLES IRELAND (AGE 51)

Group Managing Director - resigned on 28 July 2016
British

Prior to his appointment at EABL, 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.

MR. ANDREW COWAN (AGE 49)

Group Managing Director,
British
Appointed Group Managing Director & CEO on 28 July 2016.

Mr. Cowan is an established business leader, with a wide range of commercial and strategic management experience spanning over 20 years in the FMCG sector. Prior to this appointment he led Diageo Great Britain (GB). Mr. Cowan's experience straddles corporate leadership, strategy development, operational management as well as sales and marketing.

Andrew joined Diageo in 2008 as Commercial Director for Northern Ireland and was appointed to the role of Commercial Director in the Republic of Ireland a year later. He returned to GB in 2011 and led the Diageo GB business until his appointment to EABL.

MRS. JANE KARUKU (AGE 54)

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 Trustee of the United States International University, Kenya.

MR. NEHEMIAH MCHECHU (AGE 43)

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. ALAN SHONUBI (AGE 57)

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, a tier one law firm.
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, Dr. Shonubi is a reputable business leader in Uganda and Chairman of Uganda Breweries Limited, Uganda Baati Limited, International Distillers Uganda Limited and Entebbe Hospital.

He is also a director of several private companies including Cooper Motors Corporation, Golf Course Holdings (Garden City), AAR Health Services and Interswitch Uganda Limited.

MR. JOHN O'KEEFFE (AGE 44)

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.

MR. JAPHETH KATTO (AGE 65)

Independent Non- Executive Director,
Ugandan
Appointed to the board in February 2014.

Mr. Japheth Katto is a consultant in corporate governance and financial services regulation. He 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, a member of the Board of Trustees of the Duke of Edinburgh International Award Uganda and a member of the Global Council of the UK based Association of Chartered Certified Accountants (ACCA).

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

DR. GYÖRGY GEISZL (AGE 48)

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.

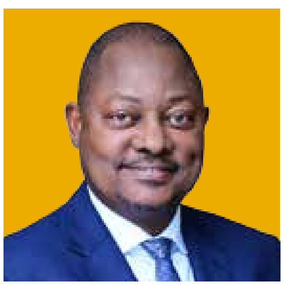
Dr. Geiszl is a qualified Chartered Accountant and in addition holds a Doctor of Economics Degree from the University of Janus Pannonius, Hungary.

MS. CAROL MUSYOKA (AGE 44)

Independent Non- Executive Director,
Kenyan

Appointed to the Board in September 2015.
Ms. Carol Musyoka is a Lawyer by training and a banker by profession.
She currently provides consulting and knowledge partnerships for various local and international institutions specifically in the areas of leadership and corporate governance.

She was previously a board member and Corporate Director of Barclays Bank Kenya.
She currently holds directorships in BAT (K) Limited, Business Registration Services and the Competition Authority of Kenya.



DR. MARTIN ODUOR-OTIENO (AGE 59)

Independent Non-Executive Director,
Kenyan
Appointed to the board in May 2016.

Martin is an Executive Coach and independent senior business advisor. He has worked with KCB Bank Group as CEO and held senior leadership roles at Barclays Bank. More recently he has been a Partner in the professional services firm, Deloitte, leading their Financial Services Industry practice. He sits on the boards of BAT Kenya and Standard Bank Group as non-executive director.

Martin holds a BCom Accounting degree from the University of Nairobi, an Executive MBA from ESAMi/Maastritch Business School and has been awarded a Doctor of Business Leadership (Honoris Causa) by KCA University as well as the honour of the Chief of the Order of the Burning Spear (CBS) by the Head of State. He is an alumni of the Harvard Business School's AMP; a Fellow of the Institute of Certified Public Accountants of Kenya and the Kenya Institute of Bankers and a Member of the Institute of Certified Public Secretaries of Kenya and the Institute of Directors of Kenya.

MR. PAUL GALLAGHER (AGE 48)

Non-Executive Director,
Irish

Appointed to the board in July 2016.

Mr. Paul Gallagher is currently the Global Operational Excellence Director at Diageo and is responsible for developing and executing the overall excellence in supply chain strategy in the Diageo global beer markets. His 25 years' experience spans across end to end supply management, procurement, customer service, manufacturing, and transformation management.

Prior to joining Diageo, Paul worked at Cement Roadstone Holdings where he held a number of positions including, project engineer, production manager, and assistant plant manager.

MS. RUTH NGOBI (AGE 56)

Company Secretary - resigned on 26 April 2016
Kenyan

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 Degree from the University of Cambridge UK. She is a Non-Executive Director on the Boards of CFC Stanbic Bank Limited, CFC Stanbic Holdings Limited and a member of the Public Procurement Oversight Authority Board.

MS JOYCE MUNENE (AGE 42)

Group Company Secretary,
Kenyan
Appointed Group Company Secretary on 27 April 2016.

Ms. Munene is an Advocate of the High Court of Kenya, a Certified Public Secretary, a Certified Governance Auditor and a Certified Professional Mediator.

Prior to her appointment, Ms. Munene worked with Equity Bank (K) Limited where she held the position of Manager, Legal Services & Assistant Company Secretary. She started her career as a Legal Officer with United Insurance Company Limited and later practiced law in the firm of Munene, Omwenga & Company Advocates.

Ms. Munene holds a Master's Degree in Business Administration (Strategic Management) from Jomo Kenyatta University, a Bachelors of Laws Degree from University of Pune and a Diploma in Law from the Kenya School of Law.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Ninety - Fourth Annual General Meeting (AGM) of East African Breweries Limited will be held on Thursday, 27th October 2016 at **Safari Park Hotel, Ruaraka NAIROBI** at 11:00 am to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and if thought fit, adopt the Annual Report and Audited Financial Statements for the year ended 30th June 2016 together with the Chairman's, Directors' and Auditors' reports thereon.
2. To confirm the interim dividend of Kshs 2/- per ordinary share paid on 29th April 2016, the special dividend of Kshs 4.50/- per ordinary share paid on 23rd June 2016 and declare a final dividend of Kshs 5.50/- per ordinary share payable net of withholding tax on or about the 30th November 2016, to shareholders at the register on the close of business on 31st August 2016.
3. Election of Directors:
    a. Mr. Andrew Cowan retires in accordance with Article 105 of the Articles of Association and being eligible, offers himself for re-election.
    b. Dr. Martin Oduor-Otieno retires in accordance with Article 105 of the Articles of Association and being eligible, offers himself for re-election.
    c. Mr. Paul Gallagher retires in accordance with Article 105 of the Articles of Association and being eligible, offers himself for re-election.
    d. Mr. Charles Muchene retires by rotation in accordance with Article 106 of the Articles of Association and being eligible, offers himself for re-election by virtue of Article 108 of the Articles of Association.
    e. Mr. Japheth Katto retires by rotation in accordance with Article 106 of the Articles of Association and being eligible, offers himself for re-election by virtue of Article 108 of the Articles of Association.
    f. Mr. Nehemia Mchechu retires by rotation in accordance with Article 106 of the Articles of Association and being eligible, offers himself for re-election by virtue of Article 108 of the Articles of Association.
    g. In accordance to the provisions of Section 769 of the Companies Act 2015, the following directors being members of the Board Audit & Risk Committee be elected to continue to serve as members of the said committee:
        i. Mr. Nehemiah Mchechu;
        ii. Mr. Japheth Katto;
        iii. Dr. Martin Oduor-Otieno;
        iv. Mr. Paul Gallagher.
4. To approve the remuneration of Directors' for the year ended 30th June 2016, and to note that the Directors fees will remain at the same level as that applied for the year ended 30th June 2016.
5. To note that the auditors Messrs PricewaterhouseCoopers (PwC) continues in office as auditors by virtue of Section 721(2) of the Companies Act 2015 and to authorize the directors to fix their remuneration.
6. Any other business of which notice will have been duly received.

By order of the Board

Joyce N. Munene
Company Secretary
P.O. Box 30161-00100,

NAIROBI.

27th September, 2016

NOTES

1. A Member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member of the Company.
2. In 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. The proxy form can be obtained from the Company's website (www.eabl.com), or the Company Secretary at the registered office of the Company or from the Registrars- Custody & Registrars, 6th Floor Bruce House, Standard Street, Nairobi.
4. Shareholders who do not propose to be at the Annual General Meeting are requested to complete and return the form to the Company Secretary at the registered office of the Company or to the Registrars – Custody & Registrars, 6th Floor Bruce House, Standard Street, P. O. Box 8484-00100 Nairobi so as to arrive not later than 2.30pm on 25th October 2016, being not less than 48 hours before the time appointed for the meeting.
5. Duly signed proxy forms may also be emailed to proxy@candrgroup.co.ke in PDF format.
6. In accordance with Article 166 of the Company's Articles of Association, a copy of the entire Annual Report and Financial Statements may be viewed and/or obtained from the Company's website (www.eabl.com).

ILANI YA MKUTANO WA MWAKA

Inatangazwa kwamba mkutano mkuu wa kila mwaka wa 94 wa kampuni ya East African Breweries Limited utaandaliwa mnamo siku ya **Alhamisi tarehe 27 mwezi Oktoba mwaka 2016 katika Safari Park Hotel, Ruaraka Nairob**i kuanzia saa tano asubuhi kutekeleza shughuli zifwatazo:

SHUGHULI

1. Kupokea, kutathmin na kuidhinisha ripoti ya kila mwaka na taarifa za kifedha zilizokaguliwa kwa kipindi kilichomalizika tarehe 30 mwezi Juni mwaka 2016 pamoja na taarifa za mwenyekiti, wakurugenzi na mkaguzi wa hesabu.
2. Kuthibitisha mgao wa faida wa muda wa shillingi 2 kwa kila hisa uliolipwa tarehe 29 mwezi Aprili mwaka 2016, mgao maalum wa shillingi 4 na senti 50 kwa kila hisa uliolipwa tarehe 23 mwezi Juni mwaka 2016 na kutangaza mgao wa mwisho wa shillingi 5 na senti 50 kwa kila hisa utakaolipwa kabla au tarehe 30 mwezi Novemba mwaka 2016 kwa wenye hisa walio kwenye sajili kufikia tarehe 31 mwezi Agosti mwaka 2016.
3. Uchaguzi wa Wakurugenzi:
   a. Bw. Andrew Cowan anastaafu kulingana na kifungu cha 105 cha sheria za kampuni, ingawaje anaweza kujiwasilishwa kuchaguliwa tena kwa kipindi kingine.
   b. Dkt. Martin Oduor-Otieno pia anastaafu kulingana na kifungu cha 105 cha sheria za kampuni lakini anaweza kujiwasilisha kuchaguliwa tena kwa kipindi kingine.
   c. Bw. Paul Gallagher pia anastaafu kulingana na kifungu cha 105 cha sheria za kampuni lakini anaweza kujiwasilisha kuchaguliwa tena kwa kipindi kingine.
   d. Bw. Charles Muchene anastaafu chini ya mfumo wa kupokezana kuambatana na kifungu nambari 106 cha sheria za kampuni, lakini anaweza kujiwasilisha kuchaguliwa tena kwa mujibu wa kifungu nambari 108 cha sheria za kampuni.
   e. Bw. Japheth Katto pia anastaafu chini ya mfumo wa kupokezana kuambatana na kifungu nambari 106 cha sheria za kampuni lakini anaweza kujiwasilisha kuchaguliwa tena kuambatana na kifungu cha 108 cha sheria.
   f. Bw. Nehemia Mchechu pia anastaafu chini ya mfumo wa kupokezana kuambatana na kifungu cha 106 cha sheria za kampuni, lakini anaweza kujiwasilisha kuchaguliwa tena kuambatana na kifungu cha 108 cha sheria.
   g. Kulingana na sehemu ya 769 ya sheria za kampuni ya mwaka 2015, wakurugenzi wafwatao wakiwa wanachama wa kamati ya uhasibu na ushauri kuhusu athari kuchaguliwa kuhudumu kama wanachama wa kamati:
      i. Bw. Nehemiah Mchechu;
      ii. Bw. Japheth Katto;
      iii. Dkt. Martin Oduor-Otieno;
      iv. Bw. Paul Gallagher.
4. Kuidhinisha malipo kwa wakurugenzi kwa kipindi kilichomalizika tarehe 30 mwezi Juni mwaka 2016 na kupitisha kwamba malipo hayo yatasalia vivyo hivyo .
5. Kwamba kampuni ya ukaguzi wa hesabu PricewaterhouseCoopers (PwC) itaendelea kuhudumu kuambatana na kipenge cha 2 sehemu ya 721 ya sheria za kampuni za mwaka 2015, na kwamba wakurugenzi wapewe mamlaka ya kubaini malipo ya wakaguzi wa hesabu.
6. Shughuli nyingine iliyoratibishwa.

Kwa amri ya bodi

Joyce N. Munene
Katibu wa kampuni
SLP 30161-00100

NAIROBI.

Tarehe 27 Septemba 2016

KUMBUKA

1. Mwanachama mwenye idhini ya kuhudhuria mkutano huu na kupiga kura, lakini hana nafasi, anakubaliwa kumteua mtu mwengine kuhudhuria na kupiga kura kwa niaba yake. Anayeteuliwa sio lazima awe mwanachama wa kampuni.
2. Kwa mwanachama ambaye ni shirika, fomu ya uteuzi sharti ijazwe na afisa aliyepewa mamlaka ya kufanya hivyo na kisha kuwekwa muhuri.
3. Fomu hii ya kumteua mwakilishi inaweza kupatikana katika tovuti ya kampuni (www.eabl.com) au kutoka kwa katibu wa kampuni kwenye ofisi kuu au kutoka kwa msajili wa kampuni kwenye orofa ya 6 jumba la Bruce House, barabara ya Standard, Nairobi.
4. Wenye hisa ambao hawatahudhuria mkutano wanashauriwa kuchukua fomu, kuijaza na kisha kuirejesha kwa katibu wa kampuni kwenye ghorofa ya sita jumba la Bruce, barabara ya Standard, sanduku la posta 8484-00100 Nairobi kabla ya saa nane unusu tarehe 25 mwezi oktoba mwaka 2016.
5. Fomu zilizojazwa pia zinaweza kutumwa kwa tovuti proxy@candrgroup.co.ke kupitia mfumo wa PDF.
6. Kulingana na kifungu cha 166 cha sheria za kampuni, nakala ya ripoti na taarifa ya kifedha ya kampuni inapatikana kwenye tovuti ya kampuni www.eabl.com.

EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH.

STRICTLY NOT FOR SALE TO PERSONS UNDER 18 YEARS.

BRANDS

Strengthening and Accelerating Our Beer Brands

“We are passionate about ensuring our brands are of the highest quality at every consumer and price touchpoint”.

KENYA

TUSKER TRADEMARK

For over 90 years Tusker has brought people together in celebration and to enjoy the good times as the flagship brand for Kenya Breweries Limited. Tusker Lager through the campaign ‘Twende Rio Team Kenya’ rallied consumers nationwide around our world class athletes. Tusker Gold Edition, specially brewed to celebrate our partnership at the Rio 2016 Olympic games has taken the market by storm.

Within the premium beer segment, Tusker Malt Lager and Tusker Lite continue to offer value to the discerning, image conscious consumers who want brands that make them stand out. Together, they have a combined market share of 91% within the premium beer category.

GUINNESS

Guinness grew again in 2015/2016 led by the successful execution of the Guinness “Get Booked” campaign for a second year running. This National Consumer Promotion delivered tremendous results delivering above 70% of volume target and set up the brand for a fast start to the year.

The Made of Black brand purpose communication inspired a new generation of beer drinkers – shifting the dial on distinctivity (+10%) and dynamism (+10%).

PILSNER & PORTFOLIO BEERS

Pilsner roared again in 2015/2016 off the back of the new “Imara Kama Simba” platform idea and thematic campaign which struck a chord with consumers leading to re-appraisal of the brand. The “Shikilia Nganya na Pilsner” National Consumer Promotion created excitement for the brand, generating volume growth and awareness at scale.

White Cap Lager, Allsopps Lager and Balozi Lager also continued to support the growth of beer and ensure that we have a strong and healthy portfolio that will drive growth into 2017.

KENYA

SENATOR LAGER

Senator Lager continues to play a key role offering a quality beer at an accessible price point. Through Senator, we continue to support quality and safe consumption of alcohol for the value consumer. Senator Dark provides additional choice for the value consumer offering opportunities for growth.

UGANDA

BELL LAGER

2015/2016 was about repositioning the much loved Bell Lager to protect its equity scores as Uganda's most loved adult beverage whilst accelerating its ability to recruit from a younger consumer group.

This 66 - year old brand now boasts a refreshed look in a stunning new pack that was launched at the climax of a successful consumer promotion dubbed "Pop 'n' Jam" and celebrated at the most-talked-about concert in Kampala headlined by renowned artiste Shaffer Chimere Smith ("Ne-yo").

The "new news" around the brand coupled with improved distribution saw Bell volumes improve from the previous year with a promise for a very strong performance in 2016/2017.

TANZANIA

SERENGETI PREMIUM LAGER

Serengeti Premium Lager, SBL's flagship brand is a true proof of local heritage & Craftsmanship – brewed according to a World Class recipe formulated by a renowned and original Tanzanian Brew Master.

Serengeti Premium Lager is purely made of Malt, Hops and Water and is the first and only beer in the market brewed from 100% malt and with no added sugar. The brand is available in 330ml and 500ml packaging with alcohol ABV of 4.8%, and its consistent quality is demonstrated by winning 13 Monde awards since 2012. The brand has undergone intense work in 2016 aimed at sharpening and positioning it within the mainstream market in Tanzania. Significant investment has been made in consumer research to understand the perception of the brand from consumer's point of view and identify gaps to address and restore its credibility and equity for long term sustainable growth for the business. Major strides have been made in visibility and activation.

Growing Faster with Spirits

KENYA

JOHNNIE WALKER

Johnnie Walker continued to drive growth in the premium and reserve spirits category and is the number 1 premium whisky brand in the market. Johnnie Walker Red Label growth has been impressive, with at scale activations of the Johnnie Ginger campaign (Johnnie Walker Red label with ginger flavored soda) through BTL, ATL, and Digital/Social. The Johnnie Walker trademark remains the leading brand for gifting, and mentorships continue to effectively deliver consumer knowledge on whisky.

KENYA CANE

Kenya Cane is an iconic Kenyan brand with rich heritage since it was first produced in 1976. It remains the leading spirits brand in Kenya. This has been driven by new thematic communication, consumer promotional campaigns and innovation with the launch of the very successful Kenya Cane Coconut variant. Kenya Cane's brand equity continues to grow and will help spur growth in 2017 and beyond.

"At EABL we are proud of our broad portfolio of spirits brands. From our International Premium Spirits to iconic local brands, we offer consumers choice and quality for every occasion and price point".

SMIRNOFF

Smirnoff continues to be the world's number one vodka brand and number one choice for mixed drinks and cocktails. A national consumer promotion drove vitality into the brand, and we are driving relevance and interest with millennials with our ready-to-drink offerings and Innovations.

CHROME VODKA

Chrome Vodka was launched in the Kenyan market in December 2014, as a strategic move to make premium vodka more affordable. The brand is positioned as a lower mainstream brand giving consumers the opportunity to premiumize into mainstream spirits.

Chrome has grown the share in the market growing to the number 2 mainstream brand in our portfolio.

Chrome has shown the promise of continuing to play its important role in lower mainstream and bringing in more millennials in our mainstream spirits portfolio.

UGANDA

Uganda Waragi's premium pack propelled the brand to great visibility in F16, which saw the brand stand shoulder to shoulder on most outlet displays alongside international brands like Johnnie Walker.

The brand also introduced new experiences to its consumers through the "UG @50 cocktail" celebrations and accelerated the distribution of its flavors to allow more consumers to engage with this iconic Ugandan brand.

TANZANIA

JOHNNIE WALKER

Johnnie Walker, the number 1 whisky in the market, was the best-selling product in the super premium and reserve spirit category in Tanzania. Johnnie Walker brand portfolio ranges from Johnnie Walker Red Label to the John Walker Blue Label. The "John Ginger" campaign which entered its second year continued to inspire consumers as a platform to try and enjoy whisky in a smooth way particularly during the festive season, with on-trade and off-trade programs as well as initiating a platform for raising awareness and driving premiumisation of the brand through Johnnie Walker Black Label.

CÎROC

In May 2016 Ciroc Ultra-Premium Vodka was launched into the Tanzanian market, to capitalize on the premiumzation drive of Tanzanian consumers who have been recently been exposed to luxury brands. The first night sold 90 bottles on the spot and popularity of the brand has been growing ever since.


TEAM KENYA
TUSKER
SINCE 1922
FINEST QUALITY LAGER
OFFICIAL TEAM PARTNER
TWENDE
RIO
NA TUSKER
BCLB NO. 002223
500,000/=
WEEKLY CASH PRIZES
WIN
3 TRIPS
TO THE OLYMPICS
130,000/=
DAILY CASH & AIRTIME PRIZES
BUY A TUSKER, CHECK UNDER THE CROWN, DIAL *896*1** AND YOU COULD WIN THE GRAND PRIZE OF A TRIP TO THE OLYMPICS FOR YOU AND YOUR FRIEND OR AMAZING CASH PRIZES.
KBL WILL CATER FOR VISA PROCESSING FOR THE RIO WINNERS AND GIVE A CASH EQUIVALENT IF THEY ARE UNABLE TO TRAVEL. TERMS AND CONDITIONS APPLY.
EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH.
STRICTLY NOT FOR SALE TO PERSONS UNDER 18 YEARS.

Innovation to meet New Consumer Needs

KENYA

Kenya Cane Coconut is a variant of the loved Kenya Cane Coconut brand which has transformed the playing field in 2015/2016 within the mainstream spirits category. This has been the first mainstream brand with a flavour. Since introduction, it has captivated consumers accelerating the performance of Kenya Cane in the market. The variant produced with a tamper proof closure to increase consumer confidence that their favourite spirit is protected from the risk of counterfeiting.

The introduction of Chrome Lemon Vodka gives consumers a variant of Chrome vodka that has their favourite flavour combined with their favourite lower mainstream vodka to a perfectly balanced blend. This variant will also further grow Chrome Vodka's market share winning within the lower mainstream segment.

Orijin Africa special is a lower mainstream brand that was launched in Kenya in February 2016. This is a truly unique brand that infuses African fruit and herbs with alcohol to create a truly unique tasting liquid. The brand represents the increasing trend of modernizing African styles which is increasingly popular with increasing modernization.
The amazing liquid has received a strong reception from the trade and consumers who are appreciating this very differentiated taste. The launch is being supported through sampling and expands the Orijin brand into spirit having launched the RTD variant in 2015.

Jebel is a brand that has successfully recruited consumers from illicit spirits by offering them a safe and trusted brand that is at an accessible price point. In 2016 we leveraged Jebel's credentials to avail more choice that will enable consumers with varied taste profiles to get a variant that they enjoy within the Jebel Trademark.
We introduced Jebel Spice in March 2016 that has further helped gain share in the value segment, delivering a unique spice flavored variant of Jebel.

Tusker Gold is a limited edition of Tusker lager that was created to support the Kenya Olympics team in the Rio Olympics. This is under the banner of Twende Kazi, Twende Rio campaign in which Tusker played the role of galvanizing Kenyans to support their team as well as an opportunity to give back to society. Tusker Gold has helped generate excitement for Tusker amongst its consumers and at the same time drive dynamism for our market leading brand.

UGANDA

It was a remarkable year in innovation with the launch of a new-to-world brand in Ngule that surpassed all expectations and delivered 6.5% growth in market share in less than 6 months from its launch in the market. This great brand, made from locally sourced cassava (tapioca) was launched in partnership with the traditional Kingdom of Buganda – a first for Diageo; and has been recognized by Diageo as a brilliant brand for insights on innovations.

TANZANIA

Pilsner Lager is the only beer in Tanzania brewed according to the Pilsner Brewing Process: The brand was inspired by the original brewing Process from Pilsen in Czech Republic started in 1842 - to give its superior and authentic taste. In 2016 Pilsner grew nationally, taking the country by storm. Pilsner accomplished over 500% volume growth and became the largest beer of the value segment, at a top of value price point. In 2016 Pilsner was also crowned with a Silver Monde Award.

“Innovation was a key pillar of growth in 2015/2016 delivering double NSV contribution to the overall business. This was realised through growing existing innovations, as well as the roll-out of three new brands to tap into new consumer opportunities in the market. Innovation remains a key pillar of our strategy as it will build the big brands of the future”.


THE ROYAL TASTE
NGULE
PREMIUM LAGER
OGWAFFE
UGX 2,000
ZOKKA
UGX 2,000
EABL
THE ROYAL TASTE
NGULE
PREMIUM LAGER
OGWAFFE
6.0% ABV 500 ml
18+
OMWENGE OMUNGI GWABULABE ELI OBULAMUMU BWO. NYWA N'OBUVUNAANYIZIBWA.

CONSUMER FOCUS

Route to Consumer (RtC) remains one of Diageo's 6 Global 'Must do' interventions ensuring we meet our 2016/2017 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:

- We uplifted standards for our distributors delivering 3 Gold distributors across the Commercial, Supply, Finance, HR and IS pillars.
- Expanded our outlet universe and continued to increase number of outlets called directly.
- Continued to uplift our commercial teams including distributors, on our revamped Licence to Sell program.
- Upgrade of our Sales force automation tools systems improving accountability, insights generation, performance, asset management and Monitoring & Evaluation.
- Quick wins under the Route to Consumer (RTC) project saw the business grow numeric distribution in beer from 6% to 82% and in spirits from 4% to 28% in Uganda.
- The successful merger of the project with the main stream distribution business and the increase in the number of foot soldiers on the ground comes with the promise to explode distribution thus greatly improving the risk of the brands being consumed.

UBL's RTC Commercial Manager, Ronald Kaijja flagging off Junior Sales Representatives with tuktuks as part of Driving Sales in Uganda through increased Route Coverage.

SUSTAINABILITY

Making a positive contribution to lives, communities & the environment

In June 2016, a new partnership between EABL and a host of players was unveiled. The partnership, is set to boost production and commercial consumption of local raw materials in Kenya, with significant multiplier effects on the rural economy.

The new initiative, supported by the government of Kenya kicked off on a trial basis, and will potentially drive commercial use of sorghum for production of EABL products, mainly beer. This initiative is a collaboration of financial institutions, farm input providers as well as research and quality control organisations.

This follows a series of activities and engagements spearheaded by our team from Corporate Relations, Supply Chain and EAML. The programme targets to enroll up to new 9,000 farmers into a structured supply model with EABL guaranteeing market of quality harvest. Other players working closely with us include Kenya Plant Health Inspectorate Services (KEPHIS), Kenya Agriculture Research Institute (KARI), Cargill, ICRAF, SeedCo, RentCo, YARA, AGIN, APA Insurance, MEA Fertilisers and CfC Stanbic Bank among others.
EABL is already working with over 32,000 farmers providing sorghum, used in the production of Senator, a low-cost beer. This initiative is in line with our growth agenda as it will no doubt boost our local sourcing strategy, which has risen from 40% to 80% in the last 3 years. It further reinforces our sustainability strategy, deepening socio-economic benefits to the rural communities.

The initiative will incorporate individual farmers as well as groups. The first phase is envisioned to draw farming communities in Bungoma, Homabay, Kisumu and Migori areas. The programme has already started enrolling farmers ahead of the planting season this year, with a purchase target of 30,000 tonnes of sorghum in the next financial year.

PRIVATE-PUBLIC-DONOR PARTNERSHIP IN LOCAL SOURCING

EABL will be working with the Ministry of Agriculture, Kenya Cereal Enhancement Programme (KCEP) to develop local sourcing of sorghum and millet in the country. This is a pioneer programme and involves UN-IFAD, EU and the Government of Kenya. KCEP aims to support smallholder cereal farmers to become more productive in view of enhancing food security and reducing rural poverty.

EU and UN-IFAD have injected a total of Kshs 3 billion into Kenya for this programme with EABL set to champion the sorghum and millet component in Eastern region. The program supports farmers to get organised into groups, facilitating training programs, access inputs (through an e-voucher system), providing extension services to improve production, as well as work to reduce post-harvest losses by developing infrastructure such as roads and provision of dryers and other equipment.

EABL will provide a market for the crop. The programme will be primarily prioritising women farmers and women-led households and is a first of its kind with plans to mirror it across the country.

KBL FETED IN ENERGY MANAGEMENT AWARDS

KBL has been feted for its energy conservation efforts emerging winner in the Fuel Savings Awards, in the recent 12th Annual Energy Management Awards.

This award was attributed to a robust energy saving strategy, which KBL has been implementing in its production sites. The business is adopting renewable energy sources within its plants and has realised improvements in combustion efficiency from 85% to 90% as well as advances in condensation recovery from 73% to 90%.

KBL delivered a 25% improvement in energy usage mainly driven by an improvement task force on electricity and fuel usage. The improvements on utilities and other supply excellence initiatives led to EABL winning Diageo Brewery of the Year Award.

KBL DELIVERS TREMENDOUS WATER SAVINGS

KBL delivered a spectacular 30% improvement in our water usage of 3.45 Litres of water per Litre of Production (L/L) from a 2014/2015 value of 4.89 L/L. This is as a result of the remarkable work done by the Water Improvement Taskforce at KBL Brewing, Utilities and Packaging departments.

EMPOWERING FARMERS IN SOUTH SUDAN

EABL partnered with local grain farmers in the South Sudan to boost their agricultural production. The partnership, roping in the USAID Food, Agribusiness & Rural Markets Project, FARM II, will see South Sudanese farmers access regional markets for white sorghum and other marketable grain products.

The pilot project that kicked off in February 2016, in Kajokeji and Yei River State areas - former Central Equatorial region - will offer over 13,000 smallholder farmers, an opportunity to produce grain for a ready market.

SAFETY

Safety remains top priority in all that we do across the business. During the 2015/2016 period, we leveraged on the strides we made in 2014/2015 in Kenya towards achieving zero harm. We kept the momentum in;

- Training and Capability development – we continued to develop the safety capability of our people. Toward this end, we launched the health and safety essential online training. A large number of our staff participated in the training.
- Taking advantage of the Perfect Plant Management System (PPMS) model to engage with workers at all levels of the business on day to day safety issues.
- Workplace audit – Both internal and external auditors gave our site thumbs up on various areas of safety including data capture and reporting.

As a result of our focused and sustained engagement on safety, KBL registered;

- 40% reduction in minor accidents
- Zero Lost Time Accident (LTA) in 2015/2016

The KBL Team receiving an award at the Energy Management Awards held during the year.

In summary, we made another big stride towards Zero Harm in 2015/2016.

Great progress was also made at Serengeti Breweries Limited towards promoting our zero harm agenda during the same period. At the Dar Site a record 1096 LTA free days (an equivalent of more than 3 years) was marked, while in Moshi and Mwanza sites, 456 days and 83 days were marked respectively.

SAFETY ISSUE REPORTING CARDS STATUS AND SFIPP

During the same period Safety issues reported were 7088 cards with 6485 cases closed, signifying a closure rate of 92% against Annual Operating Plan (AOP) target of 90%.

Overall, only 6 minor accidents were recorded against an AOP target of ten accidents, signifying 33% reduction in minor accidents compared to 2014/2015 where we recorded 18 minor accidents. We have put in place a robust action plan to ensure we close at 100%.

Several activities were conducted at all SBL sites towards promoting Safety Culture (behavioral safety) and operational improvements;

- Gold medals award program launched for staff who identify safety issues at their workplace.
- An online safety issues reporting system was also launched for Training and Capability development – we continued to develop the safety capability of our people, contractors and visitors on the health and safety topics.
- Safety systems of work are adhered by 100% in all three sites (permits to work, etc)
- Workplace audit - Both internal and external auditors gave our site the thumbs up in various areas of safety including data capture and reporting.


Pilsner
LAGER
Pilsner Imara
SHIKILIA
UZITO
BUDA
IMARA KAMA SIMBA
EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH.
STRICTLY NOT FOR SALE TO PERSONS UNDER 18 YEARS.

BUILDING THRIVING COMMUNITIES

KENYA

Kiharu Member of Parliament Hon. Irungu Kangata (left) and KBL's CR Director commissioning one of the water Projects in Kaigwa Village, Muranga County during this year's World Water Day.

WATER OF LIFE

EABL Foundation in Kenya commissioned 3 water projects in Sirandumb Village, Siaya County to serve 7000 people, Kaigwa Village in Murang'a County for 5000 beneficiaries, and Muiga Town in Nyeri County for the benefit of 21,000 people in the area. This year, EABL Foundation announced a partnership with AMREF Health Africa in Kenya for the drilling and construction of water projects in various areas across the country including Nairobi, Mombasa, Kiambu, Kakamega, Kericho, Kitui, Tharaka Nithi, Makueni, Narok and Meru.

SKILLS FOR LIFE

Through a rigorous selection process, EABL Foundation in Kenya recruited 10 bright but needy students for the prestigious EABL Foundation Scholarship. The scholarship program, which began in 2001, includes tuition, accommodation, mentorship and a monthly stipend for the students.

TANZANIA

SBL MD, Helene Weesie and Moshi District Executive Director Wenceslaus Lindi officially commission a water project in Pasua, Moshi area in Tanzania.

3 water projects were commissioned during the year. A state-of-the-art solar powered water well was commissioned and handed over to the residents of Kibaigwa ward, Kongwa District in Dodoma region. The project is currently serving more than 25,000 residents of the ward and its environs. The facilitiy will boost most of the farmers in the area who work closely with Serengeti Breweries.

A similar water facility was also commissioned in Pasua Ward area of Moshi in Kilimanjaro region. The facility will help provide clean water to more than 10,000 residents iof Moshi Municipal in Kilimanjaro Region and its environs. SBL also inaugurated a Tsh 81 million water project in Katesh, Hanang District, With capacity to serve 12,000 people, mostly farmers in the area, the project consists of a borehole and its systems, solar water pump and a water tank that can produce 45,000 litres of water per every 6 hours.

UGANDA

EMPLOYER BRAND

Uganda Breweries was named amongst the top 2 Employer brands of choice in Uganda by the Federation of Ugandan Employers (FUE). This evidenced the huge improvement in our People-agenda that saw the company come from number 5 to number 2 in under 24 months.

WATER OF LIFE

Uganda Breweries completed a 200,000 cubic litre Water Harvesting facility at a national referral hospital in Entebbe – Kampala, which assures patients and the hospital staff of 5 days' worth of water from the underground water facility. It is anticipated that this project will free the hospital to settle its outstanding utility bills while significantly bringing in savings that will allow it to re-prioritise its spend to improving its services.

SKILLS FOR LIFE

KBL's Continuous Improvement Business Leader, Felix Alala (L) takes some of the EABL Foundation sponsored students from Strathmore University through the bottling and packaging process during the plant tour.

4 university students were successfully recruited into the EABL Foundation Skills for Life program, which brings the total number of beneficiaries under the scheme to a total of 38 in Uganda. In addition and in support of the diversity agenda, 50% of the beneficiaries are female and there is a fair representation amongst the beneficiaries from all parts of the country.

ENVIRONMENT

Chairman, Friends of Karura Forest, Prof. Karanja Njoroge and EABL Group Finance Director, Dr. Gyorgy Geiszl planting a tree at Karura Forest.

Uganda Breweries continues to progressively track the 2020 commitments on environmental protection, sustainability and protection of biodiversity. These stretching targets covers our energy usage, greenhouse gas emission, water usage, waste to landfill and organic matter discharged to the lake (BOD). This year the business committed resources to achieve the targets inclusive of; the expansion of the wastewater treatment plant, commissioning of a new production line and decommissioning of the old production line which was resource intensive. As shown below, the water treatment plant is on track with the following achievements:

	F12	F13	F14	F15	F16	Target
Energy (mJ/l)	2.2	2.2	2.19	2.17	1.73	1.38
GHG (g/l)	189	128	126	123	94	Reduce by 50%
Water (l/l)	5.98	6.7	5.93	5.82	5.03	4.35
Waste Landfill (g/l)	5.63	4.67	2.44	1.56	1.20	0
BOD (g/l)	0.92	2.73	0.51	0.15	0.05	Reduce by 50%

Alcohol in Society

KENYA

UNDER 18 ASIPEWE

Kenya Breweries Limited continued its underage campaign, Under 18 Asipewe, using its 2 pronged approach; Stakeholder Forums and Retail Staff Trainings.

So far, 17,000 retail staff from over 5000 bars across the country, have been trained on the laws against underage drinking in Kenya.

A research by IPSOS Synovate indicates that the trainings had a 95% positive impact.

Head teachers from 1121 secondary schools from 7 counties also went through the Under 18 Asipewe curriculum. This was after a research by IPSOS Synovate revealed that 36.7% of children aged between the age of 12 and 17 years old had tasted alcohol. More shockingly was the fact that almost half of those children had tasted the alcohol from home.

KBL continues to take the front line on matters to do with underage drinking through stakeholder forums across the country in partnership with outlet owners, Pubs Entertainment Restaurants Association of Kenya, Kenya Police, Kenya Revenue Authority and Liquor Licensing Boards.

UGANDA

THE RED CAMPAIGN

In fulfilment of the CEO Commitments, the Red card campaign against Drunk Driving engaged over 5,000 consumers creating awareness and drive behavioural change in the consumption of alcohol. In addition, the business commissioned a research study to understand the incidences/ triggers of underage consumption and its impact around Uganda ahead of the conversation on regulation.

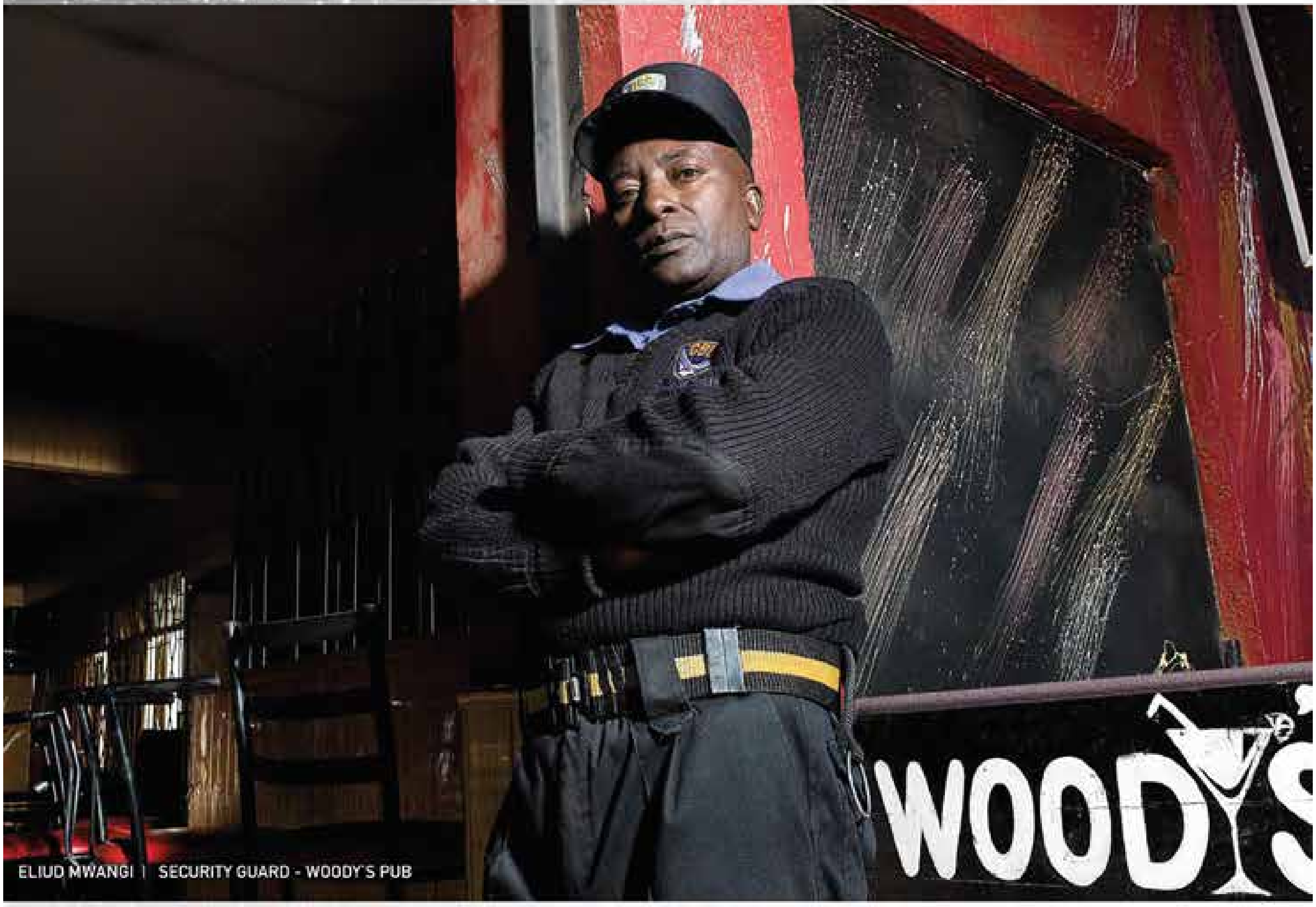
Some of the UBL staff participating in the Red Campaign.

TANZANIA

Serengeti Breweries Limited has had successful Don't Drink and Drive campaigns around the country aimed at raising awareness on the risks associated with drinking and driving. The campaign also sought to increase the level of community understanding of the potential crash risks through various channels such as the DrinkIQ programme. A key element that featured was on educating consumers on Underage drinking. The campaigns were held in several areas such as Mwanza where taxi drivers were engaged and trained.

Stakeholders during a recent forum on alcohol sale regulatory compliance and awareness on underage drinking.

UNDER 18 SI MTEJA NI MTOTO WAKO



ELIUD MWANGI | SECURITY GUARD - WOODY'S PUB

Serving alcohol to a minor is like serving alcohol to your own child because we all know that in Kenya it takes a village to raise a child. Amua leo, under 18 asipewe!

COMPLIANCE AND ETHICS

EABL is not just interested in being the best performing consumer products Company, it is equally committed to our ambition to become the most trusted and respected business in Africa. The Controls, Compliance and Ethics (CCE) function works with the EABL Executive team to embed broad ownership of EABL's trusted and respected agenda throughout our business. The CCE function works with other functions within the business to ensure that a robust control environment exists, that we comply with our Code of Business Conduct (COBC) and applicable Policies and Standards, and where breaches are suspected to have occurred, ensures that they are investigated and appropriate consequences are followed through on confirmed breaches. Through these, CCE seeks to underpin EABL's reputation as an organization that can be relied on to deliver on its promises to its people, its customers, its consumers and its communities.

In fulfilling its mandate, the CCE function undertook several initiatives, whose outcomes are noted in the following paragraphs.

RISK MANAGEMENT AND CONTROLS

EABL's approach to risk management is in line with Diageo's Global Risk Management Standard. On an annual basis, each business unit undertakes a 'blue sky' risk assessment. The top internal and external risks are thereafter ranked based on their likelihood of occurrence and their impact to the business, and action owners are tasked with ensuring that robust risk mitigation plans are in place. These risks are reviewed every quarter by

EABL Group Chairman, Charles Muchene (2nd Right) presents a cheque to one of the group winners for emerging tops in their category during this year's Pathway of Pride 6 Event. Looking on is former EABL Group Managing Director, Charles Ireland (L) and CCE Director, Pat Rich (standing behind in blue).

Business Unit with the EABL Group Risk Management Committee (RMC) reviewing material Group wide risks. The GMs of each business Chairs their RMCs with the Group CEO Chairing the EABL RMC.

EABL also has in place a Control Assurance and Risk Management (CARM) framework which covers all the major controls required for every function in the business to operate effectively, efficiently and in a compliant manner. As has been the case in previous years, the CARM process was refreshed in F16, with an assessment of key controls that are scoped for detailed testing and reporting.

The Controls Assurance Team (CAT) was also recruited and deployed in F16, with a mandate, given by the EABL Board Assurance and Risk Committee, of undertaking process reviews and deep dives in areas perceived to be of high risk to the business. The reviews undertaken covered diverse areas such as Supply Chain and Logistics, Manufacturing and Inventory Management, Commercial Spend, and Tax Management. Agreed actions are in various stages of completion and are tracked by the CCE teams in the respective markets.

BREACH MANAGEMENT

EABL's approach to breach management is embedded in its Breach Management Standards. In order to ensure that potential breaches to our Code, Policies and Standards are handled fairly and expeditiously, the cross-functional Breach Management Committees meet every fortnight, to review progress of ongoing investigations and closure of agreed actions. A cross functional pool also undertook investigations training in the course of the year, which contributed towards enhancing the quality and outcomes of investigations and reducing significantly the time it took to resolve breach allegations. We try to be as transparent as possible with our people following proven breaches. In F16, 14 employees were dismissed for various breaches of our Code of Business Conduct.

PATHWAY OF PRIDE

During the year we held the 6th edition of Pathway of Pride (POP 6) through which all of our people (contractors and employees) participate in compliance and ethical discussion. The objective of the engagement is to encourage our people to build understanding of our Code and corporate governance principles and to help embed our ethical standards in their daily activities so they choose to 'Do The Right Thing'. The theme for this year was 'Be the Change You Want to See'. Four key themes were discussed: Theft and Fraud, Drinking on Duty/Responsible Drinking, Conflicts of Interest and Harassment & Discrimination. The sessions revolved around presentation of skits acted out and recorded, with very talented teams drawn from the staff and contractor population. Over 2,500 employees and contractors attended these sessions in Kenya and Uganda, and over 3,000 people participated in the Codes and Policies knowledge game.

PEOPLE & CULTURE

EABL's culture is rooted in a deep sense of our purpose - 'Celebrating life, every day, everywhere' -, the personal connections our people have to our brands, our relationships with each other and our passion to win. Our people create our culture and they keep it strong.

With over 1,500 employees across our three business units and different functional areas in 6 East African countries (Burundi, Kenya, Rwanda, Tanzania and South Sudan), we want our people to feel excited and engaged about working with us. We are committed to investing in their success, for their benefit and that of our business.

MULTI-YEAR TALENT PLANNING

EABL has developed a Multi-Year Talent Planning (MYTP) approach, strategically forecasting the talent capabilities needed to drive growth.

We focus on talent, capability, organizational effectiveness and culture, as we believe in creating an environment for our people that will stretch, challenge and enable them to grow themselves and the business.

We have put in place a three year talent agenda that focuses on: sound acquisition and retention of manpower- where our recruitment and selection policy seeks to ensure fair access to job opportunities and diversity; talent mapping that encourages employees to fulfil their potential so as to make their greatest possible contribution to our business; and leadership development to drive organizational effectiveness.

LEADERSHIP AND PEOPLE DEVELOPMENT

At EABL, we are committed to helping our people realize and reach their potential. To achieve this we have numerous training and development programs, but we also strongly believe that our leaders are key in creating the conditions for our people to succeed. Some of these programs include:

· ***Amazing People Manager*** - the quality of our line managers is key to releasing the potential of our people and to deliver on our performance ambition. In a bid to fast track development of our line managers, the Company developed a program styled "Amazing People Manager", which equips managers with tools, resources and offers support as they seek to inspire our people and drive results. Currently, over 400 managers have gone through the programme, which has now been developed globally by Diageo.

· ***Performance management system styled 'Partners for Growth" (P4G)*** is based on the need to release the potential of every employee in the organization. P4G puts performance and career conversations at the heart of the process, focusing on using and building strengths with two-way development conversations to deliver both business and personal outcomes. The process supports individuals in identifying their career aspirations and in prioritizing development actions. A philosophy of 70-20-10 principle has been adopted for development with 70% practice and experience coming from one's day to day job, 20% through coaching and mentoring, and 10% from formal traditional learning experience including training and e-learning.

· ***A talent charter*** has also been adopted in all business units to maximize the potential of employees and commitment to develop, value and support employees achieve greatness together.

TALENT PROGRAMMES

Our approach to career and performance management is simple: we want EABL people to fulfil their potential, and so make their greatest possible contribution to our business. We take training, career development and performance management extremely seriously. Our functional and career development training include:

- Global Graduate Programme - we engage fresh graduates for over a period of three years and equip them with targeted functional and leadership capability building, with graduates having the opportunity to work across different functions.
- The Future Leaders Programme, a Diageo global programme aims to identify and grow emerging junior managers who have shown potential to be future leaders of the business.
- An Accelerated Leadership Programme was also instituted during the year end, with three of our high potential senior managers joining an international cohort of thirty (30) leaders across Diageo.
- An international director's programme styled Diageo Leadership Performance Programme is in place to accelerate the development of newly appointed individuals to executive levels.

EMPLOYEE ENGAGEMENT

The EABL engagement strategy is focused on making the Company the best place to be for talented people. Our Company moves at pace, it looks ahead and continues to evolve and improve. Our progress brings with it new talented people, great brands, new partnerships and expansion into new categories and markets. This makes for a vibrant and truly diverse Company, a true reflection of the world today, able to provide as much in return, as our people can bring.

The values that underpin our business guide how we work. We are 'passionate about our customers and consumers and want to be the best. We give each other the freedom to succeed and value each and every person's contribution. We work hard so we can be proud of what we do and how we do it'. These values are not merely words on a page. While we constantly look to evolve and improve how we go about our work, our values remain consistent. We try to live these values every day, everywhere and together with our purpose, we believe that when demonstrated for all to see, they drive our Company forward.

Deep at the heart of this is to create an environment where employees believe that their own values resonate well with those of the Company. Each year EABL conducts a Values Survey that seeks to assess Employee Engagement, Performance Enablement, Manager Effectiveness and Manager NPS (Net Promoter Scores), in order to measure how well we are living and demonstrating our values daily across the business.

During the year end, our scores were: 100% employee participation with an engagement level of 82%, performance enablement score of 85%, and a manager effectiveness score of 81%. We achieved a 42% score on our NPS for line managers, which was a great improvement due to the Company's implementation of the Amazing People Manager programme.

STAFF WELFARE

We want our people to thrive at EABL and are committed to their professional and personal development and to simply ensuring that EABL is a great place to work.

Our staff welfare is key to our growth and we ensure we have a healthy workforce through our medical benefit scheme and employee wellness program. The EABL clinic facility has been enhanced and now provides specialists' services to employees and their families. These services include dental, dermatological, pediatric, gynecological and nutritional. In-house laboratory services are also available at the clinic, making total medical services easily accessible to employees.

The employee wellness program provides additional health and wellbeing initiatives. During the year end, we undertook a training programme for our employees' domestic workers to increase their knowledge and skills on first aid, baby care, hygiene and nutrition thereby giving our employees peace of mind when at work. We also rolled-out our now popular channel for sharing knowledge and best practices dubbed "baby and well-woman clinic".

EMPLOYER BRAND

We employ bright, collaborative people at all levels in our business. We trust each other and work with genuine positive intent behind our actions. We care about our business, and care about working for a Company that is progressive in its thinking and behaviour.

We were voted "**Best Company to Work for**" in the inaugural Deloitte awards in Kenya and Uganda Breweries Limited clinching the second position among the **Best Employers of the Year in Uganda**. The business has exemplified a remarkable organizational excellence having been voted one of the top two companies in Africa in the following areas: **Employer of Choice 2015, Leadership & Management, Corporate Social Responsibility and a leading FMCG in the region**.

Our reputation as an employer brand is gaining amazing momentum and a sure path of success story in engaging and leveraging the best talent in the market to guarantee our future growth plans.

VALUING DIVERSITY

At EABL, we celebrate cultural and individual diversity-rely on it even-to create an energizing team culture and leadership reputation. This is encompassed in one of our values, 'Proud of what we do'.

EABL leads the way for empowering women in the workplace, marketplace and the community. We work to achieve an employee base that is diverse and to create a culture that is inclusive of all individuals.

In the first-ever study of female board membership by the African Development Bank (AfDB), EABL was the firm with the highest representation of women directors. We emerged top with a 45.5% female board representation.

EABL is among 1 of the 12 companies in Kenya that have signed on to the World Empowerment Principles (WEPs). These 7 Principles are linked to what we at EABL are currently undertaking and take pride in.


NO SUGAR ADDED
COOL. CRISP.
THIS ONE'S FOR YOU
BELL
EXPERTLY BREWED
BELL
PREMIUM QUALITY BEER
BELL
BELL
LIVE EVERY MOMENT

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 organization and is in compliance with relevant laws and the Capital Markets Authority Code of Corporate Governance Practices for Issuers of Securities to the Public ("the Corporate Governance Code") as well as the equivalent guidelines for listed companies in Tanzania and Uganda.

Besides complying with the corporate governance code, 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 eight 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 for the organization 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.

Three standing Committees have been established by the Board namely, the Board Corporate Governance Committee, the Board Audit and Risk Management Committee and the Board Nominations & Remuneration Committee. Majority of the 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 eight Non-Executive Directors as at the end of the financial year. 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 independent as defined in the Corporate Governance Code 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. Should a conflict be disclosed, the conflicted director would be required to recuse him or herself from deliberations on the subject matter of the disclosed conflict.

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 April 2016 Board meeting was held in Naivasha, Kenya where directors had an opportunity to visit distributors, retailers and engage them on market related issues. The Board and its Committees also receive regular briefings on legal and regulatory developments that affect the business.

The Chairman and the Non-Executive Directors have a particular responsibility for ensuring that business strategy and operations are fully discussed and critically reviewed. 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 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 45.

Attendance at Board and Annual General Meetings during the Financial Year

Name	Meetings Attended	Meetings Eligible to Attend
Mr. C. Muchene (Group Chairman)	6	6
Mr. C. Ireland (Group Managing Director)	6	6
Dr. G. Geiszl (Group Finance Director)	5	5
Dr. N. Blazquez	4	6
Dr. A. Shonubi	6	6
Mr. J. O'Keeffe	4	6
Mrs. J. Karuku	6	6
Mr. J. Katto	6	6
Mr. N. Mchechu	4	6
Ms. C. Musyoka	5	5
Dr. M. Oduor-Otieno[1]	–	1

[1]Dr. M. Oduor-Otieno was appointed to the board on 24th May 2016

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.

During the year, the Committee took cognizance of the New Companies Act, 2015 which brought about numerous changes on the governance of companies. As a result, the committee set up a subcommittee which was mandated with the responsibility of reviewing the new act in detail, reviewing the impact of the changes on the Articles of Association for EABL and its group companies, evaluating the necessary changes to be made including making the necessary proposals on internal governance procedures to implement these changes and preparing a road map for implementation by the Company to ensure compliance. The subcommittee has made tremendous progress in implementing the changes.

The Committee also took cognizance of the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public that was gazetted on 4th March 2016. A presentation on the changes brought about by the code was made to the committee. The changes mainly focused on the following areas: Board Operations and Control Environment; Transparency and Disclosures; Commitment to Good Corporate Governance; and the Regulatory Environment. The committee mandated management to develop an implementation tracker and has been reviewing the same on a quarterly basis to ensure compliance with the code.

In a bid to enhance governance within EABL, the committee arranged for a one day Corporate Governance training session in June 2016. The training was conducted by an IFC certified governance trainer and attended by the board and senior executives. Among the key areas covered in the training included international approach to good corporate governance, board dynamics, board responsibilities for strategic guidance, leadership and control, and board evaluation. The board has implemented some of the key learnings from the training.

Members:
Mr. J. Katto * (Chairman)
Dr. A. Shonubi*
Ms. C. Musyoka*
Ms. J. Munene (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	3	3
Ms. C. Musyoka	2	2

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, and the efficiency of the Group's procedures for handling complaints and whistle blowing allegations. All members of the Committee are Non-Executive Directors.

The Mandate of the Committee also includes:

- Monitoring and reviewing the performance of the Group's external auditors by keeping under review their independence and objectivity;
- Making recommendations as to their reappointments (or where appropriate, making recommendations for change);
- Approving their terms of engagement and the level of audit fees payable to them;
- Overseeing the internal control and risk management systems in relation to the company's financial reporting process and the group's process for preparation of the consolidated accounts.

During the year, the Audit Committee met five times and reviewed the following business:

- Annual report and associated preliminary year end results announcement, focusing on key areas of accounting judgement and complexity, accounting and provisioning policies.
- The external audit strategy and the findings of the external auditor from its review of the interim results and its audit of the year-end consolidated financial statements.
- Interim results announcement, which included; financial statements, Company's management results and appointment of the external auditor.

Upon completion of the consolidated financial statements, a report highlighting key issues and judgments considered in respect of the 2016 financial statements was reviewed by the committee with the following being deliberated upon:

- Hyperinflationary accounting due to the South Sudan operations through East African Beverages Southern Sudan ("EABSS"). South Sudan's annual inflation rate exceeded the benchmark 100%. The committee determined that in accordance with IAS 29, South Sudan had met the criteria to be classified as a hyperinflationary environment. However, from an EABL group point of view, the translation differences arising from application of IAS 29 for EABSS were considered immaterial.

In addition, the committee reviewed various detailed reports from;

- The Control, Compliance and Ethics team (CC&E) and the Global Audit & Risk (GAR) team;
- The annual GAR audit plan and the assessment of top risks identified by GAR as driving the plan and scope of audits for the year ending 30 June 2016; and
- Regular legal updates from the Group Legal Director.

The Audit Committee reviews annually the appointment of the auditors taking into account the auditor's effectiveness and independence and all appropriate guidelines, and makes a recommendation to the Board accordingly. The group has a policy on auditor independence and on the use of the external auditor for non-audit services which is reviewed annually. Any decision to open the external audit to tender is taken on the recommendation of the Audit Committee. There are no contractual obligations that restrict the Company's current choice of external auditor.

PricewaterhouseCoopers (PwC) were the Group's auditors during the financial year. They have since issued a written confirmation to the Board of their intention to seek reappointment as the Company's Auditors at the Annual General Meeting, subject to Shareholders' approval.

Members:

Mr. N. Mchechu* (Chairman)
Mr. J. O'Keeffe
Mr. J. Katto*
Ms. J. Munene (Secretary)
*Independent Non-Executive Directors

The mandate of the Committee includes:

- Reviewing succession planning within the Board and identifying and nominating suitable candidates to fill vacancies that may arise from the Board and Board Committees;
- Evaluating the performance of the Board, Board Committees, Board Members and the Company Secretary; and
- Reviewing and recommending to the Board, the remuneration of management, non-executive directors and staff incentive schemes, amongst other matters relating to employee terms and conditions of employment.

The Committee had 3 meetings during the year end, and dealt with the following business:

- Review of the terms of reference to ensure alignment with the increased regulation around Board constitution and responsibilities;
- Establishment of a framework for evaluation of effectiveness of the Board and individual Board members;
- Creation of a robust succession plan for the non-executive board positions that is subject to continuous review by the main Board;

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

Name	Meetings Attended	Meetings Eligible to Attend
Mr. N. Mchechu	4	5
Dr. N. Blazquez*	1	2
Mr. J. Katto	5	5
Mr. J. O'Keeffe**	3	3

* Dr. N. Blazquez stepped down from the committee in January 2016.
** J. O'Keeffe was appointed as a member of the committee in January 2016.

BOARD NOMINATIONS & REMUNERATION COMMITTEE

The Nominations and Remuneration Committee (BNRC) was formally constituted on 30th July 2015 after the consolidation of the Board Nominations and Remuneration Committees which previously existed as separate Board Committees. The consolidation is in line with the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, which sets out the principles and specific recommendations on structures and processes, which companies should adopt in making good corporate governance an integral part of their business dealings and culture.

- Approvals of management pay structures and pension benefits and review of reward principles that drive the talent agenda in the company.

In the year ended June 2016, EABL was identified as a runner up as an Employer of Choice by Africans in the Diaspora and employees ensured a position on the Leader Board for the Deloitte Best Place to Work Survey in Kenya. In Uganda, UBL was recognized as runners up as the Employer of Choice by the Federation of Uganda Employers.

All members of the Committee were Non-Executive Directors as at 30 June 2016.

Members:
Mr. J. O'Keeffe (Chairman)
Mrs. J. Karuku
Dr. A. Shonubi*
Ms. C. Musyoka*
Ms. J. Munene (Secretary)

*Independent Non-Executive Directors

Attendance at Board Nominations and Remuneration Committee meetings during the Financial Year

Name	Meetings Attended	Meetings Eligible to Attend
Mr. J. O'Keeffe*	2	2
Dr. A. Shonubi	3	3
Ms. C. Musyoka*	2	2
Mrs. J. Karuku**	3	1

*Mr. J. O'Keeffe and Ms. C. Musyoka were appointed as members of the committee in January 2016.
**Mrs. J. Karuku stepped down from the committee in January 2016

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 2015. 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: www.eabl.com

1. The Board Charter
2. Terms of Reference of all Board Committees
3. The Board Diversity Policy
4. Past and current copies of the Annual Reports
5. Investor News
6. Share Price performance – Kenya, Uganda and Tanzania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FINANCIAL STATEMENTS

CORPORATE INFORMATION

DIRECTORS

Mr. C Muchene	Group Chairman	
Dr. N Blazquez*	Group Deputy Chairman	Resigned 28 July 2016
Mr. C Ireland*	Group Managing Director	Resigned 28 July 2016
Mr. A Cowan*	Group Managing Director	Appointed 28 July 2016
Dr. G Geiszl**	Group Finance Director	Appointed 10 October 2015
Mr. J O'Keeffe*****		
Dr. A Shonubi ***		
Mrs. J Karuku		
Mr. J Katto***		
Mr. N Mchechu****		
Ms. C Musyoka		
Dr. M Oduor-Otieno		Appointed 24 May 2016
Mr. P. Gallagher*****		Appointed 28 July 2016
Ms. R. Ngobi	Company Secretary	Resigned 26 April 2016
Ms. J. Munene	Company Secretary	Appointed 27 April 2016

British**   ****Hungarian**   ** Ugandan**   ****** Tanzanian**   *******Irish**

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. N. Mchechu**	(Chairman)
Mr. J. Katto**	
Dr. M. Oduor-Otieno**	
Mr. P. Gallagher*	
Mr. A. Cowan	(Permanent Invitee)
Dr. G. Geiszl	(Permanent Invitee)
Mr. P. Ndungu	(Permanent Invitee)
Mr. P. Rich	(Permanent Invitee)
Mrs. W. Kosgey	(Permanent Invitee)
Ms. J. Munene	(Secretary)

NOMINATIONS AND REMUNERATIONS COMMITTEE

Mr. J. O'Keeffe*	(Chairman)
Dr. A. Shonubi**	
Ms. C. Musyoka**	
Dr. M. Oduor-Otieno**	
Mr. A. Cowan	(Permanent Invitee)
Mr. P. Kasimu	(Permanent Invitee)
Ms. J. Munene	(Secretary)

CORPORATE GOVERNANCE COMMITTEE

Mr. J. Katto**	(Chairman)
Dr. A. Shonubi**	
Ms. C. Musyoka**	
Mrs. W. Kosgey	(Permanent Invitee)
Ms. J. Munene	(Secretary)

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

CORPORATE INFORMATION (CONTINUED)

SECRETARY
Ms. Joyce Munene (CPS No. 1954)
Corporate Centre, Ruaraka
P.O. Box 30161-00100
Nairobi.

AUDITORS
PricewaterhouseCoopers
Certified Public Accountants of Kenya
PwC Tower
Waiyaki way / Chiromo road
P.O. Box 43963-00100
Nairobi.

ADVOCATES
Kaplan and Stratton Advocates
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.

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

PRINCIPAL BANKERS
Standard Chartered Bank
Kenya Limited
48 Westlands Road,
Nairobi, Kenya
P.O. Box 30003-00100
Nairobi.

CFC Stanbic Bank Limited
CFC Stanbic Center
Chiromo Road, Westlands
P.O. Box 30550 -00100
Nairobi.

Citibank NA
Citibank House
Upper Hill Road
P.O. Box 30711-00100
Nairobi.

Barclays Bank of Kenya Limited
Barclays Westend Building
Off Waiyaki Way
P.O. Box 30120-00100
Nairobi.

REGISTERED OFFICE
East African Breweries Limited
Corporate Centre
Ruaraka
P.O. Box 30161-00100
Nairobi.

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 30 June 2016, which discloses the state of affairs of East African Breweries Limited (the "Company") together with its subsidiaries jointly (the "Group"). The directors' report and financial statements have been prepared in accordance with Sections 147 to 163 of the repealed Companies Act - Cap 486, which remain in force under the transition rules contained in the Sixth Schedule, the Transitional and Saving Provisions of the Companies Act 2015.

1. Principal activities

East African Breweries Limited is a holding Company with subsidiaries involved in the marketing, production and distribution of a collection of brands that range from beer, spirits and adult non alcoholic drinks.

2. Results

The Group and Company results for the year are set out on page 53 and 55 respectively.

3. Dividends

The directors recommend a final dividend of Kshs 5.50 per share amounting to a total of Kshs 4,349,259,000 to be paid on or before 30 November 2016 to those members on the register at the close of business on 31 August 2016.

During the year an interim dividend of Kshs 2.00 per share, amounting to a total of Kshs 1,581,549,000 was paid. A special dividend amounting to Kshs 4.50 per share, amounting to a total of Kshs 3,558,485,000 was paid on 23 June 2016.

The total dividend for the year is therefore Kshs 12.00 per share (2015: Kshs 7.50 per share), amounting to a total of Kshs 9,489,293,000 (2015: Kshs 5,930,808,000).

4. Board of Directors

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

Mr. N. Blazquez resigned from the Board on 28 July 2016;

Mr. C. Ireland resigned as Group Managing Director and Executive Director of the board on 28 July 2016;

Dr. M. Oduor-Otieno and Mr. P. Gallagher were appointed as Directors on 24 May 2016 and 28 July 2016 respectively to fill casual vacancies on the Board,

Mr. A. Cowan was appointed as Group Managing Director and Executive Director of the Board on 28 July 2016,

In accordance with Article 105 of the Articles of Association, Dr. M. Oduor-Otieno, Mr. P. Gallagher and Mr. A. Cowan retire from the Board and being eligible, offer themselves for re-election.

Mr. C. Muchene, Mr. J. Katto and Mr. N. Mchechu retire by rotation in accordance with Article 106 of the Articles of Association and being eligible, offer themselves for re-election by virtue of Article 108 of the Articles of Association.

5. Auditors

KPMG Kenya retired from office at the conclusion of the last annual general meeting in accordance with Section 159(2) of the repealed Companies Act - CAP 486. In their place, PricewaterhouseCoopers were appointed into office as auditors during the annual general meeting held on 5 November 2015 in accordance with Section 159(1) of the repealed Companies Act - CAP 486.

6. Employees

The directors are pleased once again to record their appreciation for the untiring effort of all employees of the Company and its subsidiaries.

7. Approval of financial statements

The financial statements were approved by the Board of Directors on 28 July 2016.

By order of the Board

Joyce Munene (Ms)
Company Secretary

Date: 28 July 2016

RIPOTI YA WAKURUGENZI

Wakurugenzi wana furaha kuwasilisha ripoti yao pamoja na taarifa ya kifedha iliyokaguliwa kwa kipindi kilichomalizika tarehe 30 mwezi Juni mwaka 2016, ambayo inaonyesha hali halisi ya biashara ya kampuni ya East African Breweries Limited, pamoja na kampuni washirika wake. Ripoti ya wakurugenzi na taarifa ya kifedha ya kampuni imetengenezwa kuambatana na kipenge cha 147 hadi 163 cha sheria nambari 486 iliyorekebishwa kuhusu usimamizi wa kampuni, na ambayo inaendelea kuzingatiwa chini ya kanuni za mpito, zilizoorodheshwa katika ratiba ya sita ya sheria ya mwaka 2015 kuhusu kampuni.

1. Shughuli kuu

Kampuni ya East African Breweries Limited inamiliki kampuni nyingine zinazojihusisha katika mauzo, utengenezaji na usambazaji wa aina tofauti za chapa kama vile bia, vinjwaji vikali na pombe za watu wazima ambazo hazina kilevi.

2. Matokeo

Matokeo ya biashara ya kundi na kampuni kwa kipindi kinachoangaziwa yamenakiliwa kwenye kurasa wa 81.

3. Mgao wa faida

Wakurugenzi wanapendekeza mgao wa mwisho wa faida wa shillingi 5 na senti 50 kwa kila hisa wa juml ya shillingi 4,349,259,000 utakaolipwa mnamo au kabla ya tarehe 30 mwezi Novemba mwaka 2016, kwa wenye hisa walio kwenye sajili kufikia tarehe 31 mwezi Agosti mwaka 2016. Wakati wa kipindi cha mwaka unaoangaziwa, mgao wa muda wa shillingi 2 kwa hila hisa wa jumla ya shillingi 1,581,549,000 ulilipwa. Mgao maalumu wa shilling 4 na senti 50 wa jumla ya shillingi 3,558,485,000 ulilipwa tarehe 23 mwezi Juni mwaka 2016. Mgao jumla kwa mwaka hivyo basi ni shillingi 12 kwa kila hisa wa jumla ya shillingi 9,489,293,000 ikilinganishwa na mgao jumla wa shillingi 7 na senti.50 wa jumla ya shillingi 5,930,808,000 uliolipwa mwaka 2015.

4. Halmashauri ya Wakurugenzi

Mabadiliko yafwatayo yametekelezwa kwenye bodi ya wakurugenzi tangu mkutano mkuu wa mwaka uliopita:

Bwana N. Blazquez alijiuzulu kutoka kwenye bodi tarehe 28 mwezi Julai mwaka 2016;

Bwana C. Ireland alijiuzulu kutoka kwa wadhifa wa mkurugenzi mkuu na afisa mkuu mtendaji wa bodi tarehe 28 mwezi Julai mwaka 2016;

Dkt. M. Oduor-Otieno na Bwana P. Gallagher waliteuliwa kuwa wakurugenzi kwenye bodi tarehe 24 mwezi May mwaka 2016 na tarehe 28 mwezi Julai mwaka 2016 mtawalia kujaza nafasi ziliokuwa wazi;

Bwana A. Cowan aliteuliwa kuwa mkurugenzi mkuu na afisa mkuu mtendaji wa bodi tarehe 28 mwezi Julai mwaka 2016.

Kulingana na kifungu cha 105 cha sheria za kampuni Dkt. M. Oduor-Otieno, Bw. P. Gallagher na Bw. A. Cowan wanastaafu kutoka bodi ingawaje wanaweza kujiwasilisha kuchaguliwa tena.

Bwana C. Muchene, Bw. J. Katto na Bw. N. Mchechu pia wanastaafu kuambatana na kifungu cha 106 cha sheria za uwakilishi, lakini wanaweza kujiwasilisha kuchaguliwa tena kwa mujibu wa kifungu nambari 108 cha sheria.

5. Wakaguzi

Kampuni ya KPMG Kenya iliondoka baada ya mkutano mkuu wa mwaka uliopota kuambatana na sehemu ya 2 ya kifungu nambari 159 cha sheria nambari 486 kuhusu usimamizi wa kampuni iliyobadilishwa. Mahali pake palichukuliwa na kampuni ya Pricewater House Coopers,ambayo ilichaguliwa kuwa wakaguzi wa kampuni wakati mkutano mkuu wa mwaka ulioandaliwa tarehe 5 mwezi Novemba mwaka 2015 kuambatana na sehemu ya 1 ya kifungu nambari 159 cha sheria nambari 486 kuhusu usimamizi wa kampuni .

6. Wafanyikazi

Wakurugenzi kwa mara nyingine wanawashukuru wafanyikazi wa kampuni na washirika wake kwa bidii yao kazini.

7. Kuidhinishwa kwa taarifa za kifedha

Taarifa za kifedha za kampuni ziliidhinishwa na bodi ya wakurugenzi tarehe 28 mwezi Julai mwaka 2016.

Kwa amri ya bodi

Joyce Munene (Ms)
Katibu wa kampuni

Tarehe : 28 Julai 2016

DIRECTORS' REMUNERATION REPORT

EABL's ambition is to be the best performing, most trusted and respected consumer products Company in each of the markets we operate in with significant leadership focus and investment towards delivering an ambitious talent strategy. Reward is a key enabler to this strategy, impacting our ability to attract, motivate and retain talent.

EABL is pleased to present the Director's remuneration report for the year ended 30 June 2016. This report is in compliance with the EABL's reward policy, CMA Code of Corporate Governance Guidelines on Director's remuneration and the New Companies Act 2015. A key provision of the Company's principles is that reward will directly support the business strategy with clear and measurable linkage to business performance.

Our reward system seeks to recognize the contribution individuals make to the success of the Company and reflecting the value of the roles they are performing, as well as the level to which they perform them. Our approach to recognizing our Directors' contribution to the business is based on the principles of:

- Market: Our reward levels reflect the competitive market and compare favourably with relevant competitors for such skills.
- Communication: We aim to explain to everyone the component value of their total reward package and the criteria which may affect it.
- Effectiveness: We aim to seek out best practice and ensure our reward programs remain effective for the business and individuals.
- Our reward components are reviewed regularly and are subject to external benchmarking to ensure that we continually offer competitive total reward packages. We are committed to ensuring reward and recognition is applied in a fair and consistent manner.

During the financial year, EABL's board of Directors consisted of:

- 3 Executive Directors: Mr. Charles Ireland, Dr. Gyorgy Geiszl and Mrs. Jane Karuku;
- 2 Non-executive directors: Mr. John O'Keeffe and Dr. Nick Blazquez;
- 6 Independent Non-Executive Directors ("INEDs"): Mr. Charles Muchene, Dr. Alan Shonubi, Mr. Japheth Katto, Mr. Nehemiah Mchechu, Dr. Martin Oduor-Otieno and Ms. Caroline Musyoka.

The remuneration of the executive directors is as per negotiated employment contracts. The Non-Executive Directors do not earn any remuneration from EABL as they are members of the board as representatives of the majority shareholder. The INEDs remuneration policy has been reproduced in full for both ease of reference and to provide context to the decisions taken during the year. There has been no change to the INEDs remuneration policy, as approved by the shareholders on 5 November 2015.

For the financial year ended 30 June 2016, the consolidated directors' fees was Kshs 172,658,530/-.

The Company will not be proposing to make any changes to the INEDs remuneration level during the current financial year.

INDEPENDENT NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY AND FRAMEWORK

EABL offers a selection of financial and non-financial reward and benefits. The precise nature of these is subject to ongoing review and may be amended from time to time, taking into account market practice.

The list of the reward components are as follows:

1. Retainer Fees

This is competitive taking into account market rates of pay. Fees are reviewed every two years after a survey of prevailing market movements. Any increases are determined in accordance with the business' ability to fund the increase. Retainer Fees is paid on a monthly basis.

2. Attendance Fees

Independent Non-Executive Directors are paid an attendance fee in recognition of the time spent attending EABL Board or Committee meetings as well as meetings for the subsidiary companies. These are also benchmarked on market rates and trends.

3. Insurance Cover

EABL provides professional indemnity insurance for all the Directors in line with best practice in the market.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

4. Product Allowance
Non-Executive Directors' are eligible to receive a discretionary choice from a select product range to enable them experience the Company brands first hand. This is based on one crate of beer or its equivalent in spirits accessed once a month. There is no cash alternative to product allowance and it is not a contractual benefit.

5. Travel and Accommodation when on Company Business
EABL provides for travel and accommodation costs in line with its Travel & Entertainment policy in place for the EABL Executive Committee Members and for the Non-Executive Directors. Non-Executive Directors travel on business class when going for Company related meetings.

The Company values the continued dialogue with EABL's shareholders and engages directly with them when making any revisions to the INEDs remuneration package.

By order of the Board

Joyce Munene (Ms)
Company Secretary

Date 28 July 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Comapnies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Company as at the end of the financial year and of their profit or loss for that year. It also requires the directors to ensure that the Group and Company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and Comapny. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error. They also accept responsibility for:

(i) Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
(ii) Selecting and applying appropriate accounting policies; and
(iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the Group and Company as at 30 June 2016 and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

The Group's statement of financial position indicates a net current liability position of Kshs 6,413,141,000. As directors, we are satisfied that this is transient in nature as the Group structures its funding requirements. The Group has considerable financial resources available as at 30 June 2016 with cash from operations increasing to Kshs 27,934,402,000 from Kshs 21,196,607,000 in 2015.

To further satisfy ourselves as to the going concern of the Group we have undertaken a detailed funding assessment including a debt maturity analysis. Based on the outcome of this exercise we have concluded that the Group will generate/access sufficient funds to meet all its obligations over the next twelve month period from the date of this report. We have also reviewed all our borrowing financial covenants and confirm them to be in compliant.

As explained in Note 2a(ii) we find it appropriate to continue to prepare these financial statements on a going concern basis.

Approved by the board of directors on 28 July 2016 and signed on its behalf by:

Mr. Charles Ireland
Director

Dr. György Geiszl
Director

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EAST AFRICAN BREWERIES LIMITED

We have audited the accompanying consolidated financial statements of East African Breweries Limited (the "Company") and its subsidiaries (together, the "Group"), as set out on pages 53 to 118.

These financial statements comprise the consolidated statement of financial position at 30 June 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, together with the statement of comprehensive income and the statement of financial position of the Company stand alone as at 30 June 2016 and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and true and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the 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, the auditor considers internal control relevant to the Company'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 company's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 accompanying financial statements give a true and fair view of the financial position of the Group and Company at 30 June 2016 and of their financial performance and 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 Kenya's Companies Act, we report to you, based on our audit, that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is FCPA Anne Eriksson – P/No 772.

PricewaterhouseCoopers
Certified Public Accountants of Kenya
PwC Tower
Waiyaki way / Chiromo road, Westlands
P.O. Box 43963-00100Nairobi, Kenya
Date : 28 July 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 30 June 2016 Kshs '000	2015 Kshs '000
Revenue	6(a)	64,322,220	64,420,458
Cost of sales	7(a)	(32,110,383)	(32,389,041)
Gross profit		**32,211,837**	**32,031,417**
Selling and distribution costs	8	(6,058,859)	(6,038,162)
Administrative expenses	9(a)	(9,006,258)	(7,871,377)
Other (expenses)/income	10(a)	(262,539)	103,746
Finance income	13(a)	280,738	-
Finance costs	13(a)	(3,545,979)	(4,074,380)
Profit before income tax		**13,618,940**	**14,151,244**
Income tax expense	14(a)	(5,597,555)	(4,616,027)
Profit for the year from continuing operations		**8,021,385**	**9,535,217**
Profit from discontinued operations, net of tax	16(a)	2,249,428	39,688
Profit for the year		**10,270,813**	**9,574,905**
Profit attributable to:			
Equity holders of the company		9,650,707	8,952,352
Non controlling interest	19	620,106	622,553
Profit for the year		**10,270,813**	**9,574,905**
Earnings per share			
-Basic (Kshs per share)	17	12.20	11.32
-Diluted (Kshs per share)	17	12.20	11.32
Earnings per share - continuing operations			
-Basic (Kshs per share)	17	9.36	11.27
-Diluted (Kshs per share)	17	9.36	11.27
Earning per Share - discounting operations			
-Diluted (Kshs per share)	17	2.84	0.05
-Diluted (Kshs per share)	17	2.84	0.05

The notes on pages 65 to 118 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30 June	
	2016	2015
	Kshs '000	Kshs '000
Profit for the year	**10,270,813**	**9,574,905**
Other comprehensive income, net of tax:		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(2,177,026)	(151,530)
Total comprehensive income for the year	**8,093,787**	**9,423,375**
Total comprehensive income for the year attributable to:		
Equity holders of the Company	7,477,159	9,021,217
Non-controlling interest	616,628	402,158
Total comprehensive income for the year	**8,093,787**	**9,423,375**

The notes on pages 65 to 118 are an integral part of these financial statements.

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 30 June	
		2016	2015
	Note	Kshs '000	Kshs '000
Revenue	6(b)	3,192,125	3,776,297
Cost of sales	7(b)	(266,950)	(7,820)
Gross profit		**2,925,175**	**3,768,477**
Administrative expenses	9(b)	(2,495,208)	(2,124,872)
Other income/(expenses)	10(b)	2,725,948	1,125,759
Finance costs	13(b)	(4,778,835)	(4,447,518)
Finance income	13(b)	1,862,705	1,172,878
Dividend income		10,103,583	8,363,500
Profit before income tax	**11**	**10,343,368**	**7,858,224**
Income tax(expense)/credit	14(b)	(205,779)	104,478
Profit for the year		**10,137,589**	**7,962,702**
Profit for the year		10,137,589	7,962,702
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		**10,137,589**	**7,962,702**

The notes on pages 65 to 118 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2016 Kshs '000	 2015 Kshs '000
Equity attributable to owners of the Company			
Share capital	18	1,581,547	1,581,547
Share premium	18	1,691,151	1,691,151
Translation reserve	37(c)	(1,927,017)	246,531
Proposed dividends		4,349,259	4,744,645
Retained earnings		5,588,475	5,427,061
		11,283,415	**13,690,935**
Non-controlling interest	19	(416,169)	(337,752)
Total equity		**10,867,246**	**13,353,183**
Non-current liabilities			
Deferred income tax	21(a)	1,303,190	2,650,215
Borrowings	35(a)	21,473,594	24,469,236
Finance lease liabilities	20	132,753	205,653
		22,909,537	**27,325,104**
Total equity and non-current liabilities		**33,776,783**	**40,678,287**
Non-current assets			
Property, plant and equipment	22(a)	35,606,808	35,580,377
Intangible assets – Software	23(a)	422,611	376,790
Intangible assets – Goodwill	24(a)	3,577,191	3,577,191
Intangible assets – Brand	24(b)	563,005	563,005
Prepaid operating lease rentals	25(a)	10,309	10,538
Other investments	27	10,000	10,000
		40,189,924	**40,117,901**
Current assets			
Inventories	28	8,131,242	10,674,406
Trade and other receivables	29(a)	11,572,146	9,113,813
Current income tax		631,827	138,292
Cash and bank balances	33(c)	1,221,066	3,005,133
Assets held for sale	16(b)	-	2,106,414
		21,556,281	**25,038,058**

Continued on page 57

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at 30 June	
		2016	2015
		Kshs '000	Kshs '000
Current liabilities			
Trade and other payables	30(a)	21,920,678	14,142,200
Dividends payable	15	873,588	614,868
Borrowings	34(a)	-	4,898,623
Bank overdraft	33(c)	5,175,156	4,397,031
Liabilities held for sale	16(b)	-	424,950
		27,969,422	**24,477,672**
Net current (liabilities)/assets		**(6,413,141)**	**560,386**
Net assets		**33,776,783**	**40,678,287**

The financial statements on pages 53 to 118 were approved for issue by the board of directors on 28 July 2016 and signed on its behalf by:

Charles Ireland
Director

Gyorgy Geiszl
Director

The notes on pages 65 to 118 are an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

		At 30 June	
		2016	2015
	Note	Kshs '000	Kshs '000
Equity attributable to owners of the company			
Share capital	18	1,581,547	1,581,547
Share premium	18	1,691,151	1,691,151
Proposed dividends		4,349,259	4,744,645
Retained earnings		8,425,555	7,777,259
Total equity		**16,047,512**	**15,794,602**
Non-current liabilities			
Borrowings	35(b)	20,969,236	24,469,236
Total equity and non-current liabilities		**37,016,748**	**40,263,838**
Non-current assets			
Property, plant and equipment	22(b)	661,727	623,191
Prepaid operating lease rentals	25(b)	1,195	1,265
Intangible assets – Software	23(b)	272,628	168,828
Investment in subsidiaries	26	29,053,977	29,053,977
Other investments	27	10,000	10,000
Receivables from related parties	35(b)	3,923,980	3,923,980
Long-term receivables from group companies	35(b)	12,751,585	8,193,911
Deferred income tax	21(b)	1,652,631	961,741
		48,327,723	**42,936,893**
Current assets			
Inventories		2,594	-
Trade and other receiveables	29(b)	8,662,668	9,341,851
Current income tax		1,084,935	495,814
Assets held for sale		-	790,288
Cash and bank balances	33(c)	35,437	600,381
		9,785,634	**11,228,334**

Continued on page 59

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)

		At 30 June	
		2016	2015
	Note	Kshs '000	Kshs '000
Current liabilities			
Trade and other payables	30(b)	15,168,022	6,045,583
Dividends payable	15	873,588	614,869
Bank overdraft	34(b)	5,054,999	3,525,176
Borrowings	34(b)	-	3,715,761
		21,096,609	**13,901,389**
Net current liabilities		**(11,310,975)**	**(2,673,055)**
Net assets		**37,016,748**	**40,263,838**

The financial statements on pages 53 to 118 were approved for issue by the board of directors on 28 July 2016 and signed on its behalf by:

Charles Ireland
Director

Gyorgy Geiszl
Director

The notes on pages 65 to 118 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2016	Share capital	Share premium	Translation reserves	Proposed dividends	Retained earnings	Total	Non-controlling interest	Total Equity
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
At 1 July 2015	1,581,547	1,691,151	246,531	4,744,645	5,427,061	**13,690,935**	(337,752)	**13,353,183**
Total comprehensive income								
Profit for the year	-	-	-	-	9,650,707	**9,650,707**	620,106	**10,270,813**
Other comprehensive income	-	-	(2,173,548)	-	-	**(2,173,548)**	(3,478)	**(2,177,026)**
Total comprehensive income for the year	**-**	**-**	**(2,173,548)**	**-**	**9,650,707**	**7,477,159**	**616,628**	**8,093,787**
Transactions with owners of the company								
Dividends:								
- Proposed final for 2016	-	-	-	4,349,259	(4,349,259)	-	-	-
- Special dividend for 2016	-	-	-	-	(3,558,485)	**(3,558,485)**	-	**(3,558,485)**
- Interim for 2016	-	-	-	-	(1,581,549)	**(1,581,549)**	-	**(1,581,549)**
- Final for 2015	-	-	-	(4,744,645)	-	**(4,744,645)**	(695,045)	**(5,439,690)**
Total transactions with owners of the company	**-**	**-**	**-**	**(395,386)**	**(9,489,293)**	**(9,884,679)**	**(695,045)**	**(10,579,724)**
At 30 June 2016	**1,581,547**	**1,691,151**	**(1,927,017)**	**4,349,259**	**5,588,475**	**11,283,415**	**(416,169)**	**10,867,246**

The notes on pages 65 to 118 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Year ended 30 June 2015	Share capital	Share premium	Capital reserve	Share based payment reserve	Translation reserves	Other reserves	Proposed dividends	Retained earnings	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	Kshs '000
At 1 July 2014	1,581,547	1,691,151	1,285,324	73,387	177,666	(18,292,037)	-	22,501,939	**9,018,977**	81,871	**9,100,848**
Reclassification of capital reserves (note 36)	-	-	(1,285,324)	-	-	-	-	1,285,324	-	-	-
Reclassification of other reserves (note 36)	-	-	-	-	-	18,292,037	-	(18,292,037)	-	-	-
Reclassification				(73,387)	-	-		73,387	-	-	-
	1,581,547	**1,691,151**	**-**	**-**	**177,666**	**-**	**-**	**5,568,613**	**9,018,977**	**81,871**	**9,100,848**
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											
- 2014 final paid	-	-	-	-	-	-	-	(1,186,162)	**(1,186,162)**	(809,106)	**(1,995,268)**
- 2015 interim paid	-	-	-	-	-	-	-	(3,163,097)	**(3,163,097)**	(12,675)	**(3,175,772)**
- Proposed final for 2016	-	-	-	-	-	-	4,744,645	(4,744,645)	-	-	-
Total transactions with owners of the company	**-**	**-**	**-**	**-**	**-**	**-**	**4,744,645**	**(9,093,904)**	**(4,349,259)**	**(821,781)**	**(5,171,040)**
At 30th June 2015	**1,581,547**	**1,691,151**	**-**	**-**	**246,531**	**-**	**4,744,645**	**5,427,061**	**13,690,935**	**(337,752)**	**13,353,183**

. The notes on pages 65 to 118 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital reserve	Share based payment reserve	Proposed dividends	Retained earnings	Total equity
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
At 1 July 2015	1,581,547	1,691,151	-	-	4,744,645	7,777,259	15,794,602
Total comprehensive income:	-	-	-	-	-	10,137,589	10,137,589
Transactions with owners of the Company:							
Dividends:							
- Proposed final for 2016	-	-	-	-	4,349,259	(4,349,259)	-
- Special dividend for 2016	-	-	-	-	-	(3,558,485)	(3,558,485)
- Interim for 2016	-	-	-	-	-	(1,581,549)	(1,581,549)
- Final for 2015	-	-	-	-	(4,744,645)	-	(4,744,645)
Total distribution to owners	-	-	-	-	(395,386)	(9,489,293)	(9,884,679)
At 30 June 2016	**1,581,547**	**1,691,151**	**-**	**-**	**4,349,259**	**8,425,555**	**16,047,512**
At 1 July 2014	1,581,547	1,691,151	25,616	73,387	-	8,809,458	12,181,159
Reclassification of capital reserves (Note 36(a))	-	-	(25,616)	-	-	25,616	-
Reclassification	-	-	-	(73,387)	-	73,387	-
	1,581,547	**1,691,151**	**-**	**-**	**-**	**8,908,461**	**12,181,159**
Total comprehensive income	-	-	-	-	-	7,962,702	7,962,702
Transactions with owners of the Company							-
Dividends:							-
- Proposed final for 2016	-	-	-	-	4,744,645	(4,744,645)	-
- Interim for 2015	-	-	-	-	-	(1,186,162)	(1,186,162)
- Final for 2014	-	-	-	-	-	(3,163,097)	(3,163,097)
Total distribution to owners	-	-	-	-	4,744,645	(9,093,904)	(4,349,259)
At 30 June 2015	**1,581,547**	**1,691,151**	**-**	**-**	**4,744,645**	**7,777,259**	**15,794,602**

The notes on pages 65 to 118 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	At 30th June 2016	2015
		Kshs '000	Kshs '000
Operating activities			
Cash generated from operations	33(a)	27,934,402	21,196,607
Interest received		280,738	-
Interest paid		(3,545,979)	(4,074,380)
Income tax paid		(6,091,926)	(3,563,087)
Net cash generated from operating activities		**18,577,235**	**13,559,140**
Investing activities			
Purchase of property, plant and equipment	22(a)	(4,870,101)	(4,944,285)
Purchase of intangible assets - software	23(a)	(147,435)	-
Proceeds from disposal of leasehold land and buildings		-	195,000
Proceeds from disposal of property, plant and equipment		208,000	65,590
Proceeds from disposal of subsidiary		3,479,592	-
Net cash used in investing activities		**(1,329,944)**	**(4,683,695)**
Financing activities			
Dividends paid to Company's shareholders	15	(9,625,960)	(4,534,570)
Dividends paid to non-controlling interests		(695,045)	(821,781)
Proceeds from borrowings	34(a)	4,994,446	5,000,000
Loan repayments	34(a)	(12,898,623)	(10,427,322)
Net cash used in financing activities		**(18,225,182)**	**(10,783,673)**
Net decrease in cash and cash equivalents		**(977,891)**	**(1,908,228)**
Movement in cash and cash equivalents			
At start of year		(1,391,898)	(657,025)
Foreign exchange impact of translation		(1,584,301)	1,173,355
Net decrease during the year		(977,891)	(1,908,228)
Cash and cash equivalents at end of year	**33(c)**	**(3,954,090)**	**(1,391,898)**

The notes on pages 65 to 118 are an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

	Notes	At 30th June 2016	2015
		Kshs '000	Kshs '000
Operating activities			
Cash generated from operations	33(b)	10,328,503	12,296,877
Interest received	13(b)	1,862,705	1,172,878
Interest paid	13(b)	(4,778,835)	(4,447,518)
Income tax paid		(1,606,776)	(35,229)
Net cash generated from operating activities		**5,805,597**	**8,987,008**
Investing activities			
Purchase of property, plant and equipment	22(b)	(262,144)	(326,003)
Proceeds from disposal of property and equipment		178,000	195,000
Proceeds from disposal of subsidiary		3,479,592	-
Net investment loans to subsidiaries		(4,557,674)	(8,193,911)
Dividends received from subsidiaries		10,103,583	7,600,664
Net cash from investing activities		**8,941,357**	**(724,250)**
Financing activities			
Dividends paid to Company's shareholders	15	(9,625,960)	(4,534,570)
Proceeds from borrowings	34(b)	4,500,000	5,000,000
Loan repayments	34(b)	(11,715,761)	(10,542,205)
Net cash used in financing activities		**(16,841,721)**	**(10,076,775)**
Decrease in cash and cash equivalents		**(2,094,767)**	**(1,814,017)**
Movement in cash and cash equivalents			
At start of year		(2,924,795)	(1,110,778)
Decrease during the year		(2,094,767)	(1,814,017)
At end of year	**33(c)**	**(5,019,562)**	**(2,924,795)**

The notes on pages 65 to 118 are an integral part of these financial statements.

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
P.O Box 30161
00100 Nairobi GPO

The consolidated financial statements for the Company as at 30 June 2016 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 sale of drinks, 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) Going Concern

The Group's statement of financial position indicates a net current liability position of Kshs 6,413,141,000. As directors, we are satisfied that this is transient in nature as the Group structures its funding requirements. The Group has considerable financial resources available as at 30 June 2016 with cash from operations increasing to Kshs 27,934,402,000 from Kshs 21,196,607,000 in 2015.

To further satisfy ourselves as to the going concern of the Group we have undertaken a detailed funding assessment including a debt maturity analysis. Based on the outcome of this exercise we have concluded that the Group will generate access sufficient funds to meet all its obligations over the next twelve month period from the date of this report. We have also reviewed all our borrowing financial covenants and confirm to be in compliance.

(iii) 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.

(iv) 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.

(v) New and amended standards adopted by the Company

The following standards and amendments have been applied by the company for the first time for the financial year beginning 1 July 2015:

Annual Improvements to IFRSs 2010-2012 and 2011-2013 cycles. The following amendments are effective 1 July 2015:-

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(v) New and amended standards adopted by the Company (continued)

- **IFRS 2** – clarifies the definition of 'vesting condition' and now distinguishes between 'performance condition' and 'service condition'
- **IFRS 3** – clarifies that an obligation to pay contingent consideration is classified as financial liability or equity under the principles in IAS 32 and that all non-equity contingent consideration (financial and non-financial) is measured at fair value at each reporting date.
- **IFRS 3** – clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement
- **IFRS 8** – requires disclosure of the judgements made by management in aggregating operating segments and clarifies that a reconciliation of segment assets must only be disclosed if segment assets are reported.
- **IFRS 13** – confirms that short-term receivables and payables can continue to be measured at invoice amounts if the impact of discounting is immaterial.
- **IFRS 13** – clarifies that the portfolio exception in IFRS 13 (measuring the fair value of a group of financial assets and financial liabilities on a net basis) applies to all contracts within the scope of IAS 39 or IFRS 9
- **IAS 16 and IAS 38** – clarifies how the gross carrying amount and accumulated depreciation are treated where an entity measures its assets at revalued amounts
- **IAS 24** – where an entity receives management personnel services from a third party (a management entity), the fees paid for those services must be disclosed by the reporting entity, but not the compensation paid by the management entity to its employees or directors.
- **IAS 40** – clarifies that IAS 40 and IFRS 3 are not mutually exclusive when distinguishing between investment property and owner-occupied property and determining whether the acquisition of an investment property is a business combination.

Amendments to IAS 19,'Defined Benefit Plans: Employee Contributions'. Effective 1 July 2015. The amendments clarify the accounting for defined benefit plans that require employees or third parties to contribute towards the cost of the benefits. Under the previous version of IAS 19, most entities deducted the contributions from the cost of the benefits earned in the year the contributions were paid. However, the treatment under the 2011 revised standard was not so clear. It could be quite complex to apply, as it requires an estimation of the future contributions receivable and an allocation over future service periods. To provide relief, changes were made to IAS 19. These allow contributions that are linked to service, but that do not vary with the length of employee service (eg a fixed % of salary), to be deducted from the cost of benefits earned in the period that the service is provided. Therefore many entities will be able to (but not be required) continue accounting for employee contributions using their existing accounting policy.

The adoption of the improvements made in the 2012-2012 cycle has required additional disclosures in the segment note. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

(vi) New standards and interpretations early adopted

The company has elected to adopt the following two amendments early:

Annual Improvements to IFRSs 2012-2014 Cycle. The latest annual improvements, effective 1 July 2016, clarify:

- **IFRS 5** – when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.
- **IFRS 7** – specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for de recognition.
- **IFRS 7** – that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(vi) New and amended standards and interpretations early adopted (continued)

- **IAS 19** – that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.
- **IAS 34** – what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information.

Amendments to IAS 1, ' Presentation of Financial Statements': The amendments are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments, effective 1 July 2016, provide clarifications on a number of issues, including:

- **Materiality** – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- **Disaggregation and subtotals** – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- **Notes** – confirmation that the notes do not need to be presented in a particular order.
- **OCI arising from investments accounted for under the equity method** – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/accounting policies are not required for these amendments.As these amendments merely clarify the existing requirements, they do not affect the company's accounting policies or any of the disclosures.

(vii) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 July 2016, and have not been applied in preparing these financial statement. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit and loss.

The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(vii) New standards and interpretations not yet adopted (continued)

periods beginning on or after 1 January 2018. Early adoption is permitted. The company is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The company is assessing the impact of IFRS 15.

IFRS 11, 'Joint arrangements'. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. The amendment is effective for annual periods beginning on or after 1 January 2016.

IAS 16, 'Property,plant and equipment', and IAS 41, 'Agriculture',. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments are effective for annual periods beginning on or after 1 January 2016.

IAS 27, 'Separate financial statements'. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016.

IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures'. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments are effective for annual periods beginning on or after 1 July 2016.

IAS 1, 'Presentation of financial statements' These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. Effective for annual periods beginning on or after 1 July 2016.

Annual improvements 2014. These set of amendments, effective 1 January 2016, impacts 4 standards:

- IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
- IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.
- IAS 19, 'Employee benefits' regarding discount rates.
- IAS 34, 'Interim financial reporting' regarding disclosure of information

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

(b) Basis of consolidation

The consolidated financial statements include the results of the company and its subsidiaries. A subsidiary is an entity controlled by East African Breweries Limited.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

Control is the power to direct the relevant activities of the subsidiary that significantly affect the subsidiary's return so as to have rights to the variable return from its activities. Where the group has the ability to exercise joint control over an entity but has rights to specified assets and obligations for liabilities of that entity, the entity is consolidated on the basis of the group's rights over those assets and liabilities.

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

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.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

(e) Finance income and expenses (continued)

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 Non-controlling interest (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. 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 to its residual value over its estimated useful life as follows:

Buildings	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
Returnable packaging	10 – 15 years

Freehold land and capital work in progress 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.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

(g) Property, plant and equipment (continued)

Returnable packaging which comprise primarily bottles and cases are initially recognised as inventory and reclassified to property, plant and equipment when put to use. Management undertakes an annual verification exercise to confirm existence of these items. Differences between actual count and the Group records are written off to 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. Goodwill is tested for impairement annually and 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. 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 trade date. 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.

(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.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

(i) Financial instruments (Continued)

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, work in progress and raw materials 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) 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.

(iii) 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) Income tax expense

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,

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

the tax is also recognised in other comprehensive income or directly in equity respectively.

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.

A tax rate reconciliation that reconciles the notional taxation charge as calculated at the Kenya tax rate, to the actual total tax charge is prepared on a materiality basis. As a group operating in multiple countries, the actual tax rates applicable to profits in some of countries are different from the Kenya tax rate.

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) Operating segments

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

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

(p) Impairment (continued)

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.

(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) Other investments

Other investments are measured at cost.

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

Assessment of the recoverable value of an intangible asset, the useful economic life of an asset, or that an asset has an indefinite life,

NOTES (CONTINUED)

3. Critical accounting estimates and judgements (continued)

(a) Critical accounting estimates and judgements (continued)

requires management judgement. 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

(ii) 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.

(iii) 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. Directors also apply estimates in determining the existence of returnable packaging materials.

(iv) Non-controlling interest ("NCI")

Critical estimates are made by the Directors in determining control of a subsidiary for measurement of NCI. NCI are measured at their proportionate share of the acquired identifiable net assets at the acquisition date.

(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 whether assets, specifically returnable packaging, are impaired based on the annual fixed assets verification exercise.

4. Financial risk management objectives and policies

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.

Market 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. Management's policy to manage foreign exchange risk is to hold foreign currency bank accounts which act as a natural hedge for transactions in foreign currency.

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 2015.

NOTES (CONTINUED)

4. Financial risk management objectives and policies (continued)

Market risk (continued)
(i) **Foreign exchange risk (continued)**

Group As at 30 June		Profit or loss/equity 2016 KShs'000	 2015 KShs'000
AUD	Australian Dollar(AUD)	(263)	-
EUR	Euro (EUR)	(35,844)	32,088
GBP	Sterling pound (GBP)	596,417	58,824
RWF	Rwandan Franc (RWF)	-	-
SSP	South Sudanese pound (SSP)	(7)	(127,701)
TZS	Tanzania Shillings (TZS)	18,287	(12,979)
UGX	Uganda shillings (UGX)	79,770	(48,657)
USD	US Dollar (USD)	74,111	(129,063)
ZAR	South African Rand (ZAR)	(250)	-
		732,221	**(227,488)**

Company		Profit or loss/equity	
		2016	2015
As at 30 June		Kshs'000	Kshs'000
AUD	Australian Dollar (AUD)	(22)	-
EUR	EURO (EUR)	(3,477)	(59)
GBP	Pound Sterling (GBP)	46,137	297
SSP	South Sudanese Pound (SSP)	(3)	349
TZS	Tanzanian Shilling (TZS)	18,574	(29,874)
UGX	Ugandan Shilling (UGX)	75,624	90,541
USD	US Dollar (USD)	46,637	529
		183,470	**61,783**

(ii) Price risk

The Company does not hold any financial instruments subject to price risk.

NOTES (CONTINUED)

4. Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Interest risk

The Group's interest bearing financial assets and financial liabilities include bank loans, bank overdrafts and related party borrowings. These are at various 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 2016, an increase/decrease of 1 percentage point would have resulted in a decrease/increase in post-tax profit of Kshs 26,809,900 (2015: Kshs 40,822,000), mainly as a result of higher/lower interest charges on variable rate borrowings.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk is managed by the finance director, except for credit risk relating to accounts receivable balances. Credit risk arises from cash at bank and short term deposits with banks, as well as trade and other receivables. The Group does not have any significant concentrations of credit risk. For trade receivables, the credit controller assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Group does not grade the credit quality of receivables as such information is not readily available. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

The Group has adopted a distributorship model for a significant part of its sales. There are stringent onboarding measures for each distributor with credit checks conducted upfront. Credit limits are set on this basis, the Group further manages its exposure by limiting credit periods for most of its distributors to periods not exceeding 30 days.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings if available or historical information about counterparty default rates.

Trade receivables are held as security for the bank borrowings as part of overall disclosures. No other collateral is held in respect of the above assets . All receivables that are neither past due nor impaired are within their approved credit limits.

None of the above assets are either past due or impaired except for the following amounts in trade receivables. The trade receivables which were past due but not impaired relate to a number of independent customers for whom there is no history of default. The ageing analysis of these trade receivables is as follows:

NOTES (CONTINUED)

4. Financial risk management objectives and policies (continued)

Credit Risk (continued)

Group	2016	2015
	Kshs'000	Kshs'000
Not due,	7,855,747	5,261,789
Past due but not impaired:		
-by up to 30 days	1,488,401	1,486,296
-by 31 to 120 days	1,253,331	518,075
-over 121 days	619,008	559,414
Trade and other receivables	**11,216,487**	**7,825,574**
Receivables individually determined to be impaired		
Carrying amount before provision for impairment loss	784,055	742,075
Provision for impairment loss	(784,055)	(742,075)
Net carrying amount	11,216,487	7,825,574

Company

	2016	2015
	Kshs'000	Kshs'000
Not due	6,805,013	7,785,567
Past due but not impaired:		
-by upto 30 days	30,892	55,656
-by 31 to 120 days	91,465	62,560
-over 121 days	1,726,406	1,208,857
Trade and other receivables	**8,653,776**	**9,112,640**
Receivables individually determined to be impaired:	-	
Carrying amount before provision for impairment loss	-	-
Provision for impairment loss	-	-
Net carrying amount	**8,653,776**	**9,112,640**

NOTES (CONTINUED)

4. Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management performs cash flow forecasting and monitor rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 34) at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Company's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

Group

	Current	Less than 1 year	1 - 2 years	2 - 5 years	Over 5 years	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 30 June 2016:						
- borrowings	-	143,847	143,847	10,435,827	11,469,236	22,192,757
- bank overdrafts	-	5,432,836	-	-	-	5,432,836
- trade and other payables	570,437	12,193,737	-	-	9,576,011	22,340,185
- dividend payable	873,588	-	-	-	-	873,588
- Finance lease	-	72,918	-	-	132,753	205,671
	1,444,025	**17,843,338**	**143,847**	**10,435,827**	**21,178,000**	**51,045,037**

Company

	Current	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 30 June 2016:						
- borrowings	-	136,683	-	9,500,000	11,469,236	21,105,919
- bank overdrafts	-	5,087,149	-	-	-	5,087,149
- trade and other payables	1,339,822	14,247,247	-	-	460	15,587,529
- dividend payable	873,588	-	-	-	-	873,588
	2,213,410	**19,471,079**	**-**	**9,500,000**	**11,469,696**	**42,654,185**

NOTES (CONTINUED)

4. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Group

	Current	Less than 1 year	1 - 2 years	2 - 5 years	Over 5 years	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 30 June 2015:						
- borrowings	-	4,695,654	878,084	5,000,000	19,469,236	30,042,974
- bank overdrafts	37,561	159,179	-	4,200,291	-	4,397,031
- trade and other payables	-	9,770,000	-	-	4,372,201	14,142,201
- dividend payable	614,868	-	-	-	-	614,868
- Finance lease	-	74,991	-	-	210,128	285,119
	652,429	**14,699,824**	**878,084**	**9,200,291**	**24,051,565**	**49,482,193**

Company

	Current	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 30 June 2015:						
- borrowings	-	3,715,761	-	5,000,000	19,469,236	28,184,997
- bank overdrafts	-	-	-	3,525,176	-	3,525,176
- trade and other payables	-	6,045,554	-	-	-	6,045,554
- dividend payable	614,868	-	-	-	-	614,868
	614,868	**9,761,315**	**-**	**8,525,176**	**19,469,236**	**38,370,595**

Capital risk 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.

NOTES (CONTINUED)

4. Financial risk management objectives and policies (continued)

Capital risk management (continued)

Group	2016	2015
	Kshs'000	Kshs'000
Total borrowings (Note 34(a))	26,648,750	33,764,890
Less: cash and cash equivalents (Note 33(c))	1,221,066	3,005,133
Net debt	25,427,684	30,749,757
Total equity	10,867,247	13,353,183
Total capital	36,294,931	44,102,940
Gearing ratio	**70.06%**	**69.72%**

Company	2016	2015
	Kshs'000	Kshs'000
Total borrowings (Note 34 (b))	26,024,235	31,710,173
Less: cash and cash equivalents (Note 33 (c))	35,437	600,381
Net debt	25,988,798	31,109,792
Total equity	16,047,510	15,794,601
Total capital	**42,036,308**	**46,904,393**
Gearing ratio	**61.82%**	**66.33%**

Fair value

The different levels have been defined as follows:

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

NOTES (CONTINUED)

4. Financial risk management objectives and policies (continued)

Fair value (continued)

The following table presents the Group and company's financial assets and liabilities that are measured at fair value At 30 June 2016.

Group & Company

Assets	Level 1	Level 2	Level 3	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Financial assets at fair value through profit or loss				
- Other investments	-	-	10,000	10,000
Total assets	**-**	**-**	**10,000**	**10,000**

The following table presents the company's financial assets and liabilities that are measured at fair value at 30 June 2015

Group & Company

Assets	Level 1	Level 2	Level 3	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Financial assets at fair value through profit or loss				
- Other investments	-	-	10,000	10,000
Total assets	**-**	**-**	**10,000**	**10,000**

There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily NSE equity investments classified as trading securities or available for sale.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. In the current year assets are carried at cost as there is no suitable basis for its valuation.

5. Segmental reporting

Directors have determined the operating segments based on the reports reviewed by the Group executive committee that are used to make strategic decisions. The Group executive committee includes the Group Managing Director and the Group Finance Director.

The committee considers the business from a geographical perspective. Geographically, management considers the performance of the business in Kenya, Uganda and Tanzania. Exports to Rwanda, Burundi and the great lakes region are recognised in the country of origin.

The reportable operating segments derive their revenue primarily from brewing, marketing and selling of drinks, malt and barley. The executive committee assesses the performance of the operating segments based on a measure of net sales value.

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

	Kenya		Uganda		Tanzania		South Sudan		Eliminations		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	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	46,288,650	43,201,162	11,024,933	11,485,612	7,139,765	6,903,679	61,914	2,830,005	(193,042)	-	64,322,219	64,420,458
Inter segment sales	18,048,527	9,671,158	190,018	105,150	27,378	-	-	-	(18,265,924)	(9,776,308)	-	-
Total sales	**64,337,177**	**52,872,320**	**11,214,951**	**11,590,762**	**7,167,143**	**6,903,679**	**61,914**	**2,830,005**	**(18,458,966)**	**(9,776,308)**	**64,322,219**	**64,420,458**

NOTES (CONTINUED)

5. Segmental reporting (continued)

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

	Kenya		Uganda		Tanzania		South Sudan		Eliminations		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	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 non-current assets	68,082,991	57,521,610	5,019,490	5,106,919	8,744,110	10,097,980	2,728	47,150	(41,659,396)	(32,655,758)	40,189,924	40,117,901
Total segment assets	88,132,406	98,607,647	9,481,521	7,297,683	10,962,968	12,247,263	221,442	1,474,748	(47,052,133)	(54,471,383)	61,746,205	65,155,958
Segment liabilities	47,057,113	58,522,078	7,742,047	5,589,331	12,098,092	11,928,278	1,195,580	1,057,204	(17,213,873)	(25,294,115)	50,878,959	51,802,776
Capital expenditure	3,430,905	3,827,553	1,108,125	612,057	519,808	485,063	-	19,613	(41,301)	-	5,017,537	4,944,286
Depreciation expense and amortisation	2,357,731	2,264,864	426,747	549,998	688,652	785,724	1,317	675	(24,828)	-	3,449,620	3,601,261

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 geographical location of both customers and assets. 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 state.

NOTES (CONTINUED)

6 Revenue

		2016	2015
		Kshs '000	Kshs '000
(a)	**Group**		
	Gross sales	115,886,485	100,956,069
	Indirect taxes	(51,564,265)	(36,535,611)
		64,322,220	**64,420,458**

		2016	2015
(b)	**Company**		
		Kshs '000	Kshs '000
	Net sales	454,245	13,191
	Management fees	2,106,747	3,008,935
	Royalties	631,133	754,171
		3,192,125	**3,776,297**

7 Cost of sales

		2016	2015
		Kshs '000	Kshs '000
(a)	**Group**		
	Raw materials and consumables	18,521,804	18,049,200
	Distribution and warehousing	1,382,894	2,490,520
	Maintenance and other costs	5,229,267	4,986,041
	Staff costs (including travel)	3,816,523	3,443,365
	Depreciation	3,159,895	3,419,915
		32,110,383	**32,389,041**
(b)	**Company**		
	Raw materials and consumables	265,047	7,820
	Maintenance and other costs	1,903	-
		266,950	**7,820**

8 Selling and distribution costs

	2016	2015
	Kshs '000	Kshs '000
Group		
Selling and distribution costs	**6,058,859**	**6,038,162**

NOTES (CONTINUED)

9	Administrative expenses	2016	2015
		Kshs '000	Kshs '000
(a)	**Group**		
	Staff costs	6,094,985	5,149,531
	Office supplies and other costs	2,129,973	2,058,597
	Travelling and entertainment	382,654	433,105
	Depreciation on property, plant and equipment	289,725	230,144
	Restructuring costs	108,921	-
		9,006,258	**7,871,377**
(b)	**Company**		
	Staff costs	2,189,383	1,844,687
	Travelling and entertainment	150,503	124,684
	Office supplies and other costs	57,457	62,314
	Depreciation on property, plant and equipment	97,865	93,187
		2,495,208	**2,124,872**

10	Other income/ (expenses)	2016	2015
		Kshs '000	Kshs '000
(a)	**Group**		
	Other income		
	Gain disposal of property (Note 33(a))	1,077,587	1,782,734
	Sundry other income	615,171	23,800
		1,692,758	**1,806,534**
	Other expenses		
	Sundry expenses	1,197,768	596,204
	Impairment losses on trade receivables	113,636	23,714
	Impairment of inventories	292,606	88,818
	Write-off of returnable packaging	(84,443)	82,507
	Transactional foreign exchange losses	435,730	911,545
		1,955,297	**1,702,788**
		(262,539)	**103,746**

NOTES (CONTINUED)

10 Other income / (expenses)

		2016	2015
		Kshs '000	Kshs '000
(b)	**Company**		
	Other income		
	Profit on disposal of property, plant and equipment	1,077,587	1,782,734
	Net transactional foreign exchange gains	331,387	-
	Sundry other income /other expenses	-	-
	Gain on disposal of business	2,249,428	-
		3,658,402	**1,782,734**
	Other expenses		
	Net transactional foreign exchange losses	211,813	13,576
	Other expenses	471,509	107,406
	Withholding tax irrecoverable	249,132	535,993
		932,454	**656,975**
		2,725,948	**1,125,759**

11 Profit before income tax

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

		2016	2015
		Kshs '000	Kshs '000
(a)	**Group**		
	Employee benefits expense (Note 12 (a))	9,911,508	8,592,896
	Depreciation on property, plant and equipment (Note 22 (a))	3,375,151	3,546,805
	Amortisation of intangible assets - software (Note 23(a))	74,693	54,090
	Amortisation of prepaid operating lease (Note 25 (a))	295	306
	Auditor's remuneration	33,487	36,008

		2016	2015
		Kshs '000	Kshs '000
(b)	**Company**		
	Employee benefits expense (Note 12 (b))	2,189,383	1,844,687
	Depreciation on property, plant and equipment (Note 22 (b))	54,222	72,957
	Amortisation of intangible assets - software (Note 23(b))	43,635	20,127
	Amortisation of prepaid operating lease (Note 25 (b))	69	70
	Auditor's remuneration	8,550	1,460

NOTES (CONTINUED)

12 Employee benefits expense

The following items are included within employee benefits expense:

(a) Group	2016 Kshs '000	2015 Kshs '000
Salaries and wages	7,022,735	5,663,227
Defined contribution scheme	346,040	296,036
National Social Security Funds	119,347	109,914
Other staff costs	2,423,386	2,523,719
	9,911,508	**8,592,896**

(b) Company	2016 Kshs '000	2015 Kshs '000
Salaries and wages	1,701,474	1,450,580
Defined contribution scheme	57,271	48,674
National Social Security Fund	17,898	6,351
Other staff costs	412,740	339,082
	2,189,383	**1,844,687**

13 Finance income/(expenses)

(a) Group	2016 Kshs '000	2015 Kshs '000
Finance income		
Interest income	280,738	-
	280,738	**-**
Finance costs		
Interest expense	(3,535,343)	(4,074,380)
Other finance costs	(10,636)	-
	(3,545,979)	**(4,074,380)**
Net finance costs	**(3,265,241)**	**(4,074,380)**

(b) Company	2016 Kshs '000	2015 Kshs '000
Finance income		
Interest income	1,862,705	1,172,878
	1,862,705	**1,172,878**
Finance costs		
Interest expense	(4,778,835)	(4,413,206)
Other finance costs	-	(34,312)
	(4,778,835)	**(4,447,518)**
Net finance costs	**(2,916,130)**	**(3,274,640)**

NOTES (CONTINUED)

14 Income tax expense

(a) Group

	2016 Kshs '000	2015 Kshs '000
Income tax expense		
Current income tax		
- Current year charge	5,632,306	4,624,457
- Under/ (over) provision in prior years	1,000,584	(4,979)
Current income tax charge	**6,632,890**	**4,619,478**
Deferred income tax (Note 21)		
- Current year credit	(1,056,014)	(263,427)
- Under provision in prior years	20,679	259,976
Deferred tax credit	**(1,035,335)**	**(3,451)**
Total income tax expense	**5,597,555**	**4,616,027**

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

	Kshs '000	Kshs '000
Profit before income tax	13,618,940	14,151,244
Tax calculated at the statutory income tax rate of 30% (2015 - 30%)	4,085,682	4,245,373
Tax effects of:		
Expenses not deductible for tax purposes	765,305	779,145
Income not subject to tax	(274,695)	(651,212)
Under/(over) provision of current income tax in prior year	1,000,584	(4,979)
Under provision of deferred income tax in prior year	20,679	259,976
Tax effect of reclassification to asset held for sale (Note 16(a))	-	(12,277)
Income tax expense	**5,597,555**	**4,616,026**

NOTES (CONTINUED)

14. Income tax expense (continued)

(b) Company

Income tax expense/(credit)	2016 Kshs '000	2015 Kshs '000
Current income tax:		
Current year charge	251,818	-
Under provision in prior years	644,852	6,280
Current income tax charge/(credit)	896,670	6,280
Deferred income tax:		
Current year credit	(705,300)	(158,416)
Under provision in prior years	14,409	47,658
Deferred tax credit (Note 21 (b))	(690,891)	(110,758)
Total tax expense/(credit)	**205,779**	**(104,478)**

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:

	2016 Kshs '000	2015 Kshs '000
Profit before income tax	10,343,368	7,858,224
Tax calculated at the statutory income tax rate of 30%	3,103,010	2,357,467
Tax effects of:		
Non-taxable income	(4,043,493)	(3,043,235)
Expenses not deductible for tax purposes	487,001	527,352
Under provision of deferred income tax in prior year	14,409	47,658
Under provision of current income tax in prior year	644,852	6,280
Income tax expense/(credit)	**205,779**	**(104,478)**

15. Dividends

A final dividend in respect of the year ended 30 June2016 of Kshs 5.50 per share (2015: Kshs 6.00 per share) amounting to a total of Kshs 4,349,259,000 (2015: Kshs 4,744,646,000) has been proposed. During the year an interim dividend of Kshs 1.50 per share amounting to a total of Kshs 1,186,162,000 was paid. A special dividend amounting to Kshs 4.50 per share, amounting to a total of Kshs 3,558,484,602 was paid on 23 June 2016. The total dividend for the year is therefore Kshs 12.00 per share (2015: Kshs 7.50) amounting to a total of Kshs 9,489,293,000 (2015: Kshs 5,930,808,000).

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	2016 Kshs '000	2015 Kshs '000
At 1 July	614,869	800,180
Dividend declared during the year	9,884,679	4,349,259
Dividends paid	(9,625,960)	(4,534,570)
At 30 June	**873,588**	**614,869**

NOTES (CONTINUED)

16. Discontinued operation

In September 2015, the Group sold its shares in Central Glass Industries Limited ("CGI"); the glass and containers producing subsidiary of the Group, to Consol Glass Proprietary Limited following a strategic review of the business for a cash consideration of Kshs 3.5 billion. The pre-tax profit on disposal of the subsidiary is Kshs 2.4 billion.

CGI was classified as held-for-sale at 30 June 2015. Accordingly, CGI's results are presented in this financial information as a discontinued operation.

The financial information relating to CGI for the period to the date of disposal is set out below. The consolidated income statement and statement of cash flow distinguish discontinued operations from continuing operations.

(a) Income statement

	2016	2015
	Kshs '000	Kshs '000
Revenue	193,042	343,365
Expenses	(192,169)	(290,900)
Result from operating activities	**873**	**52,465**
Income tax	(248)	(12,777)
Post-tax profit from discontinued operations	**625**	**39,688**
Pre-tax gain on disposal of the subsidiary	2,369,789	-
Income tax expense	(120,986)	-
Post-tax gain on disposal of the subsidiary	**2,248,803**	**-**
Profit from discontinued operations	**2,249,428**	**39,688**
Basic earnings per share	2.84	0.05
Diluted earnings per share	2.84	0.05

(b) Assets and liabilities

	2016	2015
	Kshs'000	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**

NOTES (CONTINUED)

17. Earnings per share

Basic earnings per share

The calculation of basic earnings per share is was based on profit attributable to ordinary shareholders of Kshs 9,650,707,000 (2015: Kshs 8,952,353,000) and a weighted average number of ordinary shares outstanding during the year of 790,774,356 (2015 – 790,774,356).

	Continuing operations	Discontinued operations	2016 Total	Continuing operations	Discontinued operations	2015 Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Profit attributable to ordinary shareholders	7,401,279	2,249,428	9,650,707	8,912,664	39,688	8,952,352
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
Basic earnings per share (Kshs per share)	9.36	2.84	12.20	11.27	0.05	11.32

Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to ordinary shareholders of Kshs 9,650,707,000 (2015: Kshs 8,952,353,000) and a weighted average number of ordinary shares outstanding during the year of 790,774,356 (2015 – 790,774,356).

	Continuing operations	Discontinued operations	2016 Total	Continuing operations	Discontinued operations	2015 Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Profit attributable to ordinary shareholders (Kshs)	7,401,279	2,249,428	9,650,707	8,912,664	39,688	8,952,352
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
Diluted earnings per share (Kshs per share)	9.36	2.84	12.20	11.27	0.05	11.32

NOTES (CONTINUED)

18. Share capital

	Number of shares	Ordinary shares	Share premium
		Kshs'000	Kshs'000
Issued and fully paid			
Balance as at 1 July 2014, 30 June 2015 and 30 June 2016	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.

19. Non-controlling interest

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

At 30 June 2016	UDV (Kenya) Limited	Serengeti Breweries Limited	Other Subsidiaries	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Non-controlling interest percentage	53.68%	49%	1% - 1.8%	
Non-current assets	1,245,701	8,742,003	5,012,040	
Currents assets	5,547,314	2,218,858	4,677,385	
Non-current liabilities	70,717	(11,371,058)	(1,647,246)	
Current liabilities	(3,374,715)	(4,301,148)	(5,000,381)	
Net assets/(liabilities)	**3,489,017**	**(4,711,345)**	**3,041,798**	
Carrying amount of non-controlling interest	**1,872,904**	**(2,308,559)**	**19,486**	**(416,169)**
Revenue	12,768,274	7,167,143	11,255,021	
Profit/(loss)	2,497,519	(1,462,458)	(728,948)	
Total comprehensive income	**2,497,519**	**(1,462,458)**	**(728,948)**	
Share of non-controlling interest	**1,340,668**	**(716,604)**	**(3,958)**	**620,106**
Cash generated from operating activities	2,161,067	(845,883)	(1,697,270)	
Cash used in investment activities	(765,442)	(508,669)	(908,230)	
Cash generated from financing activities	(1,276,391)	1,786,694	165,063	
Net increase/(decrease) in cash and cash equivalents	**119,234**	**432,142**	**(2,440,437)**	

NOTES (CONTINUED)

19. Non-controlling interest (continued)

At 30 June 2015	UDV (Kenya) Limited	Serengeti Breweries Limited	Other Subsidiaries	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Non-controlling interest percentage	**53.68%**	**49%**	**1% - 1.8%**	
Non-current assets	741,096	9,834,078	4,643,698	
Currents 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)	2,506,340	(1,564,463)	1,155,139	
Total comprehensive income	**2,506,340**	**(1,025,019)**	**15,575,906**	**-**
Share of non-controlling interest	**1,103,843**	**(502,259)**	**20,969**	**622,553**
Cash generated/(used in) from				
operating activities	1,592,877	(918,612)	624,375	
Cash used in investment activities	(174,665)	(502,033)	(30,385)	
Cash generated from/(used in)				
financing activities	(1,507,277)	1,462,267	-	
Net (decrease)/increse in cash and cash equivalents	**(89,065)**	**41,622**	**593,990**	**-**

20. Finance lease liabilities

In the financial year ended 30 June 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%.

NOTES (CONTINUED)

20. Finance lease liabilities (continued)

	Future minimum lease payments	Present Value of minimum lease payments	Future minimum lease payments	Present Value of minimum lease payments
	2016	2016	2015	2015
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Finance lease liabilities				
Less than one year	98,060	72,918	-	-
Between one and five years	82,685	59,835	311,018	205,653
	180,745	132,753	311,018	205,653
Less future finance charges	(47,992)	-	(105,365)	-
Present value of lease obligations	**132,753**	**132,753**	**205,653**	**205,653**

21. Deferred income tax

Deferred income tax is calculated using the enacted domestic tax rate of 30% (2015 – 30%). The movement on the deferred income tax account is as follows:

(a) Group	2016 Kshs'000	2015 Kshs'000
At start of year	2,650,215	2,801,930
Charge to profit or loss	(1,056,014)	(263,427)
Under provision in prior year	20,679	259,976
Effect of change in exchange rates	(311,690)	(85,508)
Transfer to asset held for sale	-	(62,756)
At end of year	**1,303,190**	**2,650,215**

(b) Company	2016 Kshs'000	2015 Kshs'000
At start of year	(961,741)	(850,983)
Charge to profit or loss	(705,300)	(158,416)
Under provision in prior year	14,409	47,658
Total deferred tax movement	(690,891)	(110,758)
At end of year	**(1,652,632)**	**(961,741)**

NOTES (CONTINUED)

21. Deferred income tax (continued)

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

(a) Group

	At 1 July 2015	Charged/ (credited) to OCI	Charged/ (credited) to income statement	Effects of exchange rate changes	At 30 June 2016
Year ended 30 June 2016:	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
Deferred tax liabilities					
Property, plant and equipment	5,509,594	-	(279,794)	-	5,229,800
Intangible assets	168,901	-	(168,901)	-	-
Unrealised exchange gain	(65,603)	-	465,665	(86,820)	313,242
Deferred tax liabilities	**5,612,892**	**-**	**16,970**	**(86,820)**	**5,543,042**
Deferred tax assets					
Unrealised exchange losses	(186,002)	(426,619)	(644,056)	(31,796)	(1,288,473)
Other temporary differences	(230,920)	-	61,202	(72,545)	(242,263)
Tax losses carried forward	(2,545,755)	-	(42,832)	(120,529)	(2,709,116)
Deferred tax assets	**(2,962,677)**	**(426,619)**	**(625,686)**	**(224,870)**	**(4,239,852)**
Net deferred income tax	**2,650,215**	**(426,619)**	**(608,716)**	**(311,690)**	**1,303,190**

	At 1 July 2014	Charged/ (credited) to OCI	Charged/ (credited) to income statement	Effects of exchange rate changes	Transfer to assets held for sale	At 30 June 2015
Year ended 30 June 2015:	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
Deferred tax liabilities						
Property, plant and equipment	5,573,753	-	564,105	(229,188)	(399,076)	5,509,594
Intangible assets	168,901	-	-	-	-	168,901
Unrealised exchange gains	53,848	-	(124,807)	5,356	-	(65,603)
Deferred tax liabilities	**5,796,502**	**-**	**439,298**	**(223,832)**	**(399,076)**	**5,612,892**
Deferred tax assets						
Unrealised exchange losses	-	-	(200,869)	12,428	2,439	(186,002)
Other temporary differences	(184,389)	-	(67,990)	7,876	13,583	(230,920)
Tax losses carried forward	(2,810,183)	-	(173,890)	118,020	320,298	(2,545,755)
Deferred tax assets	**(2,994,572)**	**-**	**(442,749)**	**138,324**	**336,320**	**(2,962,677)**
Net deferred tax liabilities	**2,801,930**	**-**	**(3,451)**	**(85,508)**	**(62,756)**	**2,650,215**

NOTES (CONTINUED)

21. Deferred income tax (continued)

(b) Company

Year ended 30 June 2016:	At 1 July 2015 Kshs'000	Prior year over/ provision Kshs'000	Charged/ (credited) to income statement Kshs'000	At 30 June 2016 Kshs'000
Deferred income tax liabilities				
Property, plant and equipment	12,706	-	(6,526)	6,180
Unrealised exchange gains	54,879	-	-	54,879
	67,585	-	(6,526)	61,059
Deferred income tax assets				
Unrealised exchange losses	(29,693)	-	(92,183)	(121,876)
Other temporary differences	(74,371)	-	(72,868)	(147,239)
Tax losses carried forward	(925,262)	14,409	(533,722)	(1,444,575)
	(1,029,326)	14,409	(698,773)	(1,713,690)
Net deferred income tax	**(961,741)**	**14,409**	**(705,299)**	**(1,652,631)**

Year ended 30 June 2015:	At 1 July 2014 Kshs'000	Prior year over/ (under) provision Kshs'000	Charged/ (credited) to income statement Kshs'000	At 30 June 2015 Kshs'000
Deferred income tax liabilities				
Property, plant and equipment	22,798	-	(10,092)	12,706
Unrealised exchange gains	-	-	54,879	54,879
	22,798	-	44,787	67,585
Deferred income tax assets				
Unrealised exchange losses	(29,693)	-	-	(29,693)
Other temporary differences	(39,645)	-	(34,726)	(74,371)
Tax losses carried forward	(804,443)	47,658	(168,477)	(925,262)
	(873,781)	47,658	(203,203)	(1,029,326)
Net deferred income tax assets	**(850,983)**	**47,658**	**(158,416)**	**(961,741)**

NOTES (CONTINUED)

22. Property, plant and equipment

(a) Group

Year ended 30 June 2016	Freehold property Kshs '000	Leasehold buildings Kshs '000	Plant & equipment Kshs '000	Motor vehicles Kshs '000	Returnable packaging Kshs '000	Capital work in progress Kshs '000	Total Kshs '000
Cost							
At 1 July 2015	4,234,932	3,126,689	35,497,936	122,308	11,927,128	1,461,081	56,370,074
Additions	-	2,927	277,895	-	1,402,577	3,186,702	4,870,101
Disposals	(198,318)	-	(310,577)	-	(847,035)	(158,081)	(1,514,011)
Reclassifications	1,285	-	(1,350,456)	-	1,572,353	(223,182)	-
Transfers from work in progress	220,202	-	630,543	-	392,837	(1,243,582)	-
Assets written off	-	-	-	-	(300,719)	-	(300,719)
Effect of exchange rate changes	136,746	222,593	1,281,050	36,614	31,584	-	1,708,587
At 30 June 2016	**4,394,847**	**3,352,209**	**36,026,391**	**158,922**	**14,178,725**	**3,022,938**	**61,134,032**
Depreciation and impairment							
At 1 July 2015	977,031	770,202	13,181,953	61,558	5,798,953	-	20,789,697
Disposals	(7,928)	-	(259,889)	-	(773,107)	-	(1,040,924)
Reclassifications	7,320	-	(324,783)	-	317,463	-	-
Assets written off	-	-	-	-	(216,275)	-	(216,275)
Charge for the year	101,529	52,106	1,536,037	1,161	1,684,318	-	3,375,151
Effect of exchange rate changes	34,209	45,807	2,097,641	75,573	366,345	-	2,619,575
At 30 June 2016	**1,112,161**	**868,115**	**16,230,959**	**138,292**	**7,177,697**	**-**	**25,527,224**
Carrying amount as at 30 June 2016	**3,282,686**	**2,484,094**	**19,795,432**	**20,630**	**7,001,028**	**3,022,938**	**35,606,808**

NOTES (CONTINUED)

22. Property, plant and equipment (continued)

(a) Group(continued)

Year ended 30 June 2015	Freehold property Kshs '000	Leasehold buildings Kshs '000	Plant &equipment Kshs '000	Motor vehicles Kshs '000	Returnable packaging Kshs '000	Capital Work in progress Kshs '000	Total 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
Disposals	(7,365)	(5,535)	(759,204)	(878)	(30,747)	(70,777)	(874,506)
Reclassification to assets held for sale	(719)	(200,628)	(2,350,147)	(8,460)	-	(103,752)	(2,663,706)
Transfers from work in progress	296,854	110,187	1,645,700	-	230	(2,052,971)	-
Assets written off	-	-	-	-	(279,339)	-	(279,339)
Effect of exchange rate changes	(10,454)	(177,639)	(1,094,299)	2,935	(304,689)	(1,078,715)	(2,662,861)
As at 30th June 2015	**4,234,932**	**3,126,689**	**35,497,936**	**122,308**	**11,927,128**	**1,461,081**	**56,370,074**
Depreciation and impairment							
At 1 July 2014	831,463	704,623	13,633,123	59,797	5,422,410	-	20,651,416
Disposals	(3,806)	(3,806)	(717,201)	(641)	(23,914)	-	(749,368)
Reclassification to assets held for sale	-	(21,284)	(939,383)	(6,699)	-	-	(967,366)
Assets written off	-	-	-	-	(196,832)	-	(196,832)
Charge for the year	154,574	118,319	1,570,172	178	1,703,562	-	3,546,805
Effect of exchange rate changes	(5,200)	(27,650)	(364,759)	8,923	(1,106,272)	-	(1,494,958)
At 30th June 2015	**977,031**	**770,202**	**13,181,952**	**61,558**	**5,798,954**	**-**	**20,789,697**
Carrying amount as at 30th June 2015	**3,257,901**	**2,356,487**	**22,315,984**	**60,750**	**6,128,174**	**1,461,081**	**35,580,377**

NOTES (CONTINUED)

22. Property, plant and equipment (continued)

(b) Company

Company	Freehold property	Leasehold buildings	Plant & equipment	Capital Work in progress	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Cost					
1 July 2015	162,305	41,420	333,729	280,839	818,293
Additions	-	-	-	262,144	262,144
Disposals	(198,318)	-	(68,957)	(147,435)	(414,710)
Transfers from work in progress	6,250	-	111,484	(117,734)	-
Reclassifications	-	-	45,340	(45,340)	-
Transfers to intercompany	331,609	70	45,093	-	376,772
At 30th June 2016	**301,846**	**41,490**	**466,689**	**232,474**	**1,042,499**
Depreciation and impairment					
At 1 July 2015	-	18,950	176,152	-	195,102
Additions	-	-	-	-	-
Disposals	(7,928)	-	(29,369)	-	(37,297)
Transfers to intercompany	146,718	-	22,027	-	168,745
Charge for the year	-	1,903	52,319	-	54,222
At 30th June 2016	**138,790**	**20,853**	**221,129**	**-**	**380,772**
Carrying amount as at 30th June 2016	**163,056**	**20,637**	**245,560**	**232,474**	**661,727**

NOTES (CONTINUED)

22. **Property, plant and equipment (continued)**
(b) **Company(continued)**

Year ended 30 June 2015	Freehold property Kshs '000	Leasehold buildings Kshs '000	Plant & equipment Kshs '000	Capital work in progress Kshs '000	Total Kshs '000
Cost					
1 July 2014	147,324	41,420	223,818	153,056	565,618
Additions	24,414	-	17,629	283,960	326,003
Disposals	(11,458)	-	(2,982)	(58,888)	(73,328)
Transfers from work in progress	2,025	-	95,264	(97,289)	-
At 30th June 2015	**162,305**	**41,420**	**333,729**	**280,839**	**818,293**
Depreciation and impairment					
At 1 July 2014	-	16,314	106,696		123,010
Disposals	-	-	(865)		(865)
Charge for the year	-	2,636	70,321		72,957
At 30 June 2015	**-**	**18,950**	**176,152**	**-**	**195,102**
Carrying amount as at 30 June 2015	**162,305**	**22,470**	**157,577**	**280,839**	**623,191**

During the financial year 2016, the company disposed off some property in line with EABL's strategic initiative that had been identified a few years ago. This strategy seeks to release capital invested in non-core assets to support necessary investment in core or production assets.

23. **Intangible assets - software**

(a) **Group**	2016 Kshs'000	2015 Kshs'000
Cost		
At 1 July	1,536,940	1,543,240
Additions	147,435	-
Effect of exchange rate changes	(34,134)	(6,300)
Carrying amount as at 30 June	**1,650,241**	**1,536,940**
Amortisation		
At 1 July	1,160,149	1,108,801
Amortisation during the year	74,693	54,090
Effect of exchange rate changes	(7,212)	(2,741)
Carrying amount as at 30 June	**1,227,630**	**1,160,150**
Net book value	**422,611**	**376,790**

NOTES (CONTINUED)

23. Intangible assets - software (continued)

(b) Company

	2016	2015
	Kshs'000	Kshs'000
Cost		
At 1 July	1,265,040	1,265,040
Additions	147,435	
Carrying amount as at 30 June 2016	**1,412,475**	**1,265,040**
Amortisation		
At 1 July	(1,096,212)	(1,076,085)
Charge for the year	(43,635)	(20,127)
Carrying amount as at 30 June	**(1,139,847)**	**(1,096,212)**
Net book value	**272,628**	**168,828**

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

24. Intangible assets - goodwill and brand

(a) Goodwill

	At 1 June	Cumulative impairment	Carrying amount as 30 June
Year ended 30 June 2016	Kshs'000	Kshs'000	Kshs'000
Serengeti Breweries Limited (SBL)	2,928,527	-	2,928,527
UDV (Kenya) Limited (UDV)	415,496	-	415,496
International Distillers (Uganda) Limited (IDU)	233,168	-	233,168
Total	**3,577,191**	**-**	**3,577,191**
Year ended 30 June 2015			
Serengeti Breweries Limited (SBL)	2,928,527	-	2,928,527
UDV (Kenya) Limited (UDV)	415,496	-	415,496
International Distillers (Uganda) Limited (IDU)	233,168	-	233,168
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 at the acquisition date.

(b) Brand

This represents the valuation of the "Premium Serengeti Lager" brand at the acquisition of Serengeti Breweries Limited of Kshs 563 million (2015: Kshs 563 million).

Impairment testing for cash-generating units containing goodwill and brand

For the purpose of impairment testing, goodwill and brand 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.

NOTES (CONTINUED)

24. Intangible assets - goodwill and brand (continued)
(b) Brand (Continued)

The recoverable amount of an operating division is determined based on a detailed 5-year model that has been extrapolated in perpetuity by applying the long term growth rate of the country. Profit has been amended with charges representing profit of the group's supply activity and working capital requirements. The net contributions have been discounted using the country-specific pre-tax weighted average cost of capital (WACC). These calculations use cash flow projections based on financial projections approved by management covering a 5-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates. The growth rates do not exceed the long-term average growth rates for the respective countries in which the operating segments operate.

Key assumptions used for fair value calculations:

	Tanzania	Kenya	Uganda
EBITDA margin[1]	10%	15%	10%
Terminal growth rate[2]	7%	7%	7%
WACC rate[3]	16.6%	16.0%	18.6%

1. Forecast EBITDA margin
2. Weighted average growth rate used to extrapolate cash flows beyond the projected period.
3. Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each cash generating unit within the business segment. Management determined forecast EBITDA margin based on past performance and its expectations for market developments. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant cash generating unit.

A sensitivity analysis was performed on the model and if growth rates remained unchanged, the WACC rate increased by 1% and the terminal growth rate reduced by 1%, this would have resulted in an impairement of Kshs 42 million.

25. Prepaid operating lease rentals

Leases of land have been classified as operating leases.

(a) Group

	2016	2015
	Kshs'000	Kshs'000
Cost		
At 1 July	16,636	16,846
Reclassification to assets held for sale	-	(43)
Effect of exchange rate changes	62	(167)
Carrying amount as at 30 June	16,698	16,636
Amortisation and impairment		
At 1 July	6,098	5,889
Charge for the year	295	306
Impairement	-	(20)
Effect of exchange rate changes	(4)	(77)
Carrying amount as at 30 June	6,389	6,098
Net book value	10,309	10,538

NOTES (CONTINUED)

25. Prepaid operating lease rentals (continued)

(b) Company

	2016	2015
	Kshs'000	Kshs'000
Cost:		
At 1 July and 30 June	**2,250**	**2,250**
Amortisation:		
At 1 July	986	915
Charge for the year	69	70
Carrying amount as at 30 June	**1,055**	**985**
Net book value	**1,195**	**1,265**

26. Investments in Subsidiaries

	Country of incorporation	Effective ownership interest	30-Jun-16 Kshs'000	Book value 30-Jun-15 Kshs'000
Kenya Breweries Limited	Kenya	100%	22,377,809	22,377,809
East African Breweries (Mauritius) Limited	Mauritius	100%	-	-
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%	299	299
Salopia Limited	Kenya	100%	200	200
Allsopps (EA) Sales Limited	Kenya	100%	3	3
Kenya Liquor Distributors Limited	Kenya	100%	-	-
Harp Distributors Limited	Kenya	100%	-	-
International Distillers Kenya Limited	Kenya	100%	-	-
Kenya Distillers Limited	Kenya	100%	-	-
Gilbeys East Africa Limited	Kenya	100%	-	-
EABL Foundation	Kenya	0%	-	-
Tusker FC	Kenya	0%	-	-
Net book amount			29,053,977	29,053,977

Movement in investment in subsidiaries	2016	2015
	Kshs'000	Kshs'000
At 1 July 2015	29,053,977	29,844,265
Reclassified to non current assets held for sale	-	(790,288)
At 30 June	**29,053,977**	**29,053,977**

NOTES (CONTINUED)

27 Other investments (Group and Company)

	2016	2015
	Kshs '000	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**

During the year, the investment in Challenge Fund Limited did not change. The carrying amount of the investment estimates to its fair value.

28 Inventories

	2016	2015
Group	**Kshs'000**	**Kshs'000**
Raw materials and consumables	5,323,908	5,995,490
Work in progress	550,864	611,721
Finished goods	2,239,655	3,976,772
Goods in transit	16,815	90,423
	8,131,242	**10,674,406**

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to Kshs 18,521,804,000 (2015: Kshs 18,049,200,000).

29 Trade and other receivables

(a)

	2016	2015
Group	Kshs'000	Kshs'000
Trade receivables	6,543,762	5,688,960
Less: provision for impairment losses	(723,524)	(695,653)
	5,820,238	**4,993,307**
Other receivables	4,600,085	2,653,039
Less: provision for impairment losses	(60,531)	(46,422)
Prepayments	349,314	1,288,239
Due from related companies (Note 37(a))	863,040	225,650
	11,572,146	**9,113,813**

(b)

Company	**2016**	**2015**
	Kshs'000	**Kshs'000**
Trade receivables	40,868	25,017
Due from related companies (Note 37(b))	5,247,164	6,855,992
Other receivables	3,372,090	2,231,631
Prepayments	2,546	229,211
	8,662,668	**9,341,851**

NOTES (CONTINUED)

30 Trade and other payables

(a) Group

	2016	2015
	Kshs'000	Kshs'000
Trade payables	5,218,577	3,741,415
Other payables and accrued expenses	14,571,073	8,585,304
Due to related companies (Note 37(b))	2,131,028	1,815,481
	21,920,678	**14,142,200**

(b) Company

	2016	2015
	Kshs'000	Kshs'000
Trade payables	357,714	72,074
Due to related companies (Note 37(b))	12,038,440	4,870,270
Other payables and accrued expenses	2,771,868	1,103,210
	15,168,022	**6,045,554**

31. Contingent liabilities

In the normal course of business the Company and its subsidiaries are faced with litigation. Based on professional advice received from lawyers, the directors are confident that 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:

	2016	2015
Group	Kshs'000	Kshs'000
Pending legal cases	**793,709**	**298,801**

In addition, the Group has outstanding matters with the various revenue authorities in countries where it operates. Directors have assessed the various contingent liabilities and as a result do not anticipate any material liabilities that may have an impact on these financial statements.

NOTES (CONTINUED)

32. Commitments – Group

(i) Capital commitments

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

	2016	2015
	Kshs'000	Kshs'000
Contracted but not provided for	1,879,149	1,419,256
Authorised but not contracted for	-	236,061
	1,879,149	**1,655,317**

(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.

During the year, the Company sole it's head office building to Tembo Sacco and leased it back for a period of 3 years, with a renewable option.

Future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	Kshs'000	Kshs'000
Not later than 1 year	775,129	1,044,096
Later than 1 year and not later than 5 years	1,098,172	3,512,509
	1,873,301	**4,556,605**

(b) Group leases as lessor

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

	2016	2015
	Kshs'000	Kshs'000
Not later than 1 year	103,790	33,790
Later than 1 year and not later than 5 years	256,259	116,259
	360,049	**150,049**

(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 non-cancellable operating leases are as follows:

	2016	2015
	Kshs'000	Kshs'000
Not later than 1 year	144,347	9,517
Later than 1 year and not later than 5 years	355,262	41,303
	499,609	**50,820**

NOTES (CONTINUED)

33. Cash generated from operations

Reconciliation of profit before income tax to cash generated from operation

		2016	2015
(a)	**Group**	**Kshs'000**	**Kshs'000**
	Profit before income tax	13,618,940	14,151,244
	Interest income (Note 13 (a))	(280,738)	-
	Interest expense (Note 13 (a))	3,545,979	4,074,380
	Depreciation (Note 23 (a))	3,375,152	3,546,805
	Loss on disposal of property, plant and equipment	95,674	-
	Impairment of tangible assets (Note 23 (a))	84,444	82,507
	Amortisation of intangible asset - software (Note 24 (a))	74,693	54,090
	Amortisation of prepaid operating lease rentals (Note 26 (a))	235	306
	Gain on disposal of land	(1,077,587)	(1,782,734)
	Loss/(gain) on disposal of property, plant and equipment	-	48,090
	Cash generated from operations before working capital adjustments	**19,436,792**	**20,174,688**
	Changes in working capital:		
	-Trade and other receivables	(1,211,333)	201,996
	-Inventories	2,543,164	(970,717)
	-Trade and other payables	7,165,779	1,790,640
	Cash generated from operations	**27,934,402**	**21,196,607**

		2016	2015
(b)	**Company**	**Kshs'000**	**Kshs'000**
	Profit before income tax	10,343,368	7,858,224
	Adjustments for:		
	Interest income (Note 13(b))	(1,862,705)	(1,172,878)
	Interest expense (Note 13(b))	4,778,835	4,447,518
	Depreciation (Note 23 (b))	54,222	72,957
	Transfer of assets	(208,028)	-
	Amortisation of intangible asset - software (Note 24(b))	(103,800)	20,127
	Amortisation of prepaid operating lease rentals (Note 26(b))	70	70
	Dividend income	(10,103,583)	(7,600,664)
	Profit on disposal of business	(2,249,428)	-

Continued on page 109

NOTES (CONTINUED)

33. Cash generated from operations (Continued)

(b) Company (continued)	2016 Kshs'000	2015 Kshs'000
Gain on disposal of property, plant and equipment	(1,077,587)	(1,782,734)
Loss on retirement of plant and equipment	-	2,119
Receivable from subsidiary	-	-
Cash generated from operations	**(428,636)**	**1,844,739**
Changes in working capital:		
-Trade and other receivables	1,956,183	9,783,122
-Inventory	(2,594)	-
-Trade and other payables	8,803,550	669,016
Cash generated from operations	**10,328,503**	**12,296,877**

(c) Cash and cash equivalents

Group	2016 Kshs'000	2015 Kshs'000
Cash and bank balances	1,221,066	3,005,133
Bank overdraft (Note 35(a))	(5,175,156)	(4,397,031)
	(3,954,090)	**(1,391,898)**

Company	2016 Kshs'000	2015 Kshs'000
Cash and bank balances	35,437	600,381
Bank overdraft (Note 35(b))	(5,054,999)	(3,525,176)
	(5,019,562)	**(2,924,795)**

(d) Group

	2016 Kshs'000	2015 Kshs'000
Movement in trade and other receivables		
Movement per statement of financial position	(2,458,333)	(1,397,196)
Non cash transactions (receivable on sale of leasehold land)	1,247,000	1,599,192
Net movement in receivables as per cash flow	**(1,211,333)**	**201,996**
Movement in trade and other payables		
Movement per statement of financial position	7,778,478	-
Non cash transactions (tax provisions)	(1,064,000)	-
Movement in net assets of disposal of business	451,301	-
Net movement in payables as per cash flow	**7,165,779**	**-**

NOTES (CONTINUED)

33. Cash generated from operations (Continued)

(e) Company

Movement in receivables and prepayments

Movement per statement of financial position	679,183	8,125,044
Non cash transactions (receivable on sale of leasehold land)	1,277,000	1,599,192
Intergroup transfer	-	58,886
Net movement in receivables as per cash flow	**1,956,183**	**9,783,122**

34. Borrowings

(a) Group

	2016	2015
	Kshs'000	Kshs'000
The borrowings are made up as follows:		
Non-current		
Long-term debt (related party) - refer to (i) below	11,469,236	19,469,236
Bank loans - refer to (ii) below	5,004,358	-
Medium term note - refer to (iii) below	5,000,000	5,000,000
	21,473,594	**24,469,236**
Current		
Borrowings	-	4,898,623
Bank overdraft - refer to (iv) below	5,175,156	4,397,031
	5,175,156	**9,295,654**
	26,648,750	**33,764,890**

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

	2016	2015
	Kshs'000	Kshs'000
The movement in borrowings is as follows:		
At start of year	33,764,890	36,598,028
Advanced in the year	4,994,446	5,000,000
Repayments	(12,898,623)	(10,427,322)
Movement in bank overdrafts	778,125	2,638,606
Effect of exchange rate changes	9,912	(44,422)
At end of the year	**26,648,750**	**33,764,890**

NOTES (CONTINUED)

34. Borrowings (Continued)
(a) Group (Continued)

(i) Related party loan from Diageo Finance Plc of Kshs 11,469,236,000. The related party loan issued in 2012 attracts variable interest rates at 1.5% above 364 Treasury bill rate. This loan is unsecured.

(ii) Bank loans comprise:
- Medium term loan from Barclays Bank of Kenya of Kshs. 4,500,000,000 at average annual interest rates of 11.54%. This facility is secured by a letter of comfort from Diageo Plc for Kshs 7.8 billion and matures in 5 years from June 2016. There is a one year moratorium on principal and interest repayments.
- Medium term loan from Stanbic Bank of Uganda Kshs. 516,025,000 at an effective interest rate of 13.62%. This facility is unsecured and matures on 30 April 2021.

(iii) Medium term note of Kshs 5,000,000,000 (2015: Kshs. 5,000,000,000). The medium term note is unsecured and matures in March 2018. It has a weighted average annual interest rate of 12.25%.

(iv) The bank overdraft has an effective interest rate of 9.03% and is sourced from Standard Chartered Bank Ltd and Citibank. The Group has a finance lease of Kshs.132,505,000 (2015: Kshs. 205,508,000) with the Equity Bank Tanzania for assets financing.

The Group was not in breach of any financial covenants for banking facilities as at 30 June 2016 For the medium term note, the Capital Markets Authority required the Group to maintain a current assets ratio of 1. The Group's current asset ratio as at 30 June 2016 was 0.77.

Of the total draw down debt, the Group still has available undrawn of Kshs 12.5 billion.

b) Company	2016	2015
	Kshs'000	Kshs'000
The borrowings are made up as follows:		
Non-current		
Long-term debt (related party) - refer to (i) below	11,469,236	19,469,236
Medium term note - refer to (ii) below	5,000,000	5,000,000
Long-term debt (third party) - refer to (iii) below	4,500,000	-
	20,969,236	**24,469,236**
Current		
Borrowings	-	3,715,761
Bank overdraft	5,054,999	3,525,176
	5,054,999	**7,240,937**
Total borrowings	**26,024,235**	**31,710,173**

NOTES (CONTINUED)

34. Borrowings (Continued)
(a) 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:

	2016	2015
	Kshs'000	Kshs'000
At start of year	31,710,173	34,837,980
Advanced in the year	4,500,000	5,000,000
Repayments	(11,715,761)	(10,542,205)
Movement in bank overdrafts	1,529,823	2,414,398
At end of the year	**26,024,235**	**31,710,173**

(i) Related party loan from Diageo Finance Plc of Kshs 11,469,236,000. The related party loan issued in 2012 attracts variable interest rates at 1.5% above 364 Treasury bill rate. This loan is unsecured.

(ii) Medium term loan is from Barclays Bank of Kenya of Kshs. 4,500,000,000 at average annual interest rates of 11.54%. This facility is secured by a letter of comfort from Diageo Plc for Kshs 7.8 billion and matures in 5 years from June 2016. There is a one year moratorium on interest and principal repayments.

(iii) Medium term note of Kshs 5,000,000,000 (2015: Kshs. 5,000,000,000). The medium term note is unsecured and matures in March 2018. It has a weighted average annual interest rate of 12.25%.

(iv) The bank overdraft has an effective interest rate of 9.03% and is sourced from Standard Chartered Bank Ltd. Bank overdrafts are due for renewal between July 2016 and June 2017.

NOTES (CONTINUED)

35. Related party transactions

The Company is controlled by Diageo Kenya Limited incorporated in Kenya and other subsidiaries of Diageo plc. 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

Company

(i) Sale of goods and services	2016 Kshs'000	2015 Kshs'000
East African Beverages (Southern Sudan) Limited	21,579	123,368
Central Glass Industries	-	17,062
EABL International Limited	292,407	334,800
UDV (Kenya) Limited	384,386	383,942
East African Maltings Limited	13,934	21,881
Uganda Breweries Limited	298,735	976,909
Kenya Breweries Limited	1,596,324	1,699,955
Other related parties	130,515	205,189
	2,737,880	**3,763,106**

(ii) Purchase of goods and services	2016 Kshs'000	2015 Kshs'000
Diageo Great Britain	318,911	294,010
Diageo Finance plc	1,066,470	1,120,955
Kenya Breweries Limited	923,130	119,351
UDV Kenya Limited	17,525	-
Uganda Breweries Limited	51,874	54,683
Serengeti Breweries Limited	233,680	11,883
Diageo North America, Inc.	19,995	-
Other related parties	5,247	-
	2,636,832	**1,600,882**

NOTES (CONTINUED)

35. Related party transactions (continued)

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

Group

Receivables from related parties

	2016	2015
	Kshs'000	Kshs'000
Guinness Nigeria Plc	311,697	71,971
Diageo Great Britain Limited	307,229	66,367
Meta Abo Breweries	121,741	34,819
Diageo Southern Africa Markets	26,009	10,987
Diageo Supply Marracuene	23,083	565
Diageo Reunion SA	15,600	2,110
Diageo Vietnam Limited	13,972	-
Diageo Mozambique Limitada	10,454	12,163
Seychelles Breweries Limited	8,846	1,033
Guinness Cameroun S.A.	8,525	16,434
Guinness Ghana Breweries	7,518	4,289
Diageo plc	5,161	4,725
Diageo Uzeltiveti Szolgal	2,699	-
Others	506	187
	863,040	**225,650**

Payables to related parties

	2016	2015
	Kshs'000	Kshs'000
Diageo Great Britain Limited	1,214,078	867,542
Diageo Brands B.V.	203,723	166,648
Diageo Ireland	565,581	667,532
Diageo plc	10,596	15,101
Diageo Uzeltiveti Szolgal	9,195	13,028
Diageo North America, Inc	40,197	44,685
Diageo Scotland Limited	30,529	25,091
Guinness Cameroun S.A.	12,063	3,580
Guinness Nigeria Plc	10,512	5,052
Others	34,554	7,222
	2,131,028	**1,815,481**

NOTES (CONTINUED)

35. Related party transactions (continued)

(b) Oustanding Balances arising from sale and purchase of goods/services (continued)

Company	2016	2015
Non-Current assets - Due from related parties	**Kshs'000**	**Kshs'000**
Serengeti Breweries Limited	12,117,748	12,117,891
Uganda Breweries Limited	1,381,868	-
East Africa Maltings Limited	1,742,662	-
East African Breweries South Sudan Limited	1,433,287	-
	16,675,565	**12,117,891**

Current assets		
Receivables from subsidiaries		
Uganda Breweries Limited	110,828	69,498
East Africa Maltings (K) Limited	3,803,919	322
Serengeti Breweries Limited	132,446	5,439,500
East African Breweries South Sudan Limited	1,606	141,856
UDV (Kenya) Limited	88,276	170,135
KBL	467,486	662,546
	4,604,561	**6,483,857**

Receivables from related parties		
Diageo Great Britain Limited	133,301	140,875
Diageo North America, Inc	-	7,472
Diageo Reunion SA	15,600	2,110
Diageo Scotland Limited	188	-
Diageo Southern Africa Markets	26,009	10,987
Diageo Supply Marracuene	23,083	565
Guinness Cameroun S.A.	8,138	5,820
Guinness Nigeria Plc	311,697	71,971
Meta Abo Breweries	93,024	34,819
Seychelles Breweries Limited	5,443	702
Guinness Ghana Breweries	7,518	32,289
Diageo Ireland	87	1,163
Diageo plc	5,161	51,013
Diageo Uzeltiveti Szolgal	2,699	-
Diageo Angola Limitada	200	186
Diageo Mozambique Limitada	10,454	12,163
	642,602	**372,135**
Total current assets	**5,247,163**	**6,855,992**

NOTES (CONTINUED)

35. Related party transactions (continued)

(b) Oustanding Balances Arising from sale and purchase of Goods/services (continued)

Company

Current liabilities	**2016**	**2015**
Payables to subsidiaries	**Kshs'000**	**Kshs'000**
East African Breweries Limited International	6,709,963	4,614,642
East Africa Maltings (Kenya) Limited	3,131	-
Serengeti Breweries Limited	67,677	-
UDV (Kenya) Limited	2,274,513	-
Kenya Breweries Limited	2,861,856	-
	11,917,140	**4,614,642**
Payables to related parties		
Diageo S.Africa	-	2,901
Diageo Great Britain Ltd	42,094	140,571
Diageo Finance plc	18,649	39,974
Diageo North America, Inc	17,843	-
Diageo Scotland Limited	11,103	9,482
Guinness Ghana Breweries	6,575	
Diageo Uzeltiveti Szolgal	6,161	4,919
Diageo Brands B.V.	4,688	2,117
Guinness Cameroun S.A.	3,881	1,724
Guinness Nigeria Plc	3,455	3,573
Diageo Americas Supply	2,815	-
Diageo plc	1,813	13,144
Diageo Ireland	1,053	-
Diageo Southern Africa Markets	788	7,223
Diageo Americas	369	-
Diageo Latin America & Ca	9	-
Diageo Singapore Pte Ltd	4	-
	121,300	**225,628**
Total current liabilities	**12,038,440**	**4,840,270**
Long term debt		
Loan from Diageo Finance Plc	11,469,236	19,469,236

NOTES (CONTINUED)

35. Related party transactions (continued)

(c) Director's remuneration

	2016	2015
	Kshs'000	Kshs'000
Group		
Fees for services as a Director	13,506	15,918
Other emoluments (included in key management) compensation in (d) below	159,152	129,187
	172,658	**145,105**

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

	2016	2015
	Kshs'000	Kshs'000
Company		
Fees for services as a Director	5,221	7,395
Other emoluments (included in key management compensation in (d) below)	133,612	100,004
	138,833	**107,399**

(d) Key management compensation (Group)

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:

	2016	2015
	Kshs'000	Kshs'000
Salaries and other shorter term employment benefits	938,796	672,118
Termination benefits	37,470	8,028
Post-employment benefits	25,303	36,793
	1,001,569	**716,939**

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

NOTES (CONTINUED)

36. Reserves

(a) Capital reserve

The capital reserve represents the surplus on the revaluation of property, plant and equipment ("PPE"). This revaluation surplus was recognised prior to adoption of International Financial Reporting Standards (IFRS) in 2000. In line with IFRS transition rules the reserve has been reclassified to retained earnings as the group policy is no longer to hold PPE at a revaluation. This adjustment has no impact on total equity.

(b) Translation reserve

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

(c) 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. This reserve, which had previously been presented separately in equity, has been reclassified to retained earnings and will be disclosed as such in line with the requirements of IFRS. This adjustment has no impact to total equity or other balances in the statement of financial position or profit or loss.

PRINCIPAL SHAREHOLDERS AND SHARE DISTRIBUTION

Principal shareholders and share distribution

The ten largest shareholdings in the Company and the respective number of shares held at 30 June 2016 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 Non Res A/C 9069FC	16,177,814	2.05%
5	Standard Chartered Nominees Non Res A/C KE10085LC	13,000,000	1.64%
6	Kenya Commercial Bank Nominees Limited A/C 915B	10,834,544	1.37%
7	Standard Chartered Nominees Non-Res A/C KE9273	9,316,800	1.18%
8	Standard Chartered Nominees Non-Res A/C 9866	7,944,275	1.00%
9	Standard Chartered Nominee Account KE17682	7,192,430	0.91%
10	Standard Chartered Nominees Non-Res. A/C 8723	6,084,700	0.77%
	Total number of shares	**466,158,997**	**58.95%**

Distribution of shareholders	Number of shares	Number of shareholders	%
1 – 500 shares	2,361,430	12,332	0.30%
501 – 5,000 shares	15,712,636	9,838	1.99%
5,001 – 10,000 shares	6,677,323	938	0.84%
10,001 – 100,000 shares	39,286,986	1,377	4.97%
100,001 – 1,000,000 shares	115,049,650	339	14.55%
Over 1,000,000 shares	611,686,331	73	77.35%
Total	**790,774,356**	**24,897**	**100.00%**

INFORMATION TO SHAREHOLDER

EABL is pleased to inform you that its share registrar – C&R Group has set up an online link www.sharehub.co.ke through which our shareholders can access or query information relating to their shares, dividends and any other information relating to corporate actions. To access or use the portal, please follow the steps below:

1. DIVIDEND STATUS QUERY

A shareholder can query his / her past dividends and confirm their status.

To access this functionality a shareholder should:

a) Open the SHAREHUB portal on www.sharehub.co.ke;
b) Click on 'Dividend Query' and Select Company, Account Type and enter your Account Number;
c) Click on the 'Send' button and the system will generate an appropriate message depending on the shareholders dividend status;
d) For further assistance the shareholder can then raise a query or contact C&R shareholder services department.

2. SEND A QUERY

A shareholder can raise a query online and have the C&R shareholder services department follow up and resolve the issue.

To access this functionality a shareholder should:

a) Open the SHAREHUB portal on www.sharehub.co.ke;
b) Click on 'Send a Query' and fill in the form and 'Captcha';
c) Click on the 'Send' button and the query will be submitted to the shareholder services department for resolution. The shareholder will then be contacted through the contact details provided.

3. A CENTRAL SOURCE OF INFORMATION FOR CORPORATE EVENTS AND CORPORATE ACTIONS.

To access this functionality a shareholder should:

a) Open the SHAREHUB portal on www.sharehub.co.ke;
b) Click on 'Corporate Events Calendar' or 'Reports/Notices'

   i. Under 'Corporate Events Calendar' browse the calendar and view all the added corporate action events.
   ii. Under 'Reports/Notices' filter by 'Event type', 'Security' or 'Year' to get the events of interest.

c) Click on the event name to download the associated event notice.

4. ONLINE REGISTRATION TO ATTEND AGM AND ONLINE ACCESS TO FOLLOW THE AGM PROCEEDINGS.

To access this functionality a shareholder should:

a) Open the SHAREHUB portal on www.sharehub.co.ke;
b) Register by clicking on 'Not yet registered? Click here to register as a user.' And fill in the forms and click on the 'Register' button to submit the form to the shareholder services department for verification and approval;
c) Once the newly created account has been approved by the shareholder services department the shareholder will receive a notification with his/her login credentials,

You can then login and register for any upcoming AGMs.

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 94th Annual General Meeting of the Company to be held on the 27 October 2016 at 11:00 a.m. and at any adjournment thereof.

Number of shares held_________________ (if available)

Account Number ________________________________

Signature(s) ________________________________

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 25 October 2016.

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 27 October 2016 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.

J. Munene (Ms.)

Group 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 94 wa Mwaka wa kampuni ambao utakuwepo Oktoba 27, 2016 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 aliyeteuliwa na shirika.

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 na kusafirishwa kwa miale, na zitumwe kwa **proxy@candrgroup.co.ke** isipite saa nane unusu tarehe 25 Oktoba, 2016.

KADI YA KIINGILIO

Tafadhali mruhusu

____

Kwa Mkutano wa Mwaka wa East African Breweries Limited utakaofanyika Safari Park Hotel, Ruaraka, Nairobi tarehe 27 Oktoba, 2016 saa 11:00 adhuhuri.

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

J. Munene (Bi)

Katibu wa Kampuni

THE SINGLETON.
THE SINGLE
BEST TASTING
SINGLE MALT
WHISKY.
YOU DECIDE.
TRADE MARK
THE SINGLETON
OF DUFFTOWN
SINGLE MALT SCOTCH WHISKY
THE SINGLETON
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of Dufftown
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PERFECTLY BALANCED, NATURALLY RICH & SMOOTH
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EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH.
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East African Breweries Limited
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