East African Breweries Limited

www.eabl.com

FULL YEAR RESULTS

Twelve months period ended 30 June, 2013

- **Net Sales grew by 6% to Kshs 59bn**
- **Investment behind our brands rose by 11%**
- **Operating Profit grew by 0.2% to Kshs 15bn**
- **Tax contribution grew by 13% to Kshs 43bn**

East African Breweries Limited Consolidated Income Statement (Audited)

	Year Ended 30-Jun-2013 Kshs M	Year Ended 30-Jun-2012 Kshs M	Growth %
Revenue	**59,062**	**55,522**	**6%**
Cost of sales	(31,563)	(28,657)	10%
Gross profit	**27,499**	**26,865**	**2%**
Selling and distribution costs	(5,085)	(4,589)	11%
Administrative expenses	(7,555)	(7,450)	1%
Other operating income	141	151	-7%
Operating profit	14,999	14,977	0.2%
Net finance costs	(3,885)	(3,370)	15%
Profit before exceptional items	**11,115**	**11,607**	-4%
Other income - TBL Share Gain	-	3,646	-100%
Profit before income tax	**11,115**	**15,253**	-27%
Income tax expense	(4,170)	(4,067)	3%
Profit after taxation	**6,945**	**11,186**	-38%
Non controlling interest	34	543	-106%
Profit attributable to equity holders	**6,979**	**10,644**	-34%
Dividend per Share	5.50	8.75	

The Board of Directors of East African Breweries Limited is pleased to announce its full year results for the period to 30th June 2013.
EABL delivered robust volume growth of 3%, net sales growth of 6% and operating profit growth before finance costs and exceptional items of 0.2%, despite significant market challenges experienced in Uganda, Tanzania and South Sudan.

In Kenya, our beer and spirits brands performed well driven by strong growth in the Tusker portfolio and Guinness. Premium spirits were boosted by the introduction of the super-premium Reserve range of spirits. Overall net sales grew by 10%.In Uganda, performance was impacted by weakness in the consumer economy. In spite of this we experienced strong growth in Tusker Malt Lager. Net sales growth was flat on an organic basis.In Tanzania, our strong regional positions were supported by the good performance of Kibo Gold and Senator. At the premium end, Tusker Lite and Guinness both performed well. Net Sales grew by 10% on an organic basis, in spite of market weakness following a 25% increase in excise tax introduced in July 2012.

Despite the impact of scarcity of US dollars in South Sudan, our international business, EABLi, grew net sales by 20% as we introduced cans and further strengthened our distributor network. Cost of sales across the Group increased by 10% driven by inflation in costs of utilities, distribution and warehousing and increased depreciation. We continue to mitigate these costs through increased emphasis on local sourcing of cereals and manufacturing excellence initiatives.Selling costs – primarily sales and marketing investment – rose by 11% as we launched new advertising campaigns to support many of our brands, launched three innovations and enhanced our routes to market. Salesforce headcount increased by 20%. Administration expenses remained flat due to cost efficiency initiatives.

Net finance costs rose due to a combination of increased borrowing for operations and interest costs on the Kshs 19.5bn additional debt borrowed by EABL in November 2011 in order to purchase SABMiller Africa B.V.'s 20% shareholding in Kenya Breweries Limited, thereby making Kenya Breweries Limited a wholly owned subsidiary of EABL. The net finance costs of this debt now cover the full twelve months of this financial year ended 30th June 2013, compared to only seven months during the prior financial year.

EABL announced significant capital expenditure projects during the year, including efficiency and expansion projects in Kenya, increased packaging in Uganda and environmental improvements in Tanzania. Net capital expenditure was Kshs 6bn. In the previous financial year ended 30th June 2012, EABL reported the sale of its 20% shareholding in Tanzania Breweries Limited for a net consideration of Kshs 3.6bn. This was a one-off exceptional benefit that was not repeated in this financial year.

As a result of these items, EABL's profit after taxation declined by 38% to Kshs 6.9bn. EABL made a tax contribution (combining corporation tax and indirect taxes paid on our brands across the region) of Kshs 43bn, an increase of 13% from the prior year. The financial year ended 30th June 2013 was a year of solid performance whilst also building for future success.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend of Kshs 4.00 per share. An interim dividend of Kshs 1.50 was paid in the year bringing the total full-year dividend payout to Kshs 5.50 per share. The total dividend payout amounts to the equivalent of 63% of EABL's profit after taxation. The records date for qualification for the dividends is 30th September 2013.The register of members shall remain closed on 30th September 2013 for purposes of preparing dividend warrants. The dividends shall be paid, net of Withholding Tax, on or about 1st November 2013.

By order of the Board

Ruth Ngobi
Group Company Secretary

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Celebrating Life

Kenya Breweries Limited
Central Glass Industries
EABL International Ltd
Uganda Breweries Ltd
UDV (Kenya) Ltd
Serengerti Breweries Ltd
East African Maltings Ltd
International Distillers Uganda Ltd