

East African Breweries Limited

FULL YEAR RESULTS

Annual Financial Report for the year ended 30th June, 2015 (AUDITED)

+6%
Net Sales

+6%
Gross Profit

+40%
Profit After
Tax

COGS Growth
lower than inflation

+5%
Selling and
distribution costs

-16%
Administration
Expenses

6 of 8 product
categories in growth

Condensed Consolidated Income Statement

	Year ended 30 June	
	2015	2014 Restated
	Kshs' M	Kshs' M
Net revenue	64,420	60,749
Cost of Sales	(32,389)	(30,587)
Gross Profit	32,031	30,162
Total Costs	(17,880)	(19,773)
Profit before tax	14,151	10,389
Income tax expense	(4,616)	(3,541)
Profit after tax (continuing operations)	9,535	6,848
Profit from discontinued operation	40	10
Profit after tax (for the year)	9,575	6,858
Basic earnings per share	11.32	8.22
Diluted earnings per share	11.31	8.21

Consolidated Statement of Cash Flows

	Year ended 30 June	
	2015	2014
	Kshs' M	Kshs' M
Cash generated from operations	22,164	15,181
Net interest paid	(4,074)	(4,320)
Tax paid	(3,563)	(4,668)
Net cash from operating activities	14,527	6,193
Net cash used in investing activities	(4,684)	(6,738)
Net cash generated from/(used) in financing activities	(10,578)	4,775
Net increase / (decrease) in cash & cash equivalents	(735)	4,230
At start of period	(657)	(4,887)
Net increase / (decrease) in cash & cash equivalents	(735)	4,230
Cash and cash equivalents at end of the year	(1,392)	(657)

Condensed Consolidated Statement of Financial Position

	As at 30 June	
	2015	2014
	Kshs' M	Kshs' M
Total Equity	13,353	9,101
Shareholders' funds	28,656	26,304
Non-current liabilities	42,009	35,405
Assets		
Non-current assets	41,449	43,059
Working capital		
Current assets	25,491	19,807
Current liabilities	(24,931)	(27,461)
	42,009	35,405

Condensed Consolidated Statement of Changes In Equity

	Share capital & Share Premium	Other Reserves	Retained Earnings	Non Controlling Interest	Total
	Kshs' M	Kshs' M	Kshs' M	Kshs' M	Kshs' M
At 1 July 2014	3,273	(16,756)	22,502	82	9,101
Comprehensive income	-	69	8,952	402	9,423
Dividends	-	-	(4,349)	(822)	5,171
At 30 June 2015	3,273	(16,687)	27,105	(338)	13,353
At 1 July 2013	3,273	(16,751)	20,779	1,134	8,435
Restated as at 1 July 2013	3,273	(16,751)	20,352	724	7,598
Comprehensive income	-	(11)	6,499	346	6,834
Dividends	-	6	(4,349)	(988)	(5,331)
At 30 June 2014	3,273	(16,756)	22,502	82	9,101

The Board of Directors of East African Breweries Limited is pleased to announce its full year results for the period to 30th June 2015.

EABL delivered net sales growth of 6% and Profit After Tax growth of 40%. The results were buoyed by one off items with underlying performance running at 16%.

Kenya's headline NSV growth was 3% excluding Central Glass Industries Limited. The growth was driven by strong performance of premium beer category and double digit growth in spirits. Innovations such as Smirnoff Ice Double Black with Guarana also supported the growth.

Net sales growth in Uganda was 7%, with growth in Uganda Waragi and continued momentum in Guinness after pack change and media campaign. However, a weakening Uganda Shilling against Kenya Shilling reduced the growth to 4% upon translation.

Tanzania net sales were up 2%. However, a weakening Tanzania Shilling against Kenya Shilling resulted in a drop of 2% upon translation.

Our Export markets grew net sales by 48%, despite currency challenges, with strong growth across premium beer and premium spirits. This has been supported by the establishment of the local depot in Juba.

The growth of 6% in gross profit was supported by the focus on driving out costs to constrain the increase in cost of sales to 6%, with savings from improved raw materials usage, low heavy oil fuel prices and greater production efficiencies.

Selling and Distribution is 5% above last year as we continue to invest behind our brands and grow market share across our markets.

Administrative expenses reduced by 16% year on year benefiting from last year's re-organization and continual focus on driving out costs to support growth.

Net capital expenditure for the year was KES 4.9 billion as we continued with our strategy of modernizing our assets and developing sustainable value chains.

Total group borrowings decreased by KES 2.8 billion due to reduction on short term borrowings and a part payment of the long term intercompany loan from Diageo. The effective interest rate decreased from 12.2% in F14 to 11.4% in F15 while the interest expense decreased by 6% year on year.

As a result of these items, EABL's profit after tax improved by 40% to Kshs 9.6 bn.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend of Kshs 6.00 per share.

The records date for qualification for the dividends is 31st August 2015. The register of members shall remain closed on 31st August 2015 for purposes of preparing dividend warrants. The dividends shall be paid, net of Withholding Tax, on or about 7th December 2015.

By order of the Board

Ruth Ngobi
Group Company Secretary

