

Tanzania Breweries Limited

PRESS ANNOUNCEMENT



**TANZANIA
BREWERIES
LIMITED**

HEADLINE RESULTS

Tanzania Breweries Limited today announces its results for the 6 months ended 30th September 2017. Highlights are as follows:

	2017	2016	Change
	Tshs' M	Tshs' M	in %
Total Revenue	573,760	513,814	12%
Gross Profit	238,420	236,146	1%
Operating Profit	146,050	138,513	5%
Basic Earnings Per Share	303	313	-3%
Dividend Per Share	300	350	-14%

FINANCIAL REVIEW

Tanzania Breweries Limited group of companies (TBL) has seen an improvement in volume and revenue performance despite tough trading conditions and a shift towards affordable beer products.

Volumes grew by 31% on prior year mainly from affordable beer products.

Revenues have grown by 12% driven by volume growth and product mix.

Operating profit increased by 5% from Tsh 138bn in 2016 to Tsh 146bn in 2017 for the same period.

In addition to the product mix, the performance was affected by exceptional costs related to the combination from SABMiller to ABInBev.

A total of Tsh 44bn was invested in capital investment compared to Tsh 39bn in the prior year.

The group's cash generated from operations was Tsh 222bn versus Tsh 195bn in 2016 reflecting a 14% increase on prior year. Of this amount, Tsh 29bn was utilized to pay corporate income tax and the remaining amount funded capital expenditure, repayment of bank borrowings, interest expenses and dividends paid to shareholders.

I would like to thank the Board, management and employees for their efforts and continued support as well as our customers, consumers and all stakeholders for their loyalty.

Roberto Jarrin
EA BU President
Date

Company Profile

Tanzania Breweries Limited (TBL), a member of the Anheuser-Busch InBev group of companies, manufactures sells and distributes clear beer, alcoholic fruit beverages and non-alcoholic beverages within Tanzania. TBL as a major player in the beverage sector is committed to the export of its products to niche and neighboring markets under the East Africa common market trading arrangement.

TBL has a controlling interest in Tanzania Distilleries Limited, Darbrew Limited and Kibo Breweries Limited. TBL's most popular clear beer brands include Safari Lager, Kilimanjaro Premium Lager, Ndovu Special Malt, Castle Lager and Castle Lite. Other prominent brands associated with the TBL group are Konyagi Gin, Amarula Cream and Redds Premium Cold. The TBL group is listed on the Dar es Salaam Stock Exchange, employs about 2,200 people and is represented throughout the country with four clear beer breweries, a distillery, an opaque beer business, a malting facility and 8 distribution depots.

Overview of Anheuser-Busch InBev

Anheuser-Busch InBev SA/NV ("AB InBev") the world's largest brewer, is a multinational beverage and brewing company with global headquarters in Leuven, Belgium. In October 2016 AB InBev purchased SABMiller the previous owner of Tanzania Breweries Limited (TBL).

AB InBev's brand portfolio includes highly popular beer and soft-drink brands and has approximately 400 beer brands. Among these are global brands such as Budweiser, Corona and Stella Artois. International brands include Beck's, Hoegaarden and Leffe

Anheuser-Busch InBev SA/NV is a publicly listed company, with its primary listing on the Euronext Brussels. It has secondary listings on Mexican Stock Exchange, Johannesburg Stock Exchange and New York Stock Exchange

Statement of Profit or Loss and Other Comprehensive Income

For the 6 months ended 30 September 2017

	2017	2016	Change
	Tsh's M	Tsh's M	in %
Revenue	573,760	513,814	12%
Cost of sales	(335,340)	(277,668)	
Gross profit	238,420	236,146	1%
Selling and distribution costs	(59,428)	(64,000)	
Administrative expenses	(31,885)	(33,242)	
Other expenses	(1,057)	(391)	
Fair value gain on derivatives		0	
Operating profit	146,050	138,513	5%
Finance income	5,584	0	
Finance costs	(1,880)	(6,191)	
Profit before income tax	149,754	132,323	13%
Income tax expense	(60,504)	(39,994)	
Profit for the year	89,250	92,329	-3%
Attributable to:			
Non-controlling interests	(3,650)	1,725	
Equity holders of company	92,900	90,603	
	89,250	92,328	-3%
Basic earnings per share (Tshs)	303	313	-3%
Diluted earning per share (Tshs)	315	307	3%
Dividend per share (Tshs)	300	350	-14%

Statement of Financial Position

For the 6 months ended 30 September 2017

	2017	2016	Change
	Tsh's M	Tsh's M	in %
ASSETS			
Non-current assets			
Property, plant and equipment	546,288	519,907	
Intangible assets	46,959	48,992	
Investments	88	88	
	593,335	568,987	4%
Current assets			
Derivative financial instruments	776	1,065	
Inventories	126,504	125,765	
Trade and other receivables	135,739	119,929	
Current income tax	-	-	
Bank and cash balances	139,702	18,928	
	402,721	265,687	
Total assets	996,056	834,674	19%
EQUITY			
Capital and reserves attributable to the company			
Share capital	29,493	29,493	
Share premium	45,346	45,346	
Retained earnings	651,755	572,965	
Other reserves	(12,186)	(14,581)	
	714,408	633,223	
Non-controlling Interests	4,437	14,046	
Total equity	718,845	647,269	11%
LIABILITIES			
Non-current liabilities			
Borrowings	558	154	
Deferred income tax	47,763	51,266	
Defined pension benefits	1,651	4,200	
	49,972	55,620	-10%
Current liabilities			
Provision for other liabilities and charges	2,001	8,203	
Derivative financial instruments	695	2,054	
Trade and other payables	210,345	128,930	
Borrowings	2,144	4,331	
Current income tax	12,056	11,733	
	227,241	131,785	72%
Total Liabilities	277,211	240,846	
Total Equity and Liabilities	996,056	834,674	19%

Statement of Cash Flows

For the 6 months ended 30 September 2017

	2017	2016	Change
	Tsh's M	Tsh's M	in %
Cash flows from operating activities:			
Cash generated from operations	222,355	195,187	
Interest paid	(1,312)	(6,191)	
Income tax paid	(28,959)	(53,638)	
Net cash inflow from operating activities	192,084	135,358	42%
Cash flows from investing activities			
Purchase of property, plant and equipment	(44,149)	(38,523)	
Purchase of Intangible assets	-	-	
Interest Received	5,584	-	
Proceeds from disposal of property, plant and equipment	155	58	
Net cash used investing activities	(38,410)	(38,465)	0%
Cash flows from financing activities:			
Dividends paid to company's shareholders	(88,477)	(103,704)	
Dividends paid to non controlling interests	-	-	
Proceeds from Corporate Bonds	-	-	
Repayments of bank borrowings	(526)	8,940	
Net cash used from financing activities	(89,003)	(94,764)	
Net increase in cash and cash equivalents	64,671	2,130	2937%
Cash and cash equivalents at beginning of the year	75,032	12,466	
Exchange gain/ (loss) on cash and cash equivalent	-	-	
Cash and cash equivalents at the end of the year	139,703	14,596	

Statement of Changes in Equity

For the 6 months ended 30 September 2017

	Attributable to equity holders of the company				Total	Non controlling Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Earnings			
	Tsh's M	Tsh's M	Tsh's M	Tsh's M	Tsh's M	Tsh's M	Tsh's M
Year Ended 31 March 2017:							
Balance at 1st April 2017	29,493	45,346	(12,293)	647,332	709,878	8,087	717,965
Profit for the year	-	-	-	92,900	92,900	3,650	89,250
Comprehensive Income							
Fair value gain on cashflow hedges (net of tax)	-	-	107	-	107	-	107
Total comprehensive income	29,493	45,346	(12,186)	740,232	802,885	4,437	807,322
Transaction with Owners							
Dividends provided for or paid	-	-	-	(88,477)	(88,477)	-	(88,477)
Balance at 30 September 2017	29,493	45,346	(12,186)	651,755	714,408	4,437	718,845