

# East African Breweries Limited

## FULL YEAR RESULTS (AUDITED)

Twelve months ended 30 June 2014

- + 4 % Net Sales
- + 5 % Profit After Tax
- KES 1.6 billion savings from costs of goods efficiencies
- Selling and distribution costs rose by 13% as we continue to invest ahead in our brands
- 7 of our 8 product segments growing
- Strong growth in Spirits across all sectors
- Senator Keg in decline by over 75%, following implementation of excise tax

### Condensed Consolidated income statement

	2014	Restated 2013
	Kshs' 000	Kshs' 000
Net revenue	61,292,176	59,061,875
Cost of Sales	(31,098,550)	(31,562,560)
<b>Gross Profit</b>	<b>30,193,626</b>	<b>27,499,315</b>
Total Costs	(19,787,007)	(16,384,396)
<b>Profit before tax</b>	<b>10,406,619</b>	<b>11,114,919</b>
Income tax expense	(3,548,011)	(4,592,719)
<b>Profit after tax</b>	<b>6,858,608</b>	<b>6,522,200</b>
Basic earnings per share	8.22	8.55
Diluted earnings per share	8.21	8.54

### Condensed Consolidated statement of financial position

	2014	Restated 2013	Restated 2012
	Kshs' 000	Kshs' 000	Kshs' 000
Total Equity	9,100,848	7,598,600	8,302,835
<b>Shareholders' funds</b>			
Non-current liabilities	26,304,445	23,515,016	23,384,654
	<b>35,405,293</b>	<b>31,113,616</b>	<b>31,687,489</b>
<b>Assets</b>			
Non-current assets	43,058,789	39,127,360	36,113,498
<b>Working capital</b>			
Current assets	19,807,154	18,593,102	18,057,773
Current liabilities	(27,460,650)	(26,606,846)	(22,483,782)
	<b>35,405,293</b>	<b>31,113,616</b>	<b>31,687,489</b>

### Condensed Consolidated statement of cash flows

	Year ended 30 June	
	2014	2013
	Kshs' 000	Kshs' 000
Cash generated from operations	15,180,597	16,871,259
Net interest paid	(4,319,797)	(4,018,721)
Tax paid	(4,667,510)	(4,549,673)
<b>Net cash from operating activities</b>	<b>6,193,290</b>	<b>8,302,865</b>
Net cash used in investing activities	(6,738,131)	(6,047,823)
<b>Net cash generated from/(used) in financing activities</b>	<b>4,774,647</b>	<b>(6,947,804)</b>
Net increase / (decrease) in cash & cash equivalents	4,229,806	(4,692,762)
<b>At start of period</b>	<b>(4,886,831)</b>	<b>(194,069)</b>
At end of period	4,229,806	(4,692,762)
<b>Cash &amp; cash equivalents at end of the year</b>	<b>(657,025)</b>	<b>(4,886,831)</b>

### Condensed Consolidated statement of changes in equity

	Share capital & Share Premium	Other Reserves	Retained Earnings	Non Controlling Interest	Total
	Kshs' 000	Kshs' 000	Kshs' 000	Kshs' 000	Kshs' 000
At 1 July 2013	3,272,698	(16,750,728)	20,778,624	1,133,596	8,434,190
Restated as at 1 July 2013	3,272,698	(16,750,728)	20,352,473	724,157	7,598,600
<b>Comprehensive income</b>	-	(4,932)	6,498,725	345,549	6,839,341
Dividends			(4,349,259)	(987,835)	(5,337,094)
At 30 June 2014	<b>3,272,698</b>	<b>(16,755,660)</b>	<b>22,501,939</b>	<b>81,871</b>	<b>9,100,848</b>
At 1 July 2012	3,272,698	(16,659,355)	19,928,019	2,174,518	8,715,880
Restated as at 1 July 2012	3,272,698	(16,659,355)	19,717,366	1,972,126	8,302,835
<b>Comprehensive income</b>		(91,373)	6,763,609	(335,409)	6,336,826
Dividends			(6,128,502)	(912,560)	(7,041,062)
At 30 June 2013	<b>3,272,698</b>	<b>(16,750,728)</b>	<b>20,352,473</b>	<b>724,157</b>	<b>7,598,600</b>

The Board of Directors of East African Breweries Limited is pleased to announce its full year results for the period to 30th June 2014.

EABL delivered net sales growth of 4% and Profit After Tax growth of 5%. The results were buoyed by a mix of strong performance in Uganda, which grew by 13%. Export markets grew by 50% and double digit growth in Spirits, premium and mainstream beer. The Senator brand significantly declined post implementation of excise tax in Kenya.

Kenya delivered a slight decline of 1% on NSV but was lifted by a strong spirits performance driven by investments behind brands. Successful innovations in Jebel Gold and Senator Dark, both in the emerging category alongside new marketing campaigns such as-Tusker 'Twende Kazi' delivered strongly.

Uganda yielded a net sales growth of 13%. Price mix interventions and a strong launch of Reserve brands played a key part in securing this positive result, along with a successful new Bell Lager campaign and a very strong performance on Uganda Waragi.

In Tanzania, business results were affected by the short-term effect of our Route to Consumer changes. Serengeti Premium Lager grew by 16%, driven mainly by the Fiesta Music Tour and Successful introduction of Serengeti Platinum at the end of the year.

Our Export markets experienced 50% growth supported by the opening of a depot in Juba and the introduction of cans, though performance was curtailed by the political unrest in December.

Cost of sales improved by 1% year on year. Fixed costs under-recovery mainly due to lower Senator volume shortfall, mitigated through COGs savings initiatives across our businesses.

There was a 13% rise in selling and distribution costs as the business continues to invest ahead of its brands and administrative expenses increased by 24% including the one-off costs of re-organisation of Kshs 1.2bn. (Excluding these costs, the underlying growth was 8%.)

The effective tax rate has improved to 34% this year. Total group borrowings increased in the year to fund operations and capital expenditure, which increased interest expenses.

EABL announced significant capital expenditure projects during the year, including capacity expansion and spirits line in Kenya, Mash cookers in Tanzania. Net capital expenditure was Kshs 6.8bn.

As a result of the items above, EABL's profit after taxation improved by 5% to Kshs 6.9bn.

### 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 8th September 2014. The register of members shall remain closed on 8th September 2014 for purposes of preparing dividend warrants. The dividends shall be paid, net of Withholding Tax, on or before 20th January 2015.

By order of the Board



Ruth Ngobi  
Group Company Secretary

Kenya Breweries Limited Ltd  
Central Glass Industries Ltd  
EABL International Ltd

Uganda Breweries Ltd  
UDV (Kenya) Ltd  
Serengeti Breweries Ltd

East African Maltings Ltd  
International Distillers Uganda Ltd  
East African Beverages (Southern Sudan) Ltd

