

# East African Breweries Limited

## HALF YEAR RESULTS

For the six months period ended 31<sup>st</sup> December 2015

**+8%**

Net Sales, double digit growth in five out of eight product segments

**+16%**

profit after tax from continuing operations

**+51%**

Cash generated from operations

**+33%**

Interim dividend

### Condensed Consolidated income statement

	6 months ended 31 December	
	2015	2014
	Kshs'M	Kshs'M
Net revenue	37,514	34,658
Cost of Sales	(20,085)	(17,527)
<b>Gross Profit</b>	<b>17,429</b>	<b>17,131</b>
Total Costs	(9,507)	(10,215)
<b>Profit before income tax</b>	<b>7,922</b>	<b>6,916</b>
Income tax expense	(2,438)	(2,192)
<b>Profit after tax (continuing operations)</b>	<b>5,484</b>	<b>4,724</b>
Profit from discontinued operation	2,249	(101)
<b>Profit after tax (for the year)</b>	<b>7,733</b>	<b>4,623</b>
Basic earnings per share (continuing operations)	6.29	5.37
Basic earnings per share (total)	9.14	5.24

### Condensed Consolidated statement of cash flows

	6 months ended 31 December	
	2015	2014
	Kshs'M	Kshs'M
Cash generated from operations	16,054	10,692
Net interest paid	(1,726)	(1,801)
Tax paid	(2,883)	(1,321)
<b>Net cash from operating activities</b>	<b>11,445</b>	<b>7,570</b>
<b>Net cash used in investing activities</b>	<b>(2,465)</b>	<b>(1,097)</b>
<b>Net cash generated from/(used) in financing activities</b>	<b>(6,717)</b>	<b>(2,872)</b>
Net increase / (decrease) in cash & cash equivalents	<b>7,193</b>	<b>3,601</b>
At start of period	(1,392)	(657)
At end of period	(735)	4,230
<b>Cash &amp; cash equivalents at end of the year</b>	<b>5,801</b>	<b>2,944</b>

### Condensed Consolidated statement of financial position

	As at 31 Dec	As at 30 June
	2015	2015
	Kshs'M	Kshs'M
Total Equity	15,149	13,353
Non-current liabilities	27,968	28,656
<b>Total equity and non-current liabilities</b>	<b>43,117</b>	<b>42,009</b>
<b>Assets</b>		
Non-current assets	40,619	41,449
<b>Working capital</b>		
Current assets	25,771	25,491
Current liabilities	(23,273)	(24,931)
<b>Net assets</b>	<b>43,117</b>	<b>42,009</b>

### 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 2015	3,273	(16,687)	27,105	(338)	13,353
Comprehensive Income	-	(508)	7,227	516	7,235
Dividends	-	-	(4,745)	(694)	(5,439)
<b>At 31 December 2015</b>	<b>3,273</b>	<b>(17,195)</b>	<b>29,587</b>	<b>(516)</b>	<b>15,149</b>
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)
<b>At 30 June 2015</b>	<b>3,273</b>	<b>(16,687)</b>	<b>27,105</b>	<b>(338)</b>	<b>13,353</b>

The Board of Directors of East African Breweries Limited is pleased to announce its half year results for the six months period ended 31<sup>st</sup> December 2015.

The group delivered a strong 16% growth in profit after tax from continuing operations driven by net sales growth of 8%. The results were driven by double digit growth in five out of eight product segments and recovery in Senator keg post the review in duty remission in Kenya.

Kenya delivered 22% net sales growth, mainly driven by a good performance from Senator keg and spirits. Innovations led by Chrome Vodka, Kenya Cane Coconut and Allsopps Stout also contributed to the growth.

Net sales in Uganda and Tanzania remained flat in local currency terms. We experienced a decline in the export markets mainly due to the volatile environment in South Sudan.

Selling, distribution and administrative expenses increased by 10% when compared to the same period last year as we continue to invest in our brands, route to consumer and people.

Cash flow from operating activities increased by 51% to Kshs 11.4 billion as a result of efficient management of working capital. Net Capex spend for the period was Kshs 1.5 billion covering investment in plant and machinery and returnables in order to meet the increased demand.

Total net borrowings decreased by Kshs 8.5 billion, as a result of strong operating cash flow and the sale of CGI, contributing to a 38% decrease in net finance costs in the period.

EABL's profit after taxation from continued operations improved by 16% to Kshs 5.5 billion. The total profit for the half grew by 67% to Kshs 7.7 billion inclusive of the contribution from the disposal of CGI, the glass making subsidiary and netting off nearly Kshs 1.0 billion of negative impact from South Sudanese pound currency devaluation.

### DIVIDEND

The Board of Directors is pleased to recommend an interim dividend of Kshs 2.00 per share up from Kshs 1.50 last year.

The records date for qualification for the dividends is 31<sup>st</sup> March 2016. The register of members shall remain closed on 31<sup>st</sup> March 2016 for purposes of preparing dividend warrants. The dividends shall be paid, net of Withholding Tax, on or about 29<sup>th</sup> April 2016.

By order of the Board

Ruth Ngobi  
Group Company Secretary

