Tanzania Breweries Limited
Press Announcement

Headline Results

Tanzania Breweries Limited today announces its results for the six months ended 30 September 2016. Highlights are as follows:

	2016	2015	
	TShs' m	TShs' m	% Change
Revenue	**513,814**	550,108	-7
Gross Profit	**236,146**	269,827	-12
Operating Profit	**138,513**	159,258	-13
Basic earnings per share (TShs)	**313**	372	-16
Dividend per share (TShs)	**350**	300	17

Financial Review

Tanzania Breweries Limited Group of Companies experienced challenging market and economic conditions during the six months ended 30 September 2016 resulting in a Revenue decline of 7% over prior year.

Consumer confidence has been subdued and together with the impact of stricter enforcement of trading hours, our overall volumes were down by 8% for the half year compared to the same prior year period.

In addition to the above challenges, we have also seen a consumer shift towards more affordable products, resulting in increased pressure on our margins, as reflected in our Gross profit and Operating profit for the period, which ended 12% and 13% down respectively on prior year.

Total cash generated from operations amounted to TShs 195 billion, of which TShs 54 billion was utilised to pay corporate tax, while the remaining TShs 141 billion funded interest and capital expenditure as well as paying dividends of TShs 104 billion to Company shareholders.

Despite the fall in earnings, we have continued to focus on the management of our working capital and were able to increase the interim dividend to TShs350 per share.

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
Managing Director

Date

Company Profile

TBL 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 controlling interest in Tanzania Distilleries Limited and Darbrew 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, a traditional beer business, a malting facility and 7 distribution depots.

TANZANIA BREWERIES GROUP

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

	2016 TShs' M	2015 TShs' M	% Change
Revenue	**513,814**	550,108	-7
Cost of sales	**(277,668)**	(280,281)	
Gross profit	**236,146**	269,827	-12
Selling and distribution costs	**(64,000)**	(71,751)	
Administrative expenses	**(33,242)**	(34,121)	
Other expenses	**(391)**	(4,697)	
Operating profit	**138,513**	159,258	-13
Finance costs	**(6,191)**	1,966	
Profit before income tax	**132,322**	161,224	-18
Income tax expense	**(39,994)**	(50,122)	
Profit for the period	**92,328**	111,102	-17
Attributable to :			
Equity holders of the company	**90,603**	107,437	
Non-controlling interests	**1,725**	3,665	
	92,328	111,102	-17
Basic earnings per share (Tsh)	**313**	372	-16
Diluted earnings per share (Tsh)	**307**	364	-16
Interim dividend per share (Tsh)	**350**	300	17

TANZANIA BREWERIES GROUP

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	30-Sep 2016	30-Sep 2015	%
	TShs' M	TShs' M	Change
ASSETS			
Non-current assets			
Intangible assets	**48,992**	48,992	
Property plant and equipment	**519,907**	511,432	
Investments	**88**	88	
	568,987	560,512	2
Current assets			
Derivative financial instruments	**1,065**	1,368	
Inventories	**125,765**	128,050	
Trade and other receivable	**119,929**	155,304	
Bank and cash balances	**18,928**	53,177	
	265,687	337,899	
Total assets	**834,674**	898,411	-7
EQUITY			
Share capital	**29,493**	29,493	
Share premium	**45,346**	45,346	
Other reserves	**(14,581)**	(13,262)	
Retained earnings	**572,965**	557,946	
	633,223	619,523	
Non-controlling interests	**14,046**	12,153	
Total equity	**647,269**	631,676	2
Non-current liabilities			
Borrowings	**154**	1,125	
Deferred income tax	**51,266**	53,977	
Defined pension benefits	**4,200**	-	
	55,620	55,102	
Current liabilities			
Provisions for other liablities and charges	**8,203**	739	
Derivative financial instruments	**2,054**	3,499	
Trade and Other payables	**125,578**	145,211	
Current Income tax	**(11,733)**	171	
Borrowings	**4,331**	62,013	
Dividends payable	**3,352**	-	
	131,785	211,633	-38
Total equity and liabilities	**834,674**	898,411	-7

TANZANIA BREWERIES GROUP

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER

	2016	2015	%
	TShs' M	TShs' M	Change
Cash flows from operating activities			
Operating profit	**138,513**	159,258	-13
Adjusted for:			
Depreciation & amortisation	**26,383**	25,995	
Loss (Profit) on sale of property plant and equipment	**106**	(14)	
Foreign exchange losses on loans	**383**	128	
	165,385	185,367	-11
Changes in working capital	**29,802**	(6,281)	
Cash generated from operations	**195,187**	179,086	9
Interest paid	**(6,191)**	(4,667)	
Taxation paid	**(53,638)**	(42,652)	
Net cash inflow from operating activities	**135,358**	131,767	3
Cash flows from investing activities			
Purchase of property plant and equipment	**(38,523)**	(34,041)	
Proceeds from disposals	**58**	81	
Net cash used in investing activities	**(38,465)**	(33,960)	
Cash flows from financing activities			
Dividends paid to group shareholders	**(103,704)**	(87,629)	
Dividends paid to minority shareholders	**-**	(4,409)	
Increase in non-group indebtedness	**9,389**	(375)	
Repayments of borrowings	**(449)**	-	
Net cash used in financing activities	**(94,764)**	(92,413)	
Net increase/(decrease) in cash and cash equivalents	**2,130**	5,394	
Cash and cash equivalents at 1 April	**12,466**	(19,661)	
Exchange (loss)/gain on cash and cash equivalent	**-**	6,761	
Cash and cash equivalents at 30 September	**14,596**	(7,506)	

TANZANIA BREWERIES GROUP

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

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	Share capital TShs' M	Share premium TShs' M	Other reserves TShs' M	Retained earnings TShs' M	Minority Interest TShs' M	Total TShs' M
Balance at 1 April 2015	**29,493**	**45,346**	**(14,680)**	**538,979**	**13,657**	**612,795**
Profit after tax	-	-	-	107,437	3,665	**111,102**
Cash flow hedge fair value gain	-	-	1,418	-	(752)	**666**
Interim dividend	-	-	-	(88,470)	(4,417)	**(92,887)**
Balance at 30 September 2015	**29,493**	**45,346**	**(13,262)**	**557,946**	**12,153**	**631,676**
Balance at 1 April 2016	**29,493**	**45,346**	**(13,697)**	**584,930**	**12,018**	**658,090**
Profit after tax	-	-	-	90,603	1,725	**92,328**
Cash flow hedge fair value gain	-	-	(884)	657	303	**76**
Interim dividend	-	-	-	(103,225)	-	**(103,225)**
Balance at 30 September 2016	**29,493**	**45,346**	**(14,581)**	**572,965**	**14,046**	**647,269**