

February 16, 2012

The Chief Executive
Nairobi Stock Exchange
P O Box 43633
NAIROBI



Chief Executive
Uganda Securities Exchange Ltd
Workers House
I Pilkington Road
2nd Floor, Northern Wing
P O Box 23552
KAMPALA

Chief Executive
Dar Es Salaam Stock Exchange
P O Box 70081
DAR ES SALAAM

Dear Sirs

At their Board Meeting held on 16th February 2012, the directors of East African Breweries Limited approved the Group's unaudited trading results for the six months ended 31 December 2011 and an interim dividend of Kshs 2.50 per share.

The register of members will remain closed on 20th March 2012. Interim dividends will be paid on or about 13th April 2012 to the shareholders on the register at the close of business on 19th March 2012 (record date for eligibility of dividend payment).

Please find enclosed a statement of the results as approved.

Yours faithfully

FOR EAST AFRICAN BREWERIES LIMITED


Agnes Murgor

LEGAL ADVISER/GROUP COMPANY SECRETARY

*Encl:

c.c. Chief Executive
Capital Markets Authority
NAIROBI

c.c. Chief Executive
Capital Markets & Securities Exchange
DAR ES SALAAM

c.c. Chief Executive
Capital Markets Authority
Kampala

Group:

a Breweries Ltd • Uganda Breweries Ltd • Serengeti Breweries Ltd • East African Maltings Ltd • Central Glass Industries Ltd • UDV (Kenya) Ltd • International Distillers Uganda Ltd • EABL International Ltd

Directors: J G Kiereini (Group Chairman) • N Blazquez (Dr.)*** (Group Deputy Chairman) • S Adetu* (Group Managing Director) • P Ndegwa (Group Finance Director)
C Diezhandino**** • R Kemoli • E Mwaniki • A Shonubi** • M Bomani***** • C Gakonyo • C Muchene [***** Tanzanian **** Spanish ***British **Ugandan * Nigerian]

Consolidated Income Statement

	6 months ended 31 December	
	2011 Kshs'm	2010 Kshs'm
Revenue	27,777	20,463
Cost of sales	(14,321)	(9,851)
Gross profit	13,456	10,612
Selling and distribution costs	(2,311)	(1,494)
Administrative expenses	(3,699)	(2,702)
Other expenses	(134)	(301)
Operating profit	7,312	6,115
Net finance (costs) / income	(642)	50
Profit before income tax	6,670	6,165
Income tax expense	(1,793)	(2,013)
Profit for the period	4,877	4,152
Attributable to:		
Equity holders of the Company	4,389	3,189
Non-Controlling Interest	488	963
	4,877	4,152
Earnings per share for profit attributable to the equity holders of the Company		
- basic and diluted (Shs per share)	5.55	4.03

Consolidated statement of comprehensive income

	6 months ended 31 December	
	2011	2010
	Kshs'm	Kshs'm
Profit for the six months	4,877	4,152
Other comprehensive income:		
Items net of tax		
Currency translation differences	(316)	(162)
Total comprehensive income for the year	<u>4,561</u>	<u>3,990</u>
Attributable to:		
Equity holders of the Company	4,073	3,027
Non-Controlling Interest	488	963
Total comprehensive income for the six months	<u>4,561</u>	<u>3,990</u>

Consolidated statement of financial position

	As at	
	31 December 2011 Kshs'm	30 June 2011 Kshs'm
Capital and reserves attributable to the Company's equity holders		
Share capital and reserves	22,462	21,301
Non-Controlling interest	<u>4,662</u>	<u>5,587</u>
Total equity	27,124	26,888
Non-current liabilities		
Long term borrowings	23,320	3,918
Deferred income tax liabilities	3,274	3,397
Total non-current liabilities	<u>26,594</u>	<u>7,315</u>
Total equity and non-current liabilities	<u>53,718</u>	<u>34,203</u>
Non-current assets		
Property, plant and equipment	29,673	28,497
Intangible assets - Software	304	380
Intangible assets - Goodwill	23,664	3,577
Intangible assets – Brand	563	563
Prepaid operating lease rentals	29	30
Other investments	10	10
Financial assets	98	98
Deferred income tax asset	237	237
	<u>54,578</u>	<u>33,392</u>
Current assets		
Available for sale investments- Tanzania Breweries Limited	2,465	2,465
Inventories	5,360	4,399
Receivables and prepayments	6,957	7,066
Current income tax	2,976	740
Term deposits	643	-
Cash and cash equivalents	2,512	1,650
	<u>20,913</u>	<u>16,320</u>
Current Liabilities:		
Payables and accrued expenses	16,345	13,581
Current income tax	1,793	353
Short term bank borrowings	1,460	259
Bank Overdraft	1,629	971
Dividend payable	546	345
	<u>21,773</u>	<u>15,509</u>
Net current assets	<u>(860)</u>	<u>811</u>
	<u>53,718</u>	<u>34,203</u>

Consolidated statement of changes in equity

	Share capital Kshs'm	Share premium Kshs'm	Revaluation reserves Kshs'm	Translation reserves Kshs'm	Retained earnings Kshs'm	Proposed dividends Kshs'm	Total Kshs'm	Minority interest Kshs'm	Total equity Kshs'm
At 1 July 2010	1,582	1,691	1,473	356	10,769	4,942	20,813	3,140	23,953
Comprehensive income for the period	-	-	-	(161)	-	-	(161)	(1)	(162)
-Exchange differences on translation of foreign subsidiaries and associate	-	-	-	-	3,189	-	3,189	963	4,152
-Net profit for the year	-	-	-	(161)	3,189	-	3,028	962	3,990
Total comprehensive income for the period	-	-	-	(161)	3,189	-	3,028	962	3,990
Contributions by and distributions to owners	-	-	-	-	-	(4,942)	(4,942)	(1,275)	(6,217)
Dividends:	-	-	-	-	-	-	-	-	-
- 2010 final paid	-	-	-	-	-	(4,942)	(4,942)	(1,275)	(6,217)
- 2011 interim paid	-	-	-	-	-	-	-	-	-
- 2011 final proposed	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
At 31 December 2010	1,582	1,691	1,473	195	13,958	-	18,899	2,827	21,726

Consolidated statement of changes in equity (continued)

	Share capital Kshs'm	Share premium Kshs'm	Share Revaluation reserves Kshs'm	Translation reserves Kshs'm	Retained earnings Kshs'm	Proposed dividends Kshs'm	Total Kshs'm	Minority interest Kshs'm	Total equity Kshs'm
At 1 January 2011	1,582	1,691	1,473	195	13,958	-	18,899	2,827	21,726
Comprehensive income for the period									
-Exchange differences on translation of foreign subsidiaries and associate	-	-	-	215	-	-	215	127	342
-Net profit for the year	-	-	-	-	4,164	-	4,164	698	4,862
Total comprehensive income for the period	-	-	-	215	4,164	-	4,379	825	5,204
Contributions by and distributions to owners									
NCI arising on new acquisition (Serengeti)	-	-	-	-	-	-	-	1,935	1,935
Dividends:									
- 2011 interim paid	-	-	-	-	(1,977)	-	(1,977)	-	(1,977)
- 2011 final proposed	-	-	-	-	(4,942)	4,942	-	-	-
Contributions by and distributions to owners	-	-	-	-	(6,919)	4,942	(1,977)	1,935	(42)
At 30 June 2011	1,582	1,691	1,473	410	11,203	4,942	21,301	5,587	26,888

Consolidated statement of changes in equity (continued)

	Share capital Kshs'm	Share premium Kshs'm	Share Revaluation reserves Kshs'm	Translation reserves Kshs'm	Retained earnings Kshs'm	Proposed dividends Kshs'm	Total Kshs'm	Minority interest Kshs'm	Total equity Kshs'm
At 1 July 2011	1,582	1,691	1,473	410	11,203	4,942	21,301	5,587	26,888
Comprehensive income for the period	-	-	-	(258)	-	-	(258)	(58)	(316)
-Exchange differences on translation of foreign subsidiaries and associate	-	-	-	-	4,389	-	4,389	488	4,877
-Net profit for the 6 month period	-	-	-	(258)	4,389	-	4,131	430	4,561
Total comprehensive income for the period	-	-	-	-	-	-	-	(452)	(452)
Contributions by and distributions to owners	-	-	-	-	-	(2,970)	(2,970)	(903)	(3,873)
Non controlling interest due to KBL repurchase of MI	-	-	-	-	-	-	-	-	-
Dividends:	-	-	-	-	-	-	-	-	-
- 2011 final paid	-	-	-	-	-	(2,970)	(2,970)	(903)	(3,873)
- 2012 interim paid	-	-	-	-	-	-	-	-	-
- 2012 final proposed	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	-	-	-	(2,970)	(2,970)	(1,355)	(4,325)
At 31 December 2011	1,582	1,691	1,473	152	15,592	1,972	22,462	4,662	27,124

Consolidated statement of cash flows

	6 months ended 31 December	
	2011 Kshs'm	2010 Kshs'm
Cash from operating activities	<u>7,295</u>	<u>6,165</u>
Investing activities:		
Purchase of property, plant and equipment	(3,034)	(1,957)
Acquisition of Serengeti Breweries Limited	-	(4,943)
Purchase of NCI share of Kenya Breweries Limited	<u>(20,786)</u>	<u>-</u>
Net cash used in investing activities	<u>(23,820)</u>	<u>(6,900)</u>
Financing activities:		
Dividends paid to shareholders	(2,769)	(4,926)
Dividends paid to minority interest	(903)	(1,275)
Proceeds from Borrowings	21,174	1,600
Repayment of Borrowings	(129)	-
Net cash used in financing activities	<u>17,373</u>	<u>(4,601)</u>
Decrease in cash and cash equivalents	<u>848</u>	<u>(5,336)</u>
Movement in cash and cash equivalents		
At beginning of period 1 July	678	7,993
Decrease	<u>848</u>	<u>(5,336)</u>
At close of period 31 December	<u>1,526</u>	<u>2,657</u>