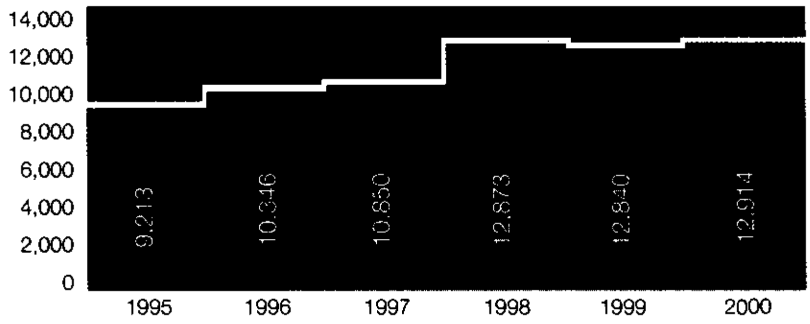
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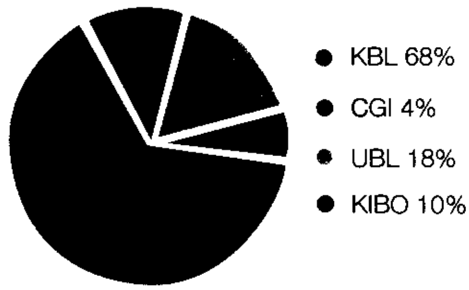
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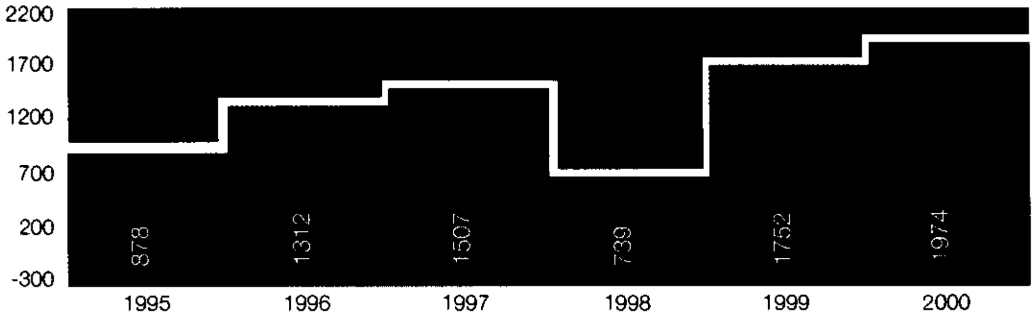
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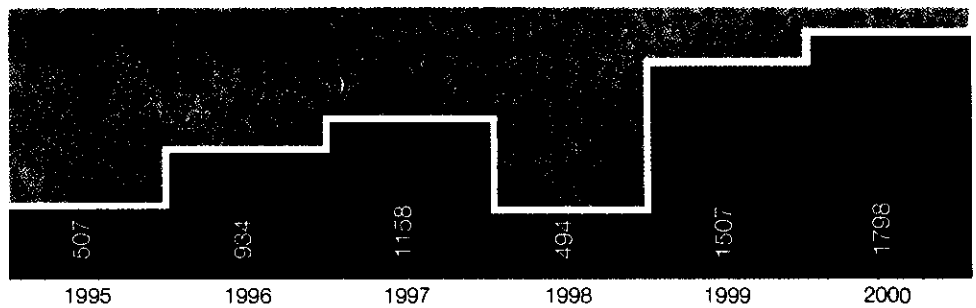
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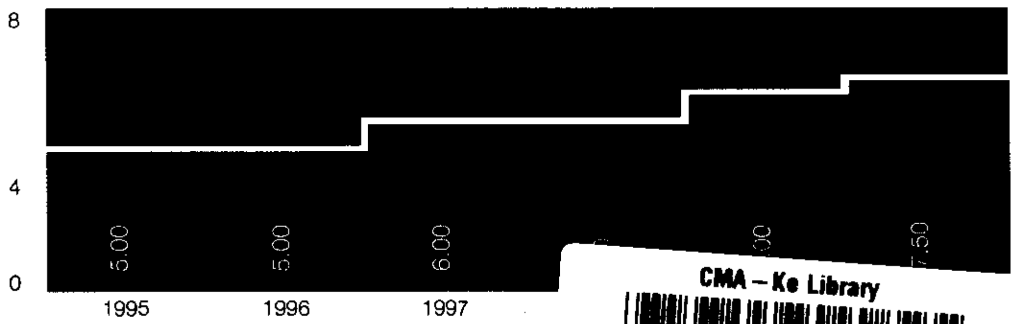
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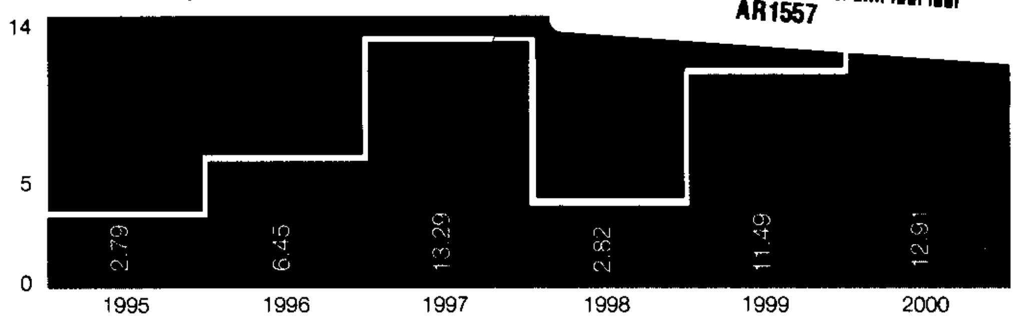
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Financial Calendar

For the year ended 30 June 2000

Results
Half year results announced 10 March 2000
Full year results announced 1 September 2000

Annual Report
Issued 6 November 2000
78th Annual General Meeting 1 December 2000

Dividends

Interim
Announced 10 March 2000
Paid 28 April 2000

Final
Announced 1 September 2000
Payable on or about 22 December 2000

Register
Closing date 17 November 2000

KALENDA YA KIFEDHA

Kwa mwaka uliomalizika 30 Juni 2000

Matokeo

Matokeo ya nusu mwaka yalitangazwa tarehe 10 Machi 2000

Matokeo ya mwaka mzima yalitangazwa tarehe 1 Septemba 2000

Ripoti ya mwaka

Ilitolewa tarehe 6 Novemba 2000
Mkutano wa 78 utafanyika tarehe 1 Desemba 2000

Mgawo

Wa Muda

Ulitangazwa tarehe 10 Machi 2000
Ulilipwa 28 Aprili 2000

Wa Mwisho

Ulitangazwa tarehe 1 Septemba 2000

Kulipwa mnamo tarehe 22 Desemba 2000

Daftari

Itafungwa tarehe 17 Novemba 2000

Corporate Information

DIRECTORS

Group Chairman
J G Kiereini

Group Managing Director
P G Healy

Group Finance and Strategy Director
G K Mahinda

Non Executive Directors
R Kemoli
I K Cheluget
J K Mwangi
D H C Hampshire
Permanent Secretary - Treasury
J V Mwapachu
W S Kalema
E Mwaniki

Group Company Secretary
J B Rukanyangira

REGISTRARS
Barclays Advisory & Registrar Services Limited
Barclays Plaza
Loita Street
PO Box 30120, Nairobi

REGISTERED OFFICE

East African Breweries Limited
Ruaraka
PO Box 30161
Ruaraka, Nairobi

AUDITORS
KPMG Peat Marwick
Lonrho House, 16th floor
Standard Street
PO Box 40612, Nairobi

BANKERS
Standard Chartered Bank Kenya Limited
Kenyatta Avenue
PO Box 30001, Nairobi

Citibank NA
Citibank House
Upper Hill Road
PO Box 30711, Nairobi

Commercial Bank of Africa
CBA Building
Wabera/Standard Street
PO Box 30437, Nairobi

SUBSIDIARY COMPANIES
Kenya Breweries Limited
Uganda Breweries Limited
Kibo Breweries Limited
Central Glass Industries Limited

2007/1557

ADVOCATES
Kaplan & Stratton
Queensway House
Kaunda Street
PO Box 40111, Nairobi

From left to right
• J G Kiereini • J V Mwapachu • R Kemoli • P G Healy • G K Mahinda

From left to right
• D H C Hampshire • I K Cheluget • E Mwaniki • J K Mwangi • W S Kalema • J B Rukanyangira

NOTICE IS HEREBY GIVEN that the SEVENTY-EIGHTH ANNUAL GENERAL MEETING of East African Breweries Limited will be held at Tusker Social Hall, Ruaraka, Nairobi on Friday 1st December, 2000 at 11.00 a.m. for the following purposes:

1. FINANCIAL STATEMENTS

a) to receive and adopt the audited financial statements for the year ended 30 June 2000 together with the report of the Directors and the Auditors' report thereon;

b) to confirm the interim dividend of KShs 2/- and declare a final dividend of KShs. 5.50 per ordinary share payable on or about 22 December to members on the Register at the close of business on 17 November 2000.

2. DIRECTORS

a) Elections

i) to re-elect Mr Juma Volter Mwapachu who retires under Article 97 and, being eligible, offers himself for re-election as a director of the company;

ii) to re-elect Dr William Samson Kalema who retires under Article 97 and, being eligible, offers himself for re-election as a director of the company;

iii) to re-elect Mr Evanson Mwaniki who retires under Article 97 and, being eligible, offers himself for re-election as a director of the company;

iv) to re-elect Mr Isiah K Cheluget who retires under Article 94 and, being eligible, offers himself for re-election as a director of the company; and

v) to re-elect Mr John Mwangi who retires under Article 94 and, being eligible, offers himself for re-election as a director of the company

b) Remuneration

To approve an increase in the Directors' fees to KShs 2,800,000/= per annum for all the non-executive directors together.

3. AUDITORS

To appoint KPMG Peat Marwick the company's Auditors for the period ending with the next annual general meeting of the company and to authorise the directors to determine their remuneration.

As Special Business

4. To consider the following resolutions, which will be proposed as ordinary resolutions:

a) "THAT, subject to the approval of The Capital Markets Authority, pursuant to Article 132A of the company's Articles of Association, the directors be and are hereby authorised to pay the final dividend for 2000 as a scrip dividend to be satisfied by the allotment and issue of ordinary shares of KShs 10/= each of the company credited as fully paid, to members on the register on 17 November 2000 who elect in writing on or before 7 December 2000, to take their dividend in shares instead of cash, the number of shares being determined by reference to the price of the company's ordinary shares quoted on the Official List of the Nairobi Stock Exchange as announced by the Chairman of the Board of Directors of the company at the annual general meeting**"**.

b) "THAT, subject to the approval of The Capital Markets Authority, the directors be and are hereby authorised to establish for the benefit of employees of the Group a trust scheme comprising an employee

TANGAZO LA MKUTANO MKUU WA KILA MWAKA

TANGAZO LINATOLEWA HAPA Kwamba MKUTANO MKUU Wa KILA MWAKA NA WA SABINI NA NANE *Wa kampuni ya East African Breweries Limited utafanyika katika ukumbi wa Tusker, Ruaraka, Nairobi siku ya Ijumaa tarehe 1 Desemba, 2000 saa tano asubuhi kwa minajili ifuatayo:*

1. TAARIFA ZA KIFEDHA

a) *Kupokea na kuidhinisha taarifa za kifedha zilizokaguliwa kwa mwaka uliomalizika 30 Juni, 2000 pamoja na ripoti ya wakurugenzi na ya wakaguzi zilizoambatanishwa;*

b) *Kuthibitisha malipo ya mgawo wa muda wa shilingi 2 za Kenya na kutangaza mgawo wa mwisho wa shilingi 5.50 za Kenya kwa kila hisa, utakaolipwa mnamo au kabla ya tarehe 22 Desemba kwa wenyehisa ambao majina yao yatakuwa kwenye daftari itakapofungwa tarehe 17 Novemba 2000.*

2. WAKURUGENZI

a) Uchaguzi

i) Kumchagua Bw Juma Volter Mwapachu ambaye anastaafu kulingana na kifungu cha 97 cha kanuni za kampuni na, kwa vile inakubaliwa kumchagua tena, atajitolea achaguliwe kama mkurugenzi wa kampuni.

ii) Kumchagua Dkt William Samson Kalema ambaye anastaafu kulingana na kifungu cha 97 cha kanuni za kampuni na, kwa vile inakubaliwa kumchagua tena, atajitolea achaguliwe kama mkurugenzi wa kampuni.

iii) Kumchagua Bw Evanson Mwaniki ambaye anastaafu kulingana na kifungu cha 97 cha kanuni za kampuni na, kwa vile inakubaliwa kumchagua tena, atajitolea achaguliwe kama mkurugenzi wa kampuni.

iv) Kumcahgua tena Bw Isiah Cheluget ambaye anastaafu kulingana na kifungu cha 94 cha kanuni za kampuni na, kwa vile inakubaliwa kumchagua tena, atajitolea achaguliwe kama mkurugenzi wa kampuni.

v) Kumchagua tena Bw John Mwangi ambaye anastaafu kulingana na kifungu cha 94 cha kanuni za kampuni na, kwa vile inakubaliwa kumchagua tena, atajitolea achaguliwe kama mkurugenzi wa kampuni.

b) MALIPO

Kuidhinisha ongezeko la malipo ya wakurugenzi hadi shilingi 2,800,000 za Kenya kila mwaka,kwa wakurugenzi ambao si wafanyikazi wa kampuni, kwa jumla.

3. WAKAGUZI WA HESABU

Kuwateua KPMG Peat Marwick kama wakaguzi wa hesabu kwa muda utakaomalizika na mkukutano mkuu wa mwaka ujao na kuwapa wakurugenzi idhini ya kuamua kiasi cha malipo yao.

Shughuli Maalum

4. Kujadiliana maazimio yafuatayo ambayo yatapendekezwa kama maazimio ya kawaida:

a) KWAMBA *kulingana na kifungu cha 132A cha kanuni za kampuni, wakurugenzi wapewe kibali cha kuwalipa wenye hisa mgawo wa mwisho wa mwaka wa 2000 kwa njia za hisa za kampuni za shilingi 10 za Kenya kila mmoja, zikiwa zimelipwa kikamilifu, kwa wenyehisa waliomo kwenye daftari tarehe 17 Novemba na ambao wataamua kuchukua mgawo wao kwa hisa badala ya pesa taslimu kwa maandishi kufikia tarehe 7 Desemba, idadi ya hisa zenyewe ikilingana na bei za hisa za kawaida za kampuni katika ratiba ya Soko la Hisa la Nairobi kama itakavyotangazwa na Mwenyekiti wa* share ownership plan **("ESOP")** pursuant to which the trustees thereof shall be authorised to issue units representing ordinary shares of KShs. 10/= of the company to qualifying employees in accordance with rules for

i) an Executive Option Scheme under which qualifying senior executives of the Group may be granted options to acquire units representing ordinary shares in the company; and

ii) an Employee Savings Scheme under which employees of the Group will be offered the chance to make periodic savings out of earnings to be used on expiry of an agreed period of time either to pay for units representing ordinary shares in the company, or to refund relative contributions in cash plus interest, or to be partly in units and partly in cash".

c) **"THAT** pursuant to Article 5 of the company's Articles of Association and in connection with the **ESOP**, the directors be and are hereby generally and unconditionally authorised to allot and issue to the trustees the ordinary shares from time to time required to be held by them for the purposes of the **ESOP** provided that the number of units outstanding under the **ESOP** shall not exceed the equivalent in number of 10% of the issued ordinary share capital of the company from time to time ".

d) **"THAT** in accordance with Article 5 of the Articles of Association of the company the directors be and are hereby generally and unconditionally authorised to allot ordinary shares up to a total nominal value of not more than KShs 75,000,000 representing 5% of the authorised share capital of the company, in connection with an investment in or acquisition of any assets, shares or other property by the company or by any subsidiary of the company where the directors consider that it is appropriate that all or part of the consideration to be offered or paid should be in the form of ordinary shares of the company.

This authority shall expire at the next annual general meeting of the company but may be renewed by resolution provided that the company may, before such expiry, make an offer or agreement which would or might require ordinary shares to be allotted after such expiry and the directors may allot ordinary shares in pursuance of such offer or agreement as if the authority hereby conferred had not expired".

5. To transact any other business that may legally be transacted at the meeting.

By Order of the Board,

J B Rukanyangira
Secretary

18 October 2000

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member.

A tear-out Form of Proxy is given on page 27 for use by members who do not propose to be present at the meeting.

Halmashauri ya Wakurugenzi wa kampuni katika mkutano mkuu wa mwaka.

b) ***KWAMBA*** *wakurugenzi wapewe kibali cha kuanzisha mpango wa dhamana kwa manufaa ya wafanyikazi wa East African Breweries na makampuni yake tanzu, kutegemea idhini ya Capital Markets Authority, wa kuwezesha wafanyikazi kuwa na hisa katika kampuni* ***(ESOP)****, wadhamana wakipewa kibali cha kupeana vitengo vinanvyowakilisha hisa za shilingi 10 za Kenya za kampuni kwa wale wafanyikazi wanaostahili kulingana na kanuni za*

i) Mpango ambapo Maafisa Wakuu wa kampuni wanaweza kupewa chaguo la kujipatia vitengo vinavyowakilisha hisa za kawaida za kampuni; na

ii) Mpango wa Akiba kwa wafanyikazi ambapo wafanyikazi wa kampuni na makampuni yake watapewa nafasi ya kuweka akiba mara kwa mara kutokana na malipo yao, akiba hizo zikitumiwa baada ya muda utakaowekwa kulipia vitengo vinavyowakilisha hisa za kawaida za kampuni au kurudisha michango yao kwa pesa taslimu na faida au sehemu kwa vitengo na nyingine kwa pesa taslimu.

c) ***KWAMBA*** *kulingana na kifungu cha 5 cha kanuni za kampuni, na kuambatana na mpango ulioelezewa hapo juu (katika (b)-****(ESOP)*** *wakurugenzi wapewe kibali, bila kuwekewa masharti yoyote, kuwagawia na kuwapa wadhamana hisa za kawaida za kampuni itakavyohitajika mara kwa mara, ili wazishikilie kwa ajili ya mpango huo* ***(ESOP)****, mradi tu idadi ya vitengo vinavyosalia kwa mpango huo visizidi asilimia kumi ya hisa za kawaida ambazo zimetolewa mara kwa mara.*

d) ***KWAMBA****, kulingana na kifungu cha 5 cha kanuni za kampuni wakurugenzi wapewe kibali bila masharti yoyote, kugawa hisa za kawaida za thamani inayolingana na gharama isiyozidi shilingi milioni 75 za Kenya kiasi ambacho kinawakilisha asilimia tano za pesa za hisa zilizoidhinishwa, kuhusiana na uzalishaji mali ama uwekezaji, ununuaji wa hisa au mali utakaofanywa na kampuni yenyewe ama kampuni yoyote tanzu ambapo wakurugenzi wanaoelea panafaa na kwamba sehemu ama malipo yoyote hayo yawe ni kwa njia za hisa za kampuni.*

Kibali hiki kitaishia kwenye mkutano mkuu ujao wa kila mwaka wa kampuni, lakini kinaweza kutolewa upya kwa njia ya kupitisha azimio mradi tu kampuni inaweza, kabla ya muda huo kumalizika, kupendekeza ama kuwasilisha mkataba ambao waweza ama huenda ukalazimu kwamba hisa zitengwe baada ya muda huo kumalizika na wakurugenzi wanaweza kutoa hisa za kawaida kulingana na toleo kama hilo au mkataba, kana kwamba muda wa kibali kilichotolewa haujamalizika.

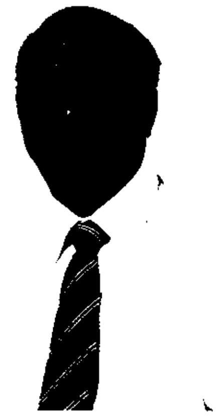
5. Kushughulikia maswala mengine ambayo yanaweza kujadiliwa kihalali katika mkutano huo

Kwa Amri ya Halmashauri.

J B Rukanyangira
Katibu
Oktoba 18 2000

Mwanahisa aliye na haki ya kuhudhuria na kupiga kura mkutanoni ana haki pia ya kumteua mwakilishi mmoja au zaidi kuhudhuria na kupiga kura kwa niaba yake. Si lazima mwakilishi awe mwanahisa wa kampuni.

Fomu ya uwakilishi iwezayo kutolewa inapatikana katika ukurasa wa 27 kwa matumizi ya wanahisa wasiotarajia kuhudhuria mkutano.



J G Kiereini **Group Chairman**

I am happy to report that 1999/2000 was yet another successful year for the Group despite a very challenging operating environment.

RESULTS

As is typical in depressed economies, disposable incomes in the whole region continued to decline resulting in reduced consumer spending. This greatly constrained our volumes and hindered growth in turnover during the year.

However, despite the very difficult economic conditions, the Group was able to achieve an operating profit of nearly Kshs 2 billion before taxation. In our continued support of the national exchequers we paid the equivalent of Kshs 13 billion in total in direct and indirect taxes to the different governments through our respective subsidiaries.

The directors are happy to recommend a final dividend of Kshs 5.50 per ordinary share which, when added to the interim dividend of Kshs 2 per share paid in April, brings the total dividend for the year to Kshs 7.50 per share, an increase of more than 7% over last year.

Once again, in order to conserve cash for further development of the business and to facilitate use of dividends by shareholders to increase their shareholding, members will have the choice to receive their dividend entitlement for this year (net of withholding tax) in the form of duly paid up shares in the company (scrip dividend) or in cash.

NEW DEVELOPMENTS

Kenya Maltings Limited has been incorporated as a wholly owned subsidiary of East African Breweries Limited.

The new company will concentrate on the production of malt for the Group. This will allow Kenya Breweries to focus on its core business of marketing, selling and brewing beer.

A Barley Crop in Kenya under inspection.
Zao la shayiri nchini Kenya likikaguliwa.

Through Kenya Maltings Limited, East African Breweries will continue its 52-year tradition of promoting and facilitating the growing of malt barley. I am proud to report that last year KShs1.2 billion was spent on this activity. Of this amount, Kshs 755 million was paid directly to the farmers.

The Group continues to make strategic capital investments focussed on quality perfection and safety at work. We invested in a carbon dioxide recovery plant at our Tusker brewery and as a result, the brewery is now self sufficient in that vital input. This is not only saving the brewery money but puts us in full control of the quality of the carbon dioxide we use.

TAARIFA YA MWENYEKITI

Nina furaha kuripoti kwamba mwaka 1999/2000 ulikuwa ni mwaka wa mafanikio kwa East African Breweries mara nyingine licha ya kukabiliwa na hali ngumu ya kuendesha shughuli zetu.

MATOKEO

Kama ilivyo kawaida mahali ambapo uchumi umezorota, mapato katika eneo hili lote yaliendelea kushuka na kusababisha kupungua kwa matumizi ya pesa. Hii ilibana sana uuzaji wetu na kuzuia kukua kwa mapato yetu kwa mwaka huo.

Hata hivyo licha ya hali ngumu ya kiuchumi, kampuni ilifanikiwa kupata takriban shilingi bilioni 2 za Kenya, kabla ya kutoa ushuru. Katika harakati zetu za kuzidi kuchangia hazina ya kitaifa, tulilipa kiasi cha shilingi bilioni 13 za Kenya kwa jumla kama ushuru kwa serikali zetu tatu, kupitia kwa makampuni yetu tanzu.

Wakurugenzi wanafurahia kupendekeza mgawo wa mwisho wa shilingi 5.50 za Kenya kwa kila hisa ya kawaida ambazo zikiongezwa kwa mgawo wa muda wa shilingi 2 za Kenya kwa hisa uliolipwa Aprili, zinaleta jumla ya mgawo wa mwaka kufikia shilingi 7.50 za Kenya kwa hisa, hili likiwa ni ongezeko linalozidi asilimia 7 kulingana na mwaka jana.

Kwa mara nyingine, ili kuhifadhi pesa kwa kuendeleza zaidi na kurahisisha matumizi ya mgawo kwa wenyehisa kuongeza hisa zao,wanahisa watakuwa na chaguo la kupokea mgawo wao wanaostahili kupata kwa mwaka (baada ya kukata ushuru) kwa namna ya hisa zilizolipwa kikamilifu kwenye kampuni (mgawo wa hati) au kwa fedha taslimu.

MATUKIO MAPYA

Tumeanzisha kampuni ya Kenya Maltings Limited kama kampuni tanzu inayomilikiwa kikamilifu na East African Breweries.

Kampuni hii mpya itazingatia utengenezaji wa shayiri kwa matumizi ya makampuni yetu. Hii itaiwezesha Kenya Breweries kushughulikia mambo yake muhimu ya kutangaza, kuuza na kupika bia.

Kupitia kwa Kenya Maltings Limited, East African Breweries itaendelea na jukumu lake la miaka 52 la kuendeleza na kurahisisha ukuzaji wa shayiri. Nina fahari kuripoti kwamba mwaka uliopita, shilingi bilioni 1.2 za Kenya zilitumika katika shughuli hii, na kutoka kwa kiasi hicho, shilingi milioni 755 zililipwa wakulima wenyewe.

East African Breweries inaendelea kuweka rasilimali muhimu inayojihusisha na uboreshaji na usalama kazini. Tuliweka rasilimali kwenye mtambo wa kukusanyia gesi ya carbon dioxide katika kiwanda chetu cha Tusker na kwa hali hiyo kiwanda sasa kinajitosheleza kikamilifu kwa kiungo hicho muhimu.Hivyo basi kiwanda kimeweza kupunguza gharama ya matumizi mbali na kutuimarisha sisi ili kuuthibiti ubora wa carbon dioxide tunayoitumia.

KUINGIA MWAKA WA 2000

Mwaka jana niliwahakikishia kwamba kampuni yetu ilikuwa imejiandaa kikamilifu kwa kuingia mwaka wa 2000. Ninafurahia kwamba kila moja ya makampuni yetu iliuanza mwaka huu bila ya matatizo yoyote.

HALMASHAURI YA WAKURUGENZI

Wakurugenzi Wapya

Wanahisa watakumbuka kwamba wakati wa mkutano mkuu wa mwaka jana, viti viwili zaidi vilibuniwa katika halmashauri ili kuwezesha uteuzi wa wakurugenzi kutoka Uganda na Tanzania.

Bw Juma Volter Mwapachu kutoka Tanzania na Dk William Samson Kalema kutoka Uganda, wote wakiwa watu mashuhuri katika jumuiya ya wafanyibiashara katika nchi zao, hatimaye waliteuliwa na wamekubali kuhudumu kama wakurugenzi wa kampuni.

Bw Evanson Mwaniki aliteuliwa kama mkurugenzi kuchukua mahala pa Bw M J Karanja ambaye amestaafu kutoka kwenye kampuni.

Consolidated Profit and Loss Account

	Notes		1999 KShs'000
Gross Turnover		[redacted]	25,248,788
Indirect taxes			(12,409,062)
Net turnover			12,839,726
Cost of sales			(5,224,249)
Gross profit			7,615,477
Other income	2		155,242
Selling and distribution costs			(1,534,393)
Administrative expenses			(3,875,371)
Re organisation costs			(608,495)
Operating profit			1,752,460
Net finance costs	3		(245,498)
Profit before taxation	4		1,506,962
Income tax expense	5		(379,032)
Profit after taxation			1,127,930
Minority interest			(52,185)
Profit attributable to shareholders			1,075,745
Earnings per share	6		KShs 11.49
Dividend per share			KShs 7.00

The cosolidated profit and loss account is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 25.

Report of the Auditors to the Members of East African Breweries Limited

We have audited the financial statements set out on pages 12 to 25 which have been prepared on the basis of the accounting policies set out in Note 1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and to provide a reasonable basis for our opinion. The balance sheet of the company is in agreement with the books of account.

The directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the company and the group and of the group's operating results. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance that the accounts are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the company and the group at 30 June 2000 and of the group's operating results and cash flows for the year then ended in accordance with International Accounting Standards and comply with the requirements of the Companies Act.

CERTIFIED PUBLIC ACCOUNTANTS

KPMG Peat Marwick
Nairobi.

1 September 2000

RIPOTI YA WAKAGUZI WA HESABU KWA WANAHISA WA EAST AFRICAN BREWERIES LIMITED

Tumekagua taarifa za kifedha zilizoko kwenye kurasa za 12 hadi 25 ambazo zimetayarishwa kwa misingi ya sera za uhasibu zilizoelezwa katika Muhtasari 1. Tumepata habari zote na maelezo ambayo kwa kadiri ya ubora wa ujuzi na maarifa yetu, yalihitajika kwa minajili ya ukaguzi wetu na kutupa msingi wenye busara wa kutoa maoni yetu. Mizania ya hesabu za kampuni inakubaliana na vitabu vya hesabu.

Ni wajibu wa wakurugenzi kutayarisha hesabu za kifedha zilizo sahihi na zinazoonyesha kwa ukweli hali ya shughuli za kampuni, kwa pekee, na ikiwa na makampuni yake mengine, ilivyo.

Tulitekeleza ukaguzi wetu kuambatana na viwango vya kimataifa vya ukaguzi. Viwango hivyo vinahitaji tupange na kutekeleza ukaguzi wetu ili tupate thibitisho tosha kwamba hesabu hazina upotofu wa aina yoyote. Ukaguzi ni pamoja na uchunguzi, kwa msingi wa majaribio, kwa ushahidi unaothibitisha kiasi kinachoonyesha matangazo yanayotolewa kwenye taarifa za kifedha. Pia ukaguzi huwa ni pamoja na tathmini ya maadili ya uhasibu yaliyotumika na makadirio muhimu yanayofanywa na wakurugenzi, pamoja na tathmini jumla ya uwasilishaji wa taarifa za kifedha. Tuna imani kwamba ukaguzi wetu unatoa msingi unaofaa wa maoni yetu.

Kwa maoni yetu, vitabu vya hesabu vimehifadhiwa vizuri na taarifa za kifedha zinaonyesha kwa ukweli hali halisi ya kifedha ya kampuni yenyewe na makampuni yake tanzu ilivyokuwa hadi tarehe 30 Juni 2000 na ya matokeo ya utekelezaji wa makampuni yote yanayohusika na fedha zilivyopokelewa na kutumiwa kwa mwaka uliomalizikia hapo, kuambatana na viwango vya uhasibu vya kimataifa na kukidhi mahitaji ya Sheria zinazosimamia Makampuni.

WAKAGUZI WA HESABU WA UMMA WALIOTHIBITISHWA

KPMG Peat Marwick
Nairobi

Tarehe 1 Septemba 2000.

KPMG

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 30 June 2000.

ACTIVITIES

East African Breweries Limited remains a holding company with subsidiaries involved in the marketing, brewing/manufacturing and selling of beer and glass containers. A detailed report on the group's performance during the year is set out on pages 12 to 25.

DIVIDENDS

The directors recommend a final dividend of Kshs 5.50 per ordinary share to be paid on or about 22 December 2000 to those members on the register at the close of business on 17 November 2000. This, together with the interim dividend of KShs 2 paid in April 2000, brings the total dividend for the year to Kshs 7.50 per issued ordinary share. It is proposed that shareholders be offered the option to take the final dividend in fully paid shares in the company instead of cash.

TRANSFER TO RESERVES

The profit attributable to shareholders amounted to Kshs 1,234,060,000 which, after dividends totalling Kshs 730,516,485 left Kshs 503,543,515 to be transferred to reserves.

DIRECTORS

The names of the current directors of the company are set out on page 2.

Mr Juma V Mwapachu and Dr Willam S Kalema were appointed additional directors of the company on 1 September 2000. Mr Evanson Mwaniki was appointed a director of the company on 1st September 2000 to fill a vacancy left by the retirement of Mr M J Karanja.

In accordance with the company's Articles of Association, Dr Kalema, Mr Mwapachu and Mr Mwaniki hold office only until the next annual general meeting of the company and, being eligible, will seek re-election at the forthcoming annual general meeting.

Mr Isiah Cheluget and Mr John Mwangi retire by rotation and each, being eligible, will offer himself for re-election.

AUDITORS

KPMG Peat Marwick have indicated willingness to continue in office as the Company's Auditors in terms of Section 159(2) of the Companies Act.

EMPLOYEES

The directors are pleased, once again, to record their appreciation for the untiring efforts of all employees of the company and its subsidiaries.

By Order of the Board

J B Rukanyangira
Secretary

1 September 2000

RIPOTI YA WAKURUGENZI KWA MWAKA ULIOMALIZIKA 30 JUNI MWAKA 2000

Wakurugenzi wana furaha ya kuwasilisha ripoti yao pamoja na hesabu za kifedha zilizokaguliwa kwa mwaka uliomalizika tarehe 30 Juni 2000.

SHUGHULI ZA KAMPUNI

East African Breweries Limited bado inaendelea kumiliki makampuni mengine yanayoshughulika na upikaji/utengenezaji, ugawaji na uuzaji wa bia na chupa na bidhaa nyinginezo za glasi. Ufafanuzi kamili wa utekelezaji wa kampuni katika mwaka huo unaonyeshwa katika kurasa za 12 hadi 25.

MGAWO WA FAIDA

Wakurugenzi wanapendekeza mgawo wa mwisho wa shilingi 5.50 za Kenya kwa kila hisa ya kawaida, utakaolipwa mnamo tarehe 22 Desemba 2000 kwa wale wanachama watakaokuwa kwenye daftari itakapofungwa tarehe 17 Novemba 2000. Mgawo huu, pamoja na mgawo wa muda wa shilingi 2 uliolipwa mwezi Aprili 2000, unafanya jumla ya mgawo wa shilingi 7.50 za Kenya kwa hisa, kwa mwaka huo. Kuna pendekezo kwamba wenyehisa wapewe chaguo la kuchukuwa mgawo wao wa mwisho kwa njia ya kumiliki hisa za kampuni zilizolipwa kikamilifu badala ya fedha taslimu.

UHAMISHAJI KWA AKIBA

Jumla ya faida kwa wenyehisa ilikuwa shilingi 1,234,060,000 za Kenya na kukitolewa shilingi 730,516,485 za mgawo kwa jumla kunabakia shilingi 503,543,515 za Kenya za kuwekwa akiba.

WAKURUGENZI

Majina ya wakurugenzi wa sasa wa kampuni, yako ukurasa wa 2.

Bw Juma Volter Mwapachu na Dkt William Samson Kalema waliteuliwa kuwa wakurugenzi wa kampuni tarehe 1 Septemba 2000 na Bw Evanson Mwaniki akateuliwa kuwa mkurugenzi wa kampuni tarehe 1 Septemba 2000 kujazilia nafasi iliyoachwa na kustaafu kwa Bw M J Karanja.

Kulingana na kanuni za kampuni, Bw Mwapachu, Dkt Kalema na Bw Mwaniki wanashikilia mamlaka mpaka mkutano mkuu ujao wa kampuni, na, kwa vile inakubaliwa kuwachagua tena, watajitolea wachaguliwe.

Bw Isiah K Cheluget na Bw John Mwangi wanastaafu kwa zamu. Kila mmoja wao anaweza kuchaguliwa tena na atajitolea achaguliwe.

WAKAGUZI WA HESABU

KPMG Peat Marwick wamedokeza kwamba wako tayari kuendelea na wadhifa wa Wakuguzi wa Hesabu wa kampuni kuambatana na kifungu cha 159(2) cha Sheria zinazosimamia Makampuni.

WAFANYIKAZI

Kwa mara nyingine wakurugenzi wanawashukuru kwa furaha tele wafanyikazi wote wa kampuni na makampuni yake tanzu.

Kwa Amri ya Halmashauri

J B Rukanyangira
Katibu

1 Septemba 2000

company to cope with the challenges of power and water rationing.

SOCIAL RESPONSIBILITY

We continue to share our success with the communities where we operate and from whose support we derive that success by contributing to improvement of the quality of life particularly in areas where there is greatest need.

Our Guinness brand remains committed to and is extensively involved in community water projects.

This year, Kenya Breweries instituted and supported a number of community based programmes. Most notable among these were the Tusker Save a Life project in a national famine relief effort, a hospital beds repair project, a water supply project for a township and a schools computer programme in which the company donated computers to a number of schools in the country and provided training to the teachers on the use of the computers.

Uganda Breweries funded a sanitation project for Port Bell residents in addition to a number of small but beneficial projects for various communities around the country.

Kibo Breweries financed the total refurbishment of two primary schools and a health centre in the Kilimanjaro and Arusha regions. The company continues to support the revival of the coffee industry through donations of coffee seedlings to farmers in Arusha and Moshi.

THE FUTURE

Once again this year's results have demonstrated that with proper strategies, the Group can still make good profits even in difficult economic conditions.

Few organisations achieve leadership in their chosen sectors and fewer still manage to maintain that leadership over time. East African Breweries will not relinquish its leadership. In our industry, such a goal demands exceptional commitment and continuous innovation. We shall continue to combine leading-edge technology, expertise specific to the industry as well as dedication to high quality in all we do. We will continue to pursue viable strategic alliances and partnerships to further strengthen the Group's position.

A shared services centre, whose key objective is to increase efficiency by providing transaction processing and reporting services to the subsidiaries leveraging on technology, is being established and will soon come into operation. The concept of a shared services centre is new in Africa and we are proud that once again we are pioneers in its application in the region. We have installed satellite connections in our operations in Dar es Salaam, Kampala and Nairobi to support the centre.

Also plans are at an advanced stage to get East African Breweries shares listed on the Kampala and Dar es Salaam Stock Exchanges.

The level of beer consumption per capita in the region is still relatively low. There is therefore great potential for considerable growth and the challenge on us is to exploit that opportunity. With the potential increase in the per capita beer consumption, the various strategies and initiatives that are being implemented together with the measures that the governments in the region have put in place for the revival of their respective economies, we can justifiably look forward to an even more successful 2000/2001.

THANKS

The results presented to day would not have been achieved without the support of the directors and for this I wish to thank my colleagues on the Board.

On behalf of the Board, I wish to record our gratitude to our distributors and to all our consumers for their continued loyalty and support and our employees at all levels in the Group for their hard work and dedication without which the results would not have been possible.

J G Kiereini
Group Chairman

wakazi wa Port Bell mbali na miradi mingine yenye faida kwa jumuiya mbalimbali nchini.

Kibo Breweries iligharamia urekebishaji kamili wa shule mbili za msingi na kituo cha afya katika maeneo ya Kilimanjaro na Arusha na inaendelea kuunga mkono ufufuaji wa kiwanda cha kahawa kupitia kwa michango ya mbegu za kahawa kwa wakulima huko Arusha na Moshi.

Part of KBL's KShs.5 million contribution to famine relief in Kenya. Sehemu ya michango wa shilingi milioni 5 za Kenya, iliyotolewa na Kenya Breweries ili kusaidia kukabiliana na tatizo la njaa nchini Kenya.

KUENDELEA MBELE

Kwa mara nyingine matokeo ya mwaka huu yamedhihirisha kwamba, kwa mbinu zinazofaa, kampuni inaweza kupata faida nzuri hata katika hali ngumu za kiuchumi.

Mashirika machache hupata uongozi katika sekta walizozichagua na machache zaidi huhifadhi uongozi huo kwa muda. East African Breweries haitaacha uongozi wake. Katika tasnia yetu, lengo hilo linahitaji kujitolea kwa kiasi kikubwa na kuendelea kuvumbua njia mpya katika nyanja mbalimbali.

Tutaendelea kuchanganya teknolojia za kisasa, ujuzi maalum unaohusu tasnia pamoja na kujitolea kutengeneza bidhaa za hali ya juu katika kila tufanyacho. Tutaendelea kufuatilizia ushirikiano wa mbinu zinazofaa ili kuimarisha wadhifa wa kampuni.

Hivi karibuni tutaanzisha kituo cha kuchangia huduma ili kuongezea utekelezaji kwa kutoa mtindo wa hesabu na huduma za kuyaarifu makampuni yetu tanzu. Hili ni wazo jipya kabisa na kwa mara nyingine sisi ndio wa kwanza kulitumia katika eneo hili. Tumeweka kiungo cha sateliti kwa huduma zetu mjini Dar-es-Salaam, Kampala na Nairobi ili kukihudumia kituo hicho.

Hali kadhalika mipango inakaribia kukamilika ili kuziwezesha hisa za East African Breweries ziorodheshwe kwenye masoko ya hisa ya Kampala na Dar es Salaam.

Kiwango cha unywaji wa bia katika sehemu hii bado ni cha chini sana. Kuna uwezekano wa kulikuza jambo hili na ni jukumu letu kutumia fursa hii. Kutokana na uwezekano wa ongezeko la unywaji bia, mbinu na jitihada tofauti zinazotekelezwa pamoja na juhudi zinazochukuliwa na serikali zilizo katika eneo hili ili kufufua uchumi wao, tunatarajia mafanikio zaidi mwaka 2000/2001.

SHUKRANI

Matokeo yaliyowasilishwa leo hayangepatikana bila ya kuungwa mkono na juhudi za Halmashauri ya wakurugenzi na kwa hivyo ningependa kuwashukuru wenzangu katika Halmashauri.

Kwa niaba ya Halmashauri, ningependa kutoa shukrani zetu kwa wagawaji wa bidhaa zetu, wateja wote kwa kuendelea kutuunga mkono na wafanyikazi wote wa makampuni yetu katika ngazi zote kwa bidii yao na kujitolea kwao ambapo bila hayo matokeo haya mema hayangepatikana.

J G Kiereini
Mwenyekiti wa Kampuni

developments have been taking place.

We have started a graduate management-training program which will enable us to recruit, train and retain the best brains from East African universities and deploy them within the Group.

Also this year, the board approved and is recommending a trust scheme comprising an employee share ownership plan. The scheme requires the approval of the Capital Markets Authority and the plan is to have it operational next year provided the requisite approval has been obtained.

We have continued to invest heavily in human resource development to ensure that our employees at all levels are highly skilled and motivated and perform at optimum levels.

The success of our policies and practices is borne out by the fact that our subsidiaries remain the employers of choice for the calibre of employees we seek to recruit.

HIGHLIGHTS FROM OUR SUBSIDIARIES

Central Glass Industries

Last year, I mentioned the problems in the glass industry as a result of the difficult trading conditions that our main customers are facing.

During the year under review, the company carried out major refurbishment of the furnace.

In pursuit of excellence and to produce world class quality glass containers, the company has implemented and maintains an effective formal quality system in line with ISO - 9002.

Kibo Breweries

The company registered strong growth during the year under review. Kibo Gold, the flagship brand, continues to grow strongly and I have no doubt that it will soon become Tanzania's leading brand.

In the Guinness League of Excellence, Kibo Breweries achieved the best taste score for Guinness in Africa and was third in the whole world.

The brewery in Moshi was officially opened by His Excellency Benjamin William Mkapa, President of the United Republic of Tanzania in a colourful ceremony in August this year.

Uganda Breweries

The restructuring process is now almost complete and most of the operating processes and systems have been fully integrated into the Group. Also the integration of United Oistillers Uganda Limited into the company has now been completed.

Our market share continues to grow and we expect the company to contribute strongly to group profits in the next financial year.

Kenya Breweries

Faced with falling sales volumes as a result of the difficult economic situation, the company continues to maximise on its efficiencies resulting from stringent cost management measures. The company was able to maintain its market share through aggressive marketing and the long term commitment to providing value for money.

Management's foresight and forward planning have enabled the

Katika mwaka tunaoujadili, kampuni ilifanya ukarabati mkuu katika tanuri yake.

Kwa kutafuta ubora na ili kutengeneza vifaa vya glasi vya hali ya kimataifa, kampuni imetekeleza na kuhifadhi mpango rasmi unaofaa kuambatana na viwango vya ISO 9002.

Kibo Breweries

Kampuni hii ilimarika katika mwaka tunaoujadili. Kibo Gold, bia yake inayoongoza, inaendelea kuwa na uthabiti na sina shaka hivi karibuni itakuwa ni bia nambari moja nchini Tanzania.

Katika Ligi ya Guinness ya ubora, Kibo Breweries ilinyakua nafasi ya kwanza kwa ladha Barani Afrika na ikawa ya tatu ulimwenguni.

Kiwanda chetu kilicho Moshi kilifunguliwa rasmi na Rais Benjamin Mkapa wa Jamhuri ya Tanzania katika sherehe ya kufana mwezi Agosti mwaka huu.

Uganda Breweries

Mradi wa urekebishaji karibu sasa utakamilika na mipango mingi ya utekelezaji imeshaunganishwa kikamilifu na mipango ya makampuni yetu mengine. Kampuni ya United Distillers Uganda Limited sasa imekwisha kuunganishwa na Uganda Breweries.

Sehemu yetu ya soko inazidi kukuwa na tunatarajia kampuni kuchangia kikamilifu kwenye faida ya East African Breweries katika mwaka ujao wa kifedha.

Kenya Breweries

Ikikumbwa na upungufu wa idadi ya mauzo kutokana na hali ngumu ya kiuchumi, kampuni inaendelea kuongezea zaidi uboreshaji unaotokana na hatua zake kali kuthibiti matumizi. Kampuni iliweza kuhifadhi sehemu yake ya soko kupitia kwa kuwahimiza wateja vilivyo na azimio letu la thamani kwa pesa. Kwa kuona mbele kwa wasimamizi wa kampuni na mipango ya awali, kampuni imeweza kukabiliana na tatizo la ugawaji wa nguvu za umeme na maji humu nchini.

WAJIBU WA KUSHIRIKI NA JAMII

Tunaendelea kushirikiana na jamii katika jumuiya, tunakofanya shughuli zetu.

Nembo yetu ya Guinness bado inajihusisha sana katika mipango ya maji kwa umma.

Mwaka huu, Kenya Breweries ilianzisha na kuhifadhi miradi kadhaa inayohusiana na jumuiya. Baadhi ya miradi ni kama ya 'Tusker Save a Life' katika juhudi zakitaifa za kukabiliana na tatizo la njaa, mradi wa kuvirekebisha vitanda vya hospitali, mradi wa kuleta maji katika kijiji na mpango wa tarakilishi (computer) kwa shule ambapo kampuni iligawa tarakilishi kwa baadhi ya shule humu nchini na kuwafunza walimu jinsi ya kuzitumia tarakilishi hizo.

Uganda Breweries ilichangia mradi wa kudhibitisha afya kwa

	Note	[redacted]	1999 KShs'000
ASSETS			
Non current assets			
Property, plant and equipment	7(a)		9,170,428
Other investments	8		400
Deferred tax asset	13(a)		16,074
			9,186,902
Current assets			
Stocks	9		3,721,615
Debtors	10(a)		1,343,914
Taxation recoverable			6,662
Due from related companies			-
Cash and bank balances			394,881
			5,467,072
Total Assets			14,653,974
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	11		936,022
Reserves	12(a)		6,940,981
			7,877,003
Minority Interests			784,119
Non Current liabilities			
Deferred tax liability	13(b)		417,768
Current liabilities			
Creditors	14		2,324,221
Due to related companies			212,693
Short term bank loans (secured)			1,228,937
Taxation payable			149,475
Dividends payable			149,365
Proposed dividend			468,011
Bank overdraft (secured)			1,042,382
			5,575,084
TOTAL EQUITY AND LIABILITIES			14,653,974

The accounts on pages 12 to 25 were approved by the Board of Directors on 1 September 2000 and were signed on its behalf by:

Director: J G Kiereini

Director: G K Mahinda

The consolidated balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages12 to 25.

	Note	1999 KShs'000
Cash flows from operating activities	19(a)	833,779
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment		109,676
Purchase of plant and equipment		(1,545,974)
Cash flows from investing activities		(1,436,298)
FINANCING ACTIVITIES		
Repayment of borrowings		(152,065)
Dividend paid		(549,995)
Scrip issue		-
Hire purchase repayments		(6,477)
Cash flows from financing activities		(708,537)
Net increase/(decrease) in cash and cash equivalents	19(b)	(1,311,056)

The consolidated cash flow statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 25.

Consolidated Statement of Changes in Equity

	Share capital KShs'000	Share premium KShs'000	Revaluation reserve KShs'000	Retained earnings KShs'000	Total Kshs'000
At 1 July 1999	936,022	1,227,081	2,664,148	2,331,215	7,158,466
Adjustments in respect of prior year's deferred tax (see below)	-	-	711,626	6,911	718,537
As restated	936,022	1,227,081	3,375,774	2,338,126	7,877,003
Scrip issue	38,000	240,727	-	-	278,727
Net profit for the year	-	-	-	1,234,060	1,234,060
Revaluation reserve realised on disposal of property, plant and equipment	-	-	(15,074)	15,074	-
Reversal on impairment of property, plant and equipment	-	-	(59,889)	-	(59,889)
Currency changes	-	-	(9,469)	20,194	10,725
Dividend:					
- Interim paid	-	-	-	(194,804)	(194,804)
- Final proposed	-	-	-	(535,712)	(535,712)
At 30 June 2000	974,022	1,467,808	3,291,342	2,876,938	8,610,110

Adjustments in respect of prior year's deferred tax relates to the elimination of deferred tax on revaluation surpluses arising from industrial buildings, property, plant and equipment as these are permanent differences in accordance with the accounting policy set out in Note 1(k).

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 25.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with and comply with International Accounting Standards. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment.

(b) Consolidation Principles

The consolidated financial statements include the company and its subsidiaries, all of which are made up to the end of the financial year. A listing of the group's subsidiaries is set out on page 25.

The financial statements of foreign subsidiaries are consolidated using the net investment method. The exchange rate ruling at the balance sheet date is used and the exchange differences resulting from the translation of net investments in the subsidiaries are dealt with in the reserves. All inter-company balances and transactions, including unrealised inter-company profits, are eliminated.

(c) Turnover

Turnover represents the proceeds from the sale of goods to customers and includes excise duty and value added tax.

(d) Translation of foreign currencies

All assets and liabilities expressed in foreign currencies are converted into Kenya Shillings at the exchange rate ruling at the balance sheet date. Transactions during the year in foreign currencies are converted at the rates ruling at the date of transaction. The resulting differences are dealt with in the profit and loss account.

(e) Segmental reporting

International Accounting Standard number 14 on segmental reporting is not applicable as the company has no distinguishable reportable segments.

(f) Property, plant and equipment

Items of property, plant and equipment are stated at purchase price or valuation less accumulated depreciation and impairment. Depreciation is charged on a straight line basis over the estimated useful lives of the assets. The rates of depreciation used are:-

Freehold land	Nil
Leasehold land	Over the unexpired period of the lease. If less than 50 years
Buildings	2% or over the un-expired period of the lease, if less than 50 years
Plant, machinery and equipment	3 to 20%
Motor vehicles: Commercial	20%
Others	25%

(g) Impairment of property, plant and equipment

The carrying amounts of assets mentioned in Note (f) above are reviewed at each balance sheet date to determine whether these exceed the recoverable amounts in which case an impairment loss is recognised.

(h) Stocks

Raw materials, bottles and crates and other stocks are valued at purchase cost. Work in progress and beer are valued at production cost including direct production cost and an appropriate proportion of production overheads. The cost of inventories is based on the weighted average cost. If the purchase or production cost is higher than net realisable value, stocks are written down to net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

(i) Trade and other debtors

Trade and other receivables are stated at nominal value, less write-down for any amounts expected to be irrecoverable.

(j) Employee benefits

The Group employees are eligible for retirement benefits under defined contribution and defined benefit plans provided though separate funds. Contributions to defined contribution plan are charged to the profit and loss account as incurred. For the defined benefit plan, no asset or liability arising from an actuarial valuation is recognised in the financial statements as required by IAS 19 on employee benefits.

Strict application of the IAS 19 is difficult particularly in determining the discount rate and expected return on the plan assets. In the absence of a well developed and a liquid capital market in Kenya, it is difficult to apply the same finesse as is required under IAS 19 to derive financial assumptions as is possible in more developed and sophisticated economies. Management have therefore concluded that compliance with the requirement of the standard would be misleading and therefore departure from the requirement is necessary to achieve a fair presentation.

(k) Taxation

Tax on the profit or loss for the year comprises both current and deferred taxes. Current tax is provided on the results in the year as shown in the accounts adjusted in accordance with tax legislation.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

No deferred tax is computed on revaluation surpluses arising from valuations of industrial buildings, property, plant and equipment as these are permanent differences which will not reverse.

Deferred tax is calculated on the basis of the tax rates currently enacted. Deferred tax asset and liability have not been offset as there is no right of set off between the individual subsidiaries.

(l) Net financing costs

Net financing costs include interest payable on borrowings as well as interest receivable on funds invested outside the Group.

(m) Cash and Cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, bank balances, and deposits held at call with the banks net of bank overdrafts.

(n) Comparatives

The comparative figure for deferred tax has been adjusted in accordance with the accounting policy set out in note 1(k)

2. OTHER OPERATING INCOME

		1999 KShs'000
Gain on disposal of property, plant and equipment	[illegible]	44,590
Rental income	[illegible]	6,885
Other	[illegible]	103,767
	[illegible]	155,242

3. NET FINANCE COSTS

		1999 KShs'000
Interest expense	[illegible]	(253,850)
Interest income	[illegible]	8,352
	[illegible]	(245,498)

4. PROFIT BEFORE TAX

		1999 KShs'000
Profit before tax is arrived at after charging:	[redacted]	
Staff costs		2,542,513
Depreciation		678,221
Impaired assets written down		-
Directors emoluments		
- Fees		2,345
- Other		117,303
Auditors remuneration		
- Current year		9,177
- Prior year overprovision		-

The average number of people engaged during the year were 1,787 (1999- 2,063)

5. INCOME TAX EXPENSE

		1999 KShs'000
Current tax expense	[redacted]	460,414
Deferred tax (Note 13)		(81,382)
		379,032

The tax on the group's profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:-

		1999 KShs'000
Accounting profit	[redacted]	1,506,962
Tax at the standard rate of 30% (1999 - 32.5%)		489,763
Tax effect of non deductible expenses and non-taxable income		60,337
Differential in applicable foreign tax rates		(39,909)
Reduction in tax rate on opening deferred tax		(131,159)
		379,032

The current corporate tax rates in the three countries of operations are as follows:-

Kenya	30%
Tanzania	30%
Uganda	30%

A tax holiday was granted to the Tanzania subsidiary, Kibo Breweries Limited, in January 1999 and expires on 10 September 2002.

Uganda Breweries Limited holds a certificate of incentives which entitles it to a reduction in the tax rate of income tax to 19.8% for five years until 31 December 2001.

6. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on:

	[illegible]	1999
Profit attributable to shareholders (KShs '000')	[illegible]	1,075,745
Weighted average number (1999 actual) of ordinary shares in issue during the year	[illegible]	93,602,252
Basic earnings per share (KShs)	[illegible]	11.49

7. PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Freehold properties Kshs'000	Long leasehold properties Kshs'000	Short leasehold properties Kshs'000	Plant and equipment Kshs'000	Motor vehicles Kshs'000	Capital work in progress Kshs'000	Total Kshs'000
Cost/Valuation							
As at 1 July 1999	1,615,696	1,839,472	37,705	6,998,687	688,975	409,817	11,590,352
Foreign exchange changes	59,938	(59,432)		69,893	(63,188)	(173,315)	(166,104)
Additions	-	35,937		100,976	12,069	456,429	605,411
Disposals	(10,700)	(17,058)	-	(67,136)	(158,214)	-	(253,108)
Reclassifications	48,749	76,456	-	441,446	-	(566,651)	-
Revaluation adjustment on impaired assets	-	-	-	(95,062)	-	-	(95,062)
Impaired assets written down	(177)	(2,618)	-	(79,408)	(13)	(28,948)	(111,164)
As at 30 June 2000	1,713,506	1,872,757	37,705	7,369,396	479,629	97,332	11,570,325
Comprising:							
Cost	557,012	657,581	18,500	5,313,231	440,992	97,332	7,084,648
Valuation	1,156,494	1,215,176	19,205	2,056,165	38,637	-	4,485,677
	1,713,506	1,872,757	37,705	7,369,396	479,629	97,332	11,570,325
Depreciation							
As at 1 July 1999	114,080	110,395	19,660	1,812,871	362,918	-	2,419,924
Foreign exchange changes	11,401	(11,713)	1	(129,464)	(3,092)	-	(132,867)
Charge for the year	41,077	46,731	2,199	570,707	87,883	-	748,597
On disposals	-	(2,069)	-	(9,663)	(122,981)	-	(134,713)
On impaired assets written down	-	-	-	(18,311)	-	-	(18,311)
As at 30 June 2000	166,558	143,344	21,860	2,226,140	324,728	-	2,882,630
Net book value							
At 30 June 2000	1,546,948	1,729,413	15,845	5,143,256	154,901	97,332	8,687,695
At 30 June 1999	1,501,616	1,729,077	18,045	5,185,816	326,057	409,817	9,170,428

Property, plant and equipment were professionally valued by Lloyd Masika on the basis of open market value for existing use as at 30 June 1996. The resulting surplus was credited to a revaluation reserve.

As a result of the on going re-organisation of the operations of the group, the directors have re-assessed the future economic benefits of previously revalued assets and adjusted their values as necessary.

7. PROPERTY, PLANT AND EQUIPMENT - Continued

b) Company

	Freehold properties Kshs'000	Long leasehold properties Kshs'000	Short leasehold properties Kshs'000	Total Kshs'000
Cost/Valuation				
As at 1 July 1999	16,200	51,130	2,800	70,130
Disposals	(10,700)	(4,630)	-	(15,330)
As at 30 June 2000	5,500	46,500	2,800	54,800
Comprising:				
At valuation 1994	5,500	5,000	2,800	13,300
At valuation 1996	-	41,500	-	41,500
As at 30 June 2000	5,500	46,500	2,800	54,800
Depreciation				
As at 1 July 1999	-	3,799	646	4,445
Charge for the year	-	738	143	861
On disposals	-	(396)	-	(396)
As at 30 June 2000	-	4,141	789	4,930
Net book value				
At 30 June 2000	5,500	42,359	2,011	49,870
At 30 June 1999	16,200	47,331	2,154	65,685

Property, plant and equipment were professionally valued by Lloyd Masika on the basis of open market value for existing use as at 30 June 1996. The resulting surplus was credited to a revaluation reserve.

8. OTHER INVESTMENTS

Group and Company

	[redacted]	1999 KShs'000
Unquoted:	[redacted]	
4,000 Ordinary shares in Sen-Tech Limited at cost - 20%	[redacted]	400

9. STOCKS

	[redacted]	1999 KShs'000
Raw materials	[redacted]	1,417,235
Consumables	[redacted]	1,495,567
Finished goods	[redacted]	569,643
Goods in transit	[redacted]	239,170
	[redacted]	3,721,615

10. DEBTORS

(a) Group

	[redacted]	1999 KShs 000
Trade debtors	[redacted]	530,776
Barley advances	[redacted]	83,538
VAT and Excise duty recoverable	[redacted]	237,732
Other debtors	[redacted]	491,868
	[redacted]	1,343,914

(b) Company

Other debtors	[redacted]	-

11. SHARE CAPITAL

Group and Company

	[illegible]	1999 KShs'000
Authorised		
150,000,000 Ordinary shares of KShs.10 each	[illegible]	1,000,000
Issued and fully paid		
At 1 July 93,602,252 Ordinary shares of KShs.10 each	[illegible]	936,022
Scrip issue 3,799,946 Ordinary shares of KShs.10 each	[illegible]	-
At 30 June 97,402,198 Ordinary shares of Kshs.10 each	[illegible]	936,022

At the Annual General Meeting of the company held on 29 November 1999, the company's authorised share capital was increased from KShs 1,000,000,000 to KShs 1,500,000,000 by the creation of an additional 50,000,000 ordinary shares of KShs 10 each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at annual and other general meetings of the company.

12. RESERVES

(a) Group

	Share premium KShs'000	Revaluation reserve KShs'000	Retained earnings KShs'000	Total KShs'000
At 1 July 1999	1,227,081	2,664,148	2,331,215	6,222,444
Adjustment in respect of prior year's deferred tax	-	711,626	6,911	718,537
As restated	1,227,081	3,375,774	2,338,126	6,940,981
Scrip issue	240,727	-	-	240,727
Revaluation reserve realised on disposal of property, plant and equipment	-	(15,074)	15,074	-
Reversal on impairment of property, plant and equipment	-	(59,889)	-	(59,889)
Currency changes	-	(9,469)	20,194	10,725
Net profit for the year	-	-	1,234,060	1,234,060
Dividend:				
- Interim paid	-	-	(194,804)	(194,804)
- Final proposed	-	-	(535,712)	(535,712)
As at 30 June 2000	1,467,808	3,291,342	2,876,938	7,636,088

(b) Company

At 1 July 1999	1,227,081	51,350	2,506,816	3,785,247
Scrip issue	240,727	-	-	240,727
Revaluation reserve realised on disposal of property, plant and equipment	-	(15,074)	15,074	-
Net profit for the year	-	-	1,225,911	1,225,911
Dividend:				
- Interim paid	-	-	(194,804)	(194,804)
- Final proposed	-	-	(535,712)	(535,712)
At 30 June 2000	1,467,808	36,276	3,017,285	4,521,369

13. DEFERRED TAXATION

Group

(a) Deferred tax asset

Deferred tax assets at 30 June 2000 and 30 June 1999 are attributable to the items detailed in the table below:

		Carrying value KShs'000	Tax Base KShs'000	1999 Temporary difference KShs'000
Property, plant & equipment	[redacted]	651,754	321,609	330,145
Unrealised exchange gain/(loss)		-	13,446	(13,446)
Tax losses		-	370,279	(370,279
Total		651,754	705,334	(53,580)

Movements in temporary differences between calculations of certain items for accounting and for taxation purposes can be specified as follows:

	Balance at 30/06/99 KShs'000	Movement during the year KShs'000	Balance at 30/06/00 KShs'000
Property, plant and equipment	330,145	(20,302)	309,843
Unrealised exchange gain/(loss)	(13,446)	15,238	1,792
Tax losses	(370,279)	(35,361)	(405,640)
	(53,580)	(40,425)	(94,005)
Deferred tax assets	(16,074)	(12,128)	(28,202)

A deferred tax asset of KShs.145,859,200 (1999 KShs.200,899,304) associated with investment in a subsidiary, Kibo Breweries Limited has not been recognised as the directors do not expect the temporary differences to reverse before the expiry of the tax holiday on 10 September 2002.

(b) Deferred tax liability

Deferred tax liabilities at 30 June 2000 and 30 June 1999 are attributable to the items detailed in the table below:

		Carrying value KShs'000	Tax Base KShs'000	1999 Temporary difference KShs'000
Property, plant & equipment	[redacted]	2,882,088	1,363,379	1,518,709
Tax losses		-	-	-
General provision		-	-	-
Total		2,882,088	1,363,379	1,518,709

Movement in temporary differences between calculations of certain items for accounting and for taxation purposes can be specified as follows:

	Balance at 30/06/99 KShs'000	Movement during the year KShs'000	Balance at 30/06/00 KShs'000
Property, plant and equipment	1,518,709	(72,587)	1,591,296
Tax losses	-	184,670	(184,670)
General provisions	-	27,472	(27,472)
	1,518,709	139,555	1,379,154
Deferred tax liability	417,768	54,361	363,407

Company

(c) Deferred tax liability

Deferred taxes at 30 June 2000 and 30 June 1999 are attributable to the items detailed in the table below:

	Carrying value KShs'000	Tax Base KShs'000	1999 Temporary difference KShs'000
Property, plant & equipment	49,487	-	49,487

Movements in temporary differences between calculations of certain items for accounting and for taxation purposes can be specified as follows:

	Balance at 30/06/99 KShs'000	Movement during the year KShs'000	Balance at 30/06/00 KShs'000
Property, plant and equipment	49,487	(49,487)	-
Deferred tax liabilty/(asset)	14,846	(14,846)	-

14. CREDITORS

	1999 KShs'000
Accounts payable - trade	689,388
VAT and Excise duty payable	854,058
Other creditors	780,775
	2,324,221

15. INVESTMENT IN SUBSIDIARIES

	1999 KShs'000
At cost:	
Kenya Breweries Limited	405,000
Salopia Limited	200
Allsopps (E.A.) Sales Limited	2
East African Breweries (Mauritius) Limited	389
Central Glass Industries Limited	790,288
Uganda Breweries Limited	72,349
Kibo Breweries Limited	1,303,273
	2,571,501

16. RETIREMENT BENEFIT OBLIGATIONS

The plan for unionisable employees is a defined contribution type. After serving a qualifying period all unionisable employees are entitled to participate in the defined contribution plan for retirement, disability or death. During the year the group expensed KShs 8,271,000 (1999 KShs10,196,000)

The plan for management employees is a funded defined benefit plan. Based on an actuarial valuation carried out at 30 June 1998, the fair value of the plan assets exceeded the present value of the defined benefit obligation (using a project benefit method). However, the group has decided not to recognise the net asset in the accounts.

17. INCORPORATION

The company is incorporated in Kenya under the Companies Act.

18. CURRENCY

The accounts are presented in Kenya Shillings (KShs).

19. NOTES TO THE CASH FLOW STATEMENT

		1999 KShs'000
a) Reconciliation of net profit before tax to cash flows from operating activities	[redacted]	
Net profit before tax	[redacted]	1,506,962
Adjustments for:	[redacted]	
Depreciation	[redacted]	678,221
Foreign currency adjustments	[redacted]	(37,899)
Profit on disposal of property plant & equipment	[redacted]	(44,590)
Property, plant and equipment written down	[redacted]	-
Interest expense (net)	[redacted]	245,498
Operating profit before working capital changes	[redacted]	2,348,192
Decrease/(increase) in stocks	[redacted]	(95,726)
Increase in debtors	[redacted]	(380,343)
Increase/(decrease) in creditors	[redacted]	(593,488)
Movement in amounts due to related companies	[redacted]	103,932
Cash generated from operations	[redacted]	1,382,567
Interest paid (net)	[redacted]	(245,498)
Income taxes paid	[redacted]	(303,290)
Cash flows from operating activities	[redacted]	833,779

b) Movement in cash and cash equivalents

		1999 KShs'000	Change in the year KShs'000
Cash and bank balances	[redacted]	394,881	(172,377)
Bank overdraft	[redacted]	(1,042,382)	587,523
	[redacted]	(647,501)	415,146

20. CAPITAL COMMITMENTS

		1999 KShs'000
Contracted but not provided for	[redacted]	585,578
Authorised but not contracted	[redacted]	156,967

21. CONTINGENT LIABILITIES

		1999 KShs'000
Guarantees in respect of bank advances to barley farmers	[redacted]	34,389
Pending legal cases	[redacted]	200,000
Other	[redacted]	3,600
	[redacted]	237,989

22. LIST OF SIGNIFICANT SUBSIDIARIES

Company	Country of Incorporation	Effective interest
Kenya Breweries Limited	Kenya	100%
Uganda Breweries Limited	Uganda	63%
Kibo Breweries Limited	Tanzania	86%
Central Glass Industries Limited	Kenya	100%

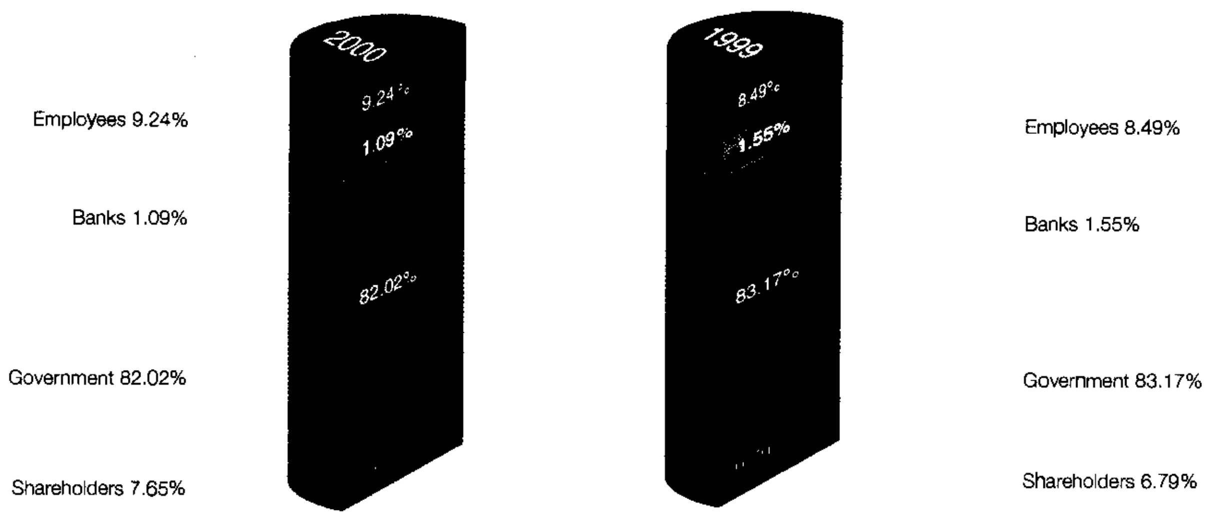
	1999 KShs.'000
Turnover	25,248,788
Less:	
Cost of materials, supplies and services bought and depreciation set aside	(9,400,086)
VALUE ADDED	15,848,702
Add: Non-trading credits:	
Profit on sale of fixed assets	44,590
Minority share of profit in subsidiaries	(52,185)
	15,841,107

THIS WAS SHARED AS FOLLOWS:

	1999 Kshs.'000	%
To employees as payroll and early retirement costs excluding PAYE	1,344,552	8.49
To Government as taxes	13,175,312	83.17
To banks and other lenders	245,498	1.55
To shareholders	1,075,745	6.79
	15,841,107	100.00

The above statement shows how the group's wealth was distributed to the various stakeholders

The decrease in goverment taxes and financing costs in 2000 translated into an increase in the share of wealth available to employees and shareholders.



I/We ______________________________

Share A/C No.______________________________

of (address) ______________________________

being member/s of East African Breweries Limited, hereby appoint ______________________________

of (address) ______________________________

or failing him the duly appointed Chairman of the meeting to be my/our Proxy, to vote on my/our behalf at the 78th Annual General Meeting of the Company to be held on 1 December 2000 at 11.00 a.m. or at any adjournment thereof.

As witness my/our hands this______________day of November 2000.

Signature ______________________________

Notes:
1. This Proxy is to be delivered to the Company Secretary not later than 11.00 a.m. Wednesday 29 November 2000 failing which it will be invalid.
2. In the case of a corporation, the proxy must be under it's common seal.

Fomu ya Uwakilishi

Mimi/Sisi ______________________________

Namba ya akaunti ya hisa______________________________

anwani ______________________________

kama mwanachama/wanachama wa East African Breweries, ninamteua/tunamteua______________________________

wa (anwani) ______________________________

na asipokuwepo namteua/tunamteua mwenyekiti wa mkutano kama mwakilishi wangu/wetu, kupiga kura kwa niaba yangu/yetu kwenye mkutano mkuu wa 78 wa mwaka wa kampuni utakaofanyika tarehe 1 December 2000 saa tano za asubuhi ama siku yoyote ile endapo mkutano huo utaahirishwa.

Sahihi ______________________________

Sahihi hii/hizi imewekwa/zimewekwa tarehe______________Novemba 2000

Maelezo muhimu:
1. Iwapo hutaweza kuhudhuria mkutano huu wewe mwenyewe binafsi na ungetaka kuwakilishwa, ni lazima fomu hii ya uwakilishi ijazwe kikamilifu na kufikishwa kwa katibu wa kampuni kabla ya saa tano za asubuhi ya Jumatano, tarehe 29 Novemba 2000 na isipomfikia wakati huo, uteuzi wako/wenu wa uwakilishi hautafaa.
2. Iwapo mteuaji ni shirika, fomu hii ya uwakilishi lazima ipigwe muhuri wa shirika hiyo.

FOLD 2

PILI KUNJA HAPA

Company Secretary
East African Breweries Limited
P.O. Box 30161
Nairobi, Kenya.

FOLD 1

KWANZA KUNJA HAPA

FOLD 3

HALAFU KUNJA HAPA

INSERT FLAP HERE

SASA INGIZA KARATASI HII NDANI YA MKUNJO KAMA BAHASHA