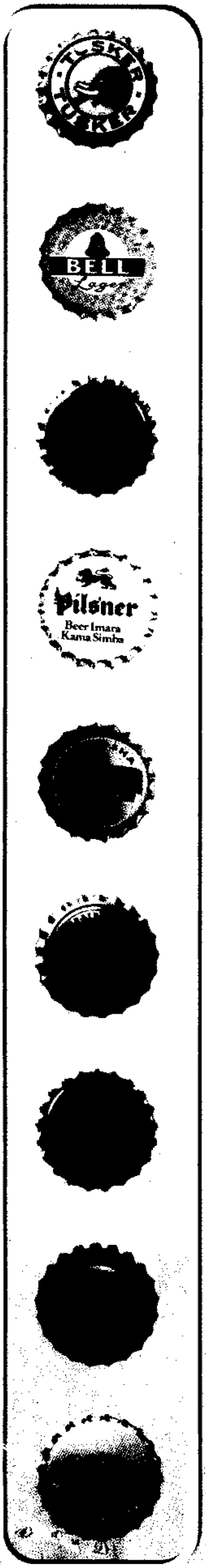
CONTENTS



2

3

4 - 5

6 - 7

8 - 9

10 - 12

13 - 23

24

25

26

27

28

29

30

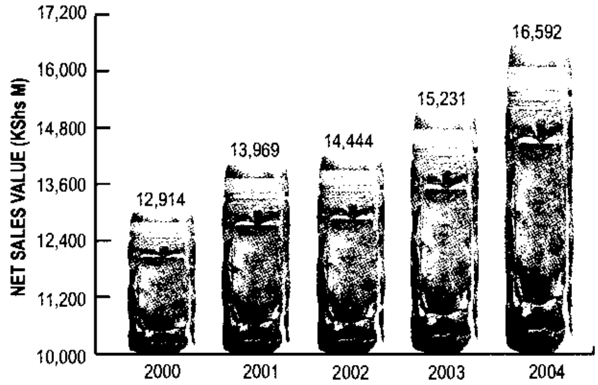
31 - 32

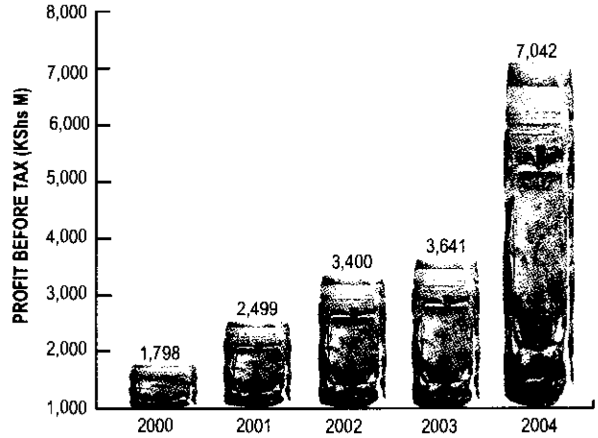
33

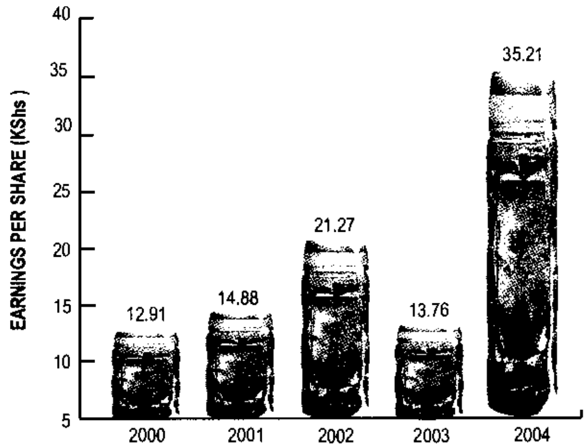
34 - 56

57

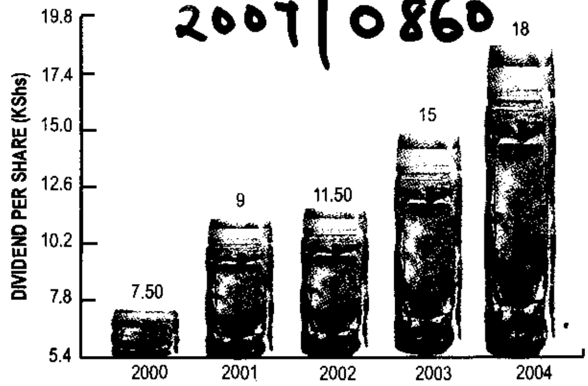
FINANCIAL HIGHLIGHTS







2007|0860



FINANCIAL CALENDAR
For the year ended 30 June 2004

RESULTS
Half Year Results announced
on 13 February 2004
Full Year Results announced
on 27 August 2004

Annual Report
Issued on 23 September 2004
82nd Annual General Meeting:
21 October 2004

DIVIDENDS

Interim
Announced on 13 February 2004
Paid on 31 March 2004

Final
To be declared on 21 October 2004
Payable on or about 22 October 2004

Register
Closing date: 6 October 2004

CORPORATE INFORMATION

DIRECTORS, OFFICERS & ADMINISTRATION

BOARD OF DIRECTORS

Group Chairman
J G Kiereini EGH, EBS, SS

Group Deputy Chairman
D H C Hampshire **

Group Managing Director
G K Mahinda (Appointed 1.1.04)
P G Healy * (Resigned 1.1.04)

Group Finance Director
P D Fullam *

Group Company Secretary
M N Oluoch-Olunya (Mrs)

Non-Executive Directors

I K Cheluget (Resigned 26.8.04)
W S Kalema (Dr) ***
R Kemoli
W Mugane (Ms)
J K Mwangi
E Mwaniki
A Ndegwa (Appointed 26.8.04)
B A Savage ****

* Irish ** British
*** Ugandan **** Nigerian

BOARD COMMITTEES

Board Audit & Risk Management Committee
R Kemoli Chairman
D H C Hampshire **
J Mwangi
B Savage ****
P D Fullam *

Board Remuneration Committee
D H C Hampshire ** Chairman
W Kalema (Dr) ***
E Mwaniki

Board Corporate Governance Committee
W Mugane (Ms) Chairlady
R Kemoli
E Mwaniki

Board Nominations Committee
D H C Hampshire ** Chairman
W Kalema (Dr) ***
R Kemoli
W Mugane (Ms)

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Corporate Centre, Ruaraka
Off Thika Road
P O Box 30161 - 00100
Nairobi
Telephone: 864000
Fax: 802054/861090
Email: kbl@kenyabreweries.com

REGISTRAR

Barclays Advisory & Registrar Services Limited
1st Floor, Bank House, Moi Avenue
P O Box 30120 - 00100
Nairobi

AUDITORS

KPMG Kenya
Lonrho House, 16th Floor
Standard Street
P O Box 40612 - 00100
Nairobi

BANKERS

Standard Chartered Bank Kenya Limited
Kenyatta Avenue Branch
P O Box 30003 - 00100
Nairobi

Commercial Bank of Africa Limited
CBA Building
Wabera/Standard Street
P O Box 30437 - 00100
Nairobi

Citibank NA
Citibank House, Upper Hill Road
P O Box 30711 - 00100
Nairobi

Barclays Bank of Kenya Limited
Barclays Plaza
Loita Street
P O Box 30120 - 00100
Nairobi

ADVOCATES

Kaplan & Stratton
Williamson House, 4th Ngong Avenue
P O Box 40111 - 00100
Nairobi

J.G. Kiereini EGH, EBS, SS (75) - Group Chairman

... was appointed the Chairman of the Company in 1988. He worked with the Kenya Civil Service for 30 years where he held various senior positions culminating in his appointment as Chief Secretary, Head of Civil Service and Secretary to the Cabinet. After retirement, he ventured into commercial life and is now a member of many Boards of Directors, the main ones being Unga Group Limited, CMC Holdings Group of Companies, CFC Bank Limited and Heritage/All Insurance Company.

D.H.C. Hampshire (60) - Group Deputy Chairman

....was appointed a Director of Company in 1989 and Deputy Chairman in 2003. He holds a BA (Hons) degree in History from the University of East Anglia and an MBA from the University of Strathclyde. David is currently responsible for the Guinness UDV interests in Africa. As well as being Chairman of Guinness Ghana and Seychelles Breweries, he is Vice-Chairman of Guinness Nigeria and a director of Monrovia Breweries.

G.K. Mahinda (46) - Group Managing Director

....was appointed Group Managing Director in January 2004 replacing Mr. Patrick Healy who proceeded on retirement. Mr. Mahinda was on a one-year assignment at Guinness Nigeria Plc as the Strategy and Change Director during 2003. Prior to his secondment to Nigeria, Mr. Mahinda served as the EABL Finance and Strategy Director. Before joining EABL, he worked for Standard Chartered Bank Kenya Limited as the Executive Director Finance with responsibilities for Kenya, Uganda & Tanzania. He holds a Bachelor of Commerce Degree from the University of Nairobi and is a Certified Public Accountant.

P.D. Fullam (57) - Group Finance Director

...was appointed the Group Finance Director of the Company in February 2003. An accountant by training, he is a Fellow of the Chartered Association of Certified Accountants as well as a Fellow of the Chartered Institute of Management Accountants. He began his career in 1966 with Arthur Guinness Son & Co. and held a variety of posts in various divisions of the Guinness Group in Ireland. Since then, he has undertaken contractual assignments in various fields such as software technology, telecommunications and financial services.

R. Kemoli HSC, MBE (69) - Non Executive Director

... has been a member of the EABL Board since 1996. He has over 35 years working experience both locally and internationally. He had a long and successful career with the Commonwealth Development Corporation where he worked for 33 years before retiring. In recognition of the contributions he has made over the years, he has received two commendations: Head of State Commendation (HSC), 1994 and Member of the Order of the British Empire (MBE), 1995. He has held directorships in the private as well as in the public sector. These include Unga Group, CMC Holdings, Johnson Wax (EA) and Kenya Breweries.

A. Ndegwa (36) - Non Executive Director

...was appointed a director of the Company in August 2004. He graduated from the University of Oxford with a Bachelor of Arts in Philosophy, Politics and Economics. He is currently an Executive Director of First Chartered Securities, a Kenyan investment holding company. Prior to joining FCS in 1994, he worked in the banking industry for four years, firstly with Citibank and then with the African Mercantile Banking Company. He holds several directorships among which are NIC Bank and Unga Group.

J.K. Mwangi (59) - Non Executive Director
... has been a member of the EABL Board of Directors since 1988. He graduated from the University of Nairobi with a Bachelor of Commerce Degree. He has vast working experience. He started his career as a Management Trainee in 1970 in Kenya Commercial Bank and rose through the ranks to become the Chief Executive Officer of Equity Building Society. He has had numerous management related training both locally and abroad.

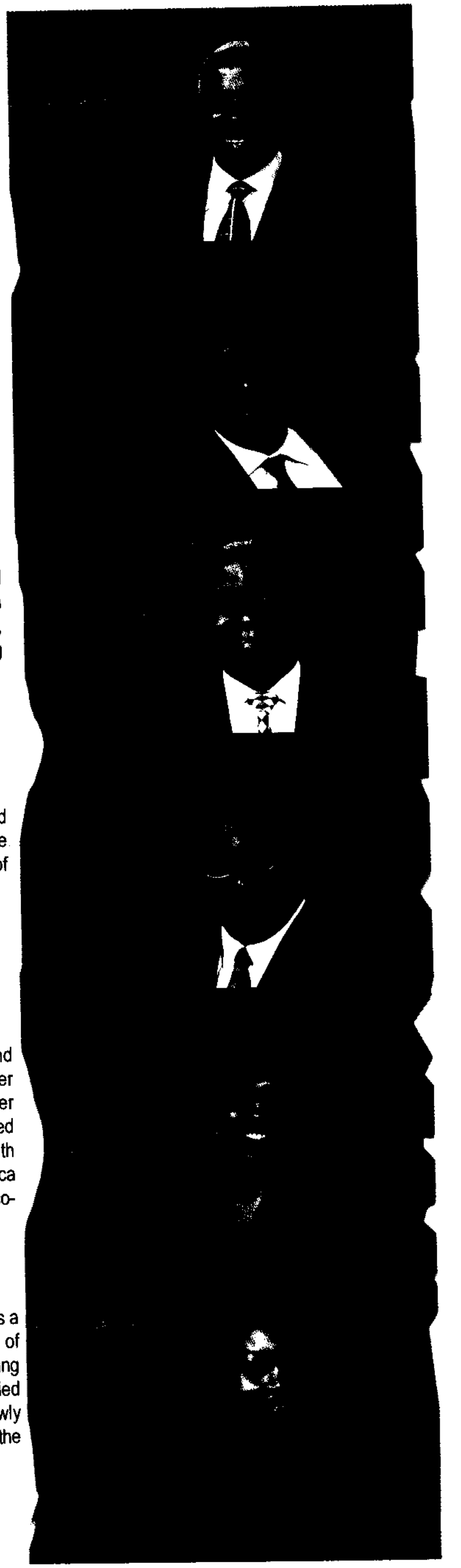
W.S. Kalema (Dr) (52) - Non Executive Director
... joined the EABL Board of Directors in 2000. He is the Chairman of Uganda Manufacturers Association (UMA) and the DFCU Group in Uganda and the Managing Director of Simba Blankets. He is also a member of the Board of Directors of Multichoice Uganda, Mweya Safari Lodge and UMA Consultancy & Information Services Limited. Dr. Kalema is an Engineer by profession and holds a Ph.D Degree in Chemical Engineering from the California Institute of Technology and Masters in Chemical Engineering from Cambridge University in England.

E.K. Mwaniki (66) - Non Executive Director
... joined the EABL Board of Directors in 2000. He is a reputable business leader and has had extensive work experience both locally and internationally. He is the Chairman of British American Tobacco (Kenya) and a member of the Board of Kenya Shell, GlaxoSmithKline Kenya, Lion of Kenya Insurance Company and East African Packaging Industries.

B.A. Savage (50) - Non Executive Director
.... joined Guinness Nigeria Plc in 1983 as a Management Accountant and climbed through the ranks to become the Corporate Affairs Director and Company Secretary. He has wide experience in the brewing industry. He is a Fellow of the Chartered Institute of Taxation and a member of the Beer Sectoral Group in Nigeria.

W. Mugane (Ms.) (40) - Non Executive Director
... was appointed a director of the Company in 2001. She is a lawyer by profession and holds a Master of Laws degree in International and Comparative Law. She is a member of the New York State Bar Association and the Law Society of Kenya. She began her career in 1988 working with Kimani Kairu & Company Advocates after which she worked as a Director of Loita Capital Partners and First Africa Group Holdings (Pty) in South Africa as an alternate Director. Currently, she is the Managing Director of First Africa Capital, which is a corporate finance advisory services company of which she is a co-founder.

M.N. Oluoch-Olunya (Mrs.) (32) - Group Company Secretary
... was appointed the Group Company Secretary of the Company in April 2003. She is a lawyer by profession and holds a Master of Law Degree from the London School of Economics and Political Science as well as an ACCA Certified Diploma in Accounting and Finance. She is a member of the Law Society of Kenya and the Institute of Certified Public Secretaries of Kenya. She is currently serving as the Secretary to the newly launched Institute of Directors (Kenya) and is a member of Legislation Committee of the Kenya Association of Manufacturers (KAM).



NOTICE IS HEREBY GIVEN that the EIGHTY SECOND ANNUAL GENERAL MEETING of East African Breweries Limited will be held at Tusker Sports Ground, Ruaraka, Nairobi on Thursday, 21 October 2004 at 10.00 a.m. for the following purposes:

1. **FINANCIAL STATEMENTS**

   a) to receive and adopt the audited financial statements for the financial year of the company ended 30 June 2004 together with the report of the Directors and the Auditors' report thereon **(Resolution 1)**;

   b) to confirm the interim dividend of KShs 3.75 per ordinary share of KShs. 10/- paid on 31 March 2004 and to declare a final dividend of KShs 14.25 per ordinary share of KShs. 10/- (including on the new ordinary shares issued pursuant to Resolution 10 below) making a total dividend of KShs. 18.00 per ordinary share of KShs. 10/- for the financial year of the company ended 30 June 2004, the final dividend to be payable to shareholders on or about 22 October 2004 on the paid up share capital of the company as at 6 October 2004 **(Resolution 2)**;

2. **DIRECTORS**

   a) Elections

   (i) to re-elect Mr. Gerald K Mahinda, who was appointed by the Board on 1 January 2004 to fill a casual vacancy who retires under Article 108 and, being eligible, offers himself for re-election as a director of the company **(Resolution 3)**;

   (ii) to re-elect Mr. Andrew Ndegwa who was appointed by the Board on 26 August 2004 to fill a casual vacancy who retires under Article 108 and, being eligible, offers himself for re-election as a director of the company **(Resolution 4)**;

   (iii) to re-elect Mr. David Hampshire who retires by rotation under Article 109 and being eligible, offers himself for re-election as a director of the company **(Resolution 5)**;

   (iii) to re-elect Mr. Richard Kemoli who retires by rotation under Article 109 and, being eligible, offers himself for re-election as a director of the company **(Resolution 6)**;

   (iv) to re-elect Ms. Wanjiku Mugane who retires by rotation under Article 109 and, being eligible, offers herself for re-election as a director of the company **(Resolution 7)**;

   b) Remuneration

   To note that the Directors are not seeking any increase in their remuneration which, accordingly, remains as stated in the financial statements;

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 **(Resolution 8)**.

Special Business

4. To consider and if approved, adopt the following resolutions which will be proposed as ordinary resolutions:

   a) "THAT in pursuance of Article 59 of the company's Articles of Association the authorized share capital of the company be and is hereby increased from KShs. 1,500,000,000 (one billion five hundred million) to KShs. 2,000,000,000 (two billion) by the creation of an additional 50,000,000 (fifty million) ordinary shares of KShs. 10/- each to rank *pari passu* with existing ordinary shares of the company in all respects." **(Resolution 9)**;

b) "THAT in pursuance of Article 158 of the company's Articles of Association, it is desirable to capitalize the sum of KShs. 219,659,544 being part of the sum standing to the credit of the share premium reserve and that accordingly such sum be set free for distribution amongst the holders of ordinary shares in the capital of the company on the register of members on 6 October 2004, on condition that the same be not paid in cash but be applied in paying up in full at par 21,965,954 new ordinary shares of KShs. 10/- each in the capital of the company, and that such 21,965,954 shares credited as fully paid up be accordingly allotted to such persons respectively in the proportion of one (1) of such shares for every five (5) of the ordinary shares then held by such persons respectively (fractions of a share to be disregarded) and that the shares so distributed shall rank *pari passu* with the existing issued ordinary shares and shall be treated for all purposes as an increase of the nominal amount of the capital of the company held by each such shareholder and not as income and the Directors be and are hereby authorized and directed to attend to all matters required to give effect to this resolution." The bonus issue is subject to the approval of the Capital Markets Authority being obtained and to the Nairobi Stock Exchange approving the listing of the new ordinary shares of the company. **(Resolution 10)**;

c) "THAT in pursuance of Article 160 of the company's Articles of Association should any of the said bonus shares be not issued by reason of fractions of a share being disregarded, the Directors may allot and issue the same to such persons and upon such terms and conditions as they may think fit." **(Resolution 11)**;

d) "THAT in pursuance of Article 60(b) of the company's Articles of Association and subject to the passing of the Resolution 9 above and to the approval of the Capital Markets Authority, with effect from such date as may be determined by the Directors, the 200,000,000 ordinary shares of KShs.10/- each of the Company be sub-divided into 1,000,000,000 ordinary shares of KShs. 2/- each all ranking *pari passu* in all respects." **(Resolution 12).**

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

By Order of the Board,

M N Oluoch-Olunya (Mrs)
Secretary

26 August 2004

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 59 for use by members who do not propose to be present at the meeting. A Form of Proxy must be returned to the Company Secretary by no later than 10.00 am on Tuesday 19 October 2004, being not less than 48 hours before the time appointed for the meeting.

Pursuant to Article 107 of the company's Articles of Association, any member may by notice duly signed by him and delivered to the Secretary of the company not less than seven days and not more than twenty-eight days before the day appointed for this meeting propose any other person for election to the Board. Such notice must be accompanied by a notice signed by the person proposed, indicating his willingness to be elected.

b) "KWAMBA kulingana na kifungu 158 cha Kanuni za Kampuni, itafaa zaidi kugeuza kuwa mtaji cha kiasi ya shilingi 219,659,544 za Kenya , zilizo sehemu ya kiasi cha muamana za hisa zilizothaminiwa sana na kuwekwa akiba na kwamba kiasi hicho kiwe huru kugawiwa miongoni mwa wale wanaoshikilia hisa za kawaida za mtaji za kampuni katika orodha ya wanachama , kufikia Oktoba 6 2004, mradi tu kwamba kiasi hicho kisilipwe kwa pesa taslimu lakini kitumike kwa kulipia kikamilifu hisa mpya za kawaida zipatazo 21,965,954 za shilingi 10 za Kenya kila moja za mtaji ya kampuni, na kwamba hisa 21,965,954 zilizolipwa kikamilifu, zigawiwe kila mhusika kwa kiwango cha moja (1) cha hisa hizo, kwa kila hisa tano (5) za kawaida, ambazo zilimilikiwa na wahusika hao (sehemu ndogo za hisa zipuuzwe) na kwamba hisa zilizogawiwa zitakuwa kiwango sawa sawa na hisa za kawaida zilizopo na kutolewa, na zitachukuliwa kama nyongeza ya kiwango kidogo cha mtaji wa kampuni, kinachoshikiliwa na kila mwenye hisa na sio kama mapato, na wakurugenzi wanapewa kibali na kuelekezwa kushughulikia yote yanayohitajika ili kutekeleza azimio hili." Malipo ya ziada yatategemea idhini ya Capital Markets Authority na pia kuidhinishwa kwa orodha ya hisa mpya za kawaida za kampuni, na Soko la Hisa la Nairobi. **(Azimio la 10);**

c) "KWAMBA kulingana na kifungu 160 cha Kanuni za Kampuni, ikiwa malipo ya ziada hayatapeanwa kwa sababu ya kupuuzwa kwa sehemu ndogo ya hisa, Wakurugenzi wanaweza kugawa na kupeana malipo hayo ya ziada kwa wahusika kulingana na wanavyoona kwamba inastahili." **(Azimio la 11);**

d) "KWAMBA kulingana na kifungu cha 60(b) cha Kanuni za Kampuni na kutegemea kupitishwa Azimio la 9 lililo hapo juu na kwa idhini ya Capital Markets Authority na kutoka tareha ambayo itapendekezwa na Wakurugenzi, hisa za kawaida za kampuni zipatazo 200,000,000 za shilingi 10 za Kenya hila moja, zigawanywe zaidi ili zifikie hisa za kawaida zipatazo 1,000,000,000 za shilingi 2 za Kenya kila moja, zikiwa na kiwango kilicho sawa kwa kila hali." **(Azimio la 12).**

5. Kushugulikia mambo mengine ambayo yanaweza kujadiliwa kihalali katika mkutano huo.

Kwa Amri ya Halmashauri,

M N Oluoch-Olunya (Bi)
Katibu

Agosti 26 2004

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

Fomu ya mwakilishi inayoweza kutolewa, inapatikana ukurasa wa 59 kwa matumizi ya wanahisa wasiotarajiwa kuhudhuria mkutano. Fomu ya mwakilishi lazima irudishwe kwa Katibu wa Kampuni kabla ya saa nne asubuhi Jumanne tarehe 19 Oktoba 2004, ikiwa imesalia masaa 48 kabla ya wakati uliotengewa mkutano.

Kulingana na kifungu cha 107 cha Kanuni za Kampuni, mwanahisa yeyote, kwa kutoa notisi iliyowekwa sahihi naye na kukabidhiwa Katibu wa Kampuni, kwa muda usiopungua siku saba au kuzidi siku ishirini na nane kabla ya siku iliyotengwa kwa mkutano, anaweza kumpendekeza mtu mwingine achaguliwe kuwa katika Halmashauri. Notisi hiyo lazima iambatane na notisi iliyotiwa sahihi na yule aliyependekezwa, ikionyesha kutaka kwake kuchaguliwa.

Corporate governance is essential to protect the interests of EABL shareholders and the community at large. The Company is committed to meeting the standards of good corporate governance set out in the Capital Markets Authority Guidelines on Corporate Governance Practices by Public Listed Companies in Kenya (CMA Guidelines) as well as in other internationally recognized codes.

The following Board Committees exist to assist the Board in carrying out its mandate:

Board Corporate Governance Committee

Committee members are Ms. Wanjiku Mugane (Chairlady), Mr. Richard Kemoli and Mr. Evanson Mwaniki. The Committee met four times during the last financial year and all members were in attendance.

During the year, the Company continued to work towards full compliance with the CMA Guidelines. The Committee reviewed progress and found the Company to be compliant in most respects. The main Board continues to be made up of at least one-third non-executive and independent directors and meets on a quarterly basis. Directors' awareness is created on corporate governance training available locally.

The Committee developed a new code covering the regulation and reporting of transactions in EABL securities by directors and officers. The code incorporates a closed period of two (2) months prior to publication of the Company's interim and final financial results during which directors and officers may not deal in shares or any other instrument pertaining to the shares of the Company. It also sets out the procedure for approval prior to trading in EABL securities.

Board Audit and Risk Management Committee

The Committee is made up of Mr. Richard Kemoli (Chairman), Mr. David Hampshire, Mr. John Mwangi and the EABL Group Finance Director, Mr. Peter Fullam. Mr. Babatunde Savage was appointed to the Committee in November 2003. The Committee met four times during the last financial year.

The external auditors were invited to one meeting of the Committee during the financial year and they continue to have unrestricted access to the Committee Chairman during the rest of the year. Furthermore, the Group Business Risk Assurance Manager reports

Uongozi bora ni muhimu ili kulinda maslahi ya washikadau wa EABL na jamii kwa jumla. Kampuni imejitolea, kuzingatia viwango vya uongozi bora unaofaa, vilivyowekwa na Capital Markets Authority, Miongozo ya Desturi za Uongozi Bora kwa Makampuni ya Umma Yaliyoorodheshwa Kenya (Miongozo ya CMA) na pia katika kanuni zinazotambulika kimataifa.

Kamati za Halmashauri zifuatazo zipo ili kuisaidia Halmashauri kutekeleza mamlaka iliyonayo:

Kamati ya Halmashauri ya Uongozi Bora

Wanakamati ni Bi. Wanjiku Mugane (Mwenyekiti), Bw. Richard Kemoli na Bw. Evanson Mwaniki. Kamati ilikutana mara nne, mwaka wa kifedha uliopita na wanachama wote walihudhuria.

Mwaka huu, Kampuni imeendelea kujihusisha na utekelezaji kamili wa miongozo ya CMA. Kamati iliyapitia maendeleo na Kampuni ilipatikana kwamba inafanya inavyotakikana kwa mengi. Halmashauri halisi inaendelea kuwa na angalau thuluthi moja ya wakurugenzi walio huru na wasio waajiriwa wa Kampuni na hukutana mara nne kwa mwaka. Utambuzi wa wakurugenzi juu ya mafunzo ya uongozi bora hutekelezwa kupitia kwa mafunzo ya humu nchini.

Kamati imestawisha kanuni mpya inayohusisha taratibu na kuripoti mapatano ya kibiashara katika dhamana za EABL, na wakurugenzi na maofisa. Kanuni hii inashirikisha kipindi kilichofungwa cha miezi miwili (2) kabla ya kuchapishwa kwa matokeo ya muda na ya mwisho ya kifedha, ya Kampuni, ambapo wakurugenzi na maafisa hawaruhusiwa kuhusika na hisa au chombo chochote kile kilichofungamana na hisa za Kampuni. Pia Kamati huweka utaratibu wa kibali kabla ya kufanya biashara ya dhamana za EABL.

Kamati ya Halmashauri ya Uchunguzi na ya Uongozi dhidi ya Hatari

Kamati hii inaye Bw. Richard Kemoli (Mwenyekiti), Bw. David Hampshire, Bw. John Mwangi na Mkurugenzi wa Kifedha wa Kampuni ya EABL, Bw. Peter Fullam. Bw. Babatunde Savage aliteuliwa katika kamati, mwezi Novemba, 2003. Kamati imeshakutana mara nne, mwaka wa kifedha uliopita.

Wakaguzi wa hesabu wa nje, walialikwa kuhudhuria mkutano mmoja wa kamati, mwaka huu wa kifedha na wanaendelea kuwa na nafas isiyo na mipaka ya kuweza kukutana na Mwenyekiti wa Kamati k directly to the Chairman of the Committee thereby enhancing the independence of the internal audit function.

Regrettably, the past year saw a number of financial scandals involving large corporations in the developed world. Under the auspices of the Committee, the Company took further steps towards the adoption of best practice found worldwide including the U.S. Sarbanes-Oxley Act 2002. This involved a stringent self-assessment of internal controls. Risk monitoring activities continued to receive renewed focus from Management and the Board.

Board Remuneration Committee

The Committee's members are Mr. David Hampshire (Chairman), Mr. Evanson Mwaniki and Dr. William Kalema. The Committee met four times during the past financial year.

The Committee enjoyed a busy but fulfilling year. It considered and set out a new remuneration policy for non-executive directors and senior executives, it reviewed the existing retirement benefits structure and implemented changes thereto. A change to performance-based remuneration was successfully overseen and the executive share option scheme underwent its first maturity date with significant benefits accruing to the employees.

Board Nominations Committee

The Committee's members are Mr. David Hampshire (Chairman), Dr. William Kalema, Mr. Richard Kemoli and Ms. Wanjiku Mugane. The Committee held its inaugural meeting in the new financial year 2004/5.

The Board sets the strategic objectives of the Group and delegates to management the detailed planning and implementation of that policy in accordance with appropriate risk parameters. We are fortunate to have a Board of the highest quality and integrity with a good balance of skills and experience. Nevertheless, at a time of growing public scrutiny, we want to be sure that we meet the most exacting standards of governance while recognizing the different expectations of shareholders.

In the coming year, through the Committee, the Company shall be reviewing and strengthening, where necessary, the balance of representation on the Board and its committees.

wakati uliobakia wa mwaka. Zaidi ya hapo, Meneja wa Uhakikisho wa Biashara dhidi ya Hatari huripoti moja kwa moja kwa Kamati hivyo basi kuuzidisha uhuru wa shughuli za ukaguzi wa ndani.

Kwa bahati mbaya, mwaka uliopita ulikuwa na kashfa za kifedha zilizohusu mashirika makubwa yaliyo katika mataifa yaliyoendelea. Kwa ruhusa ya Kamati, Kampuni ilichukua hatua zaidi ili kukuballi utendajikazi mwema unaopatikana ulimwenguni kote, ikiwemo sheria ya U.S Sarbanes-Oxley 2004. Hii ilihusisha ukadiriaji wa kibinafsi uliopaswa kutiiwa, wa mamlaka ya ndani. Shughuli za kufuatilia matokeo ya hatari ziliendelea kupata msisitizo uliofanywa upya na Uongozi na Halmashauri.

Kamati ya Halmashauri ya Ujira

Wanakamati ni Bw. David Hampshire (Mwenyekiti), Bw. Evanson Mwaniki na Dkt. William Kalema. Kamati hii ilikutana mara nne mwaka wa kifedha uliopita.

Kamati ilifurahia mwaka wenye shughuli nyingi, ambao walitosheka nao. Kamati ilizingatia na kuweka sera mpya ya malipo kwa wakurugenzi wasio waajiriwa wa kampuni na maafisa wakuu, ilipitia upya muundo wa faida za kuustaafu na kufuatia hivyo ilitekeleza mabadiliko. Mabadiliko haya yaliyotolewa kulingana na utendajikazi na yalifanikiwa, na mpango ambapo Maafisa Wakuu wa Kampuni wanaweza kupewa chaguo la kujipatia vitengo vinavyowakilisha hisa, ulipitia tarehe yake ya kwanza ya ukomavu, ukiwa na faida muhimu iliyoongezeka kwa wafanyikazi.

Kamati ya Halmashauri ya Uteuzi

Wanakamati ni Bw. David Hampshire (Mwenyekiti), Dkt.William Kalema, Bw. Richard Kemoli na Bi Wanjiku Mugane. Kamati hii ilikutana kwa mara ya kwanza katika mwaka mpya wa kifedha wa 2004/5.

Halmashauri huweka madhumuni yenye mikakati ya kampuni na wajumbe, ili waongoze mipango mahsusi na utekelezaji wa sera hiyo kulingana na vigezo vya hatari vinavyofaa. Tuna bahati kuwa na Halmashauri inayosifika sana na kuaminika, ikiwa na usawa mzuri wa mizani katika ujuzi walionao na tajriba. Hata hivyo, kwa wakati huu ambao kuna uchunguzi wa makini kutoka kwa umma, tunataka kuhakikisha kwamba tunatosheleza viwango kamili vya uongozi, huku tukitambua matarajio tofauti ya washikadau.

Corporate Social Responsibility

Our market continues to be a challenging place to work and requires great sensitivity in dealing with our customers, our partners, our communities and our employees. Corporate Social Responsibility is therefore ingrained in everything we do including the conservation of the environment. Our commitment starts at the top with board-level commitment. Some 1% of post-tax profits go to help the communities in which we operate through programmes covering health, education and water. The Company recently launched the Corporate Citizenship Report 2004 to a receptive public. The report which is available on the Company's website details the Company's achievements in this area and states its intentions for a sustainable future.

Responsible Drinking and Advertising

We believe it is our duty as a brewer to promote the responsible use of alcohol. We continue to invest in alcohol education for the community. Through the Employee Alcohol Policy, our employees understand and are made aware of the expectations that EABL has of their behavior in relation to alcohol. We also adhere to a strict code of practice to cover our marketing, advertising and promotion.

Business Ethics

The EABL staff renew their commitment to the Company's Code of Business Conduct on an annual basis. This code incorporates the Company's operating, financial and behavioral policies in a set of integrated values. It also includes the ethical standards required of members of the EABL family in the interface with one another and with all stakeholders. In addition, there are other detailed policies and procedures in place across the Group.

Kwa mwaka unaofuata, kupitia kwa Kamati, Kampuni itakuwa ikipitia upya na kuimarisha, inapohitajika, uwakilishi ulio sawa katika Halmashauri na kamati zake.

Jukumu la Uongozi katika Jamii

Soko letu linazidi kuwa mahali pa kufanya kazi penye changamoto na kiwango kikubwa cha hisi katika kutangamana na wateja wetu, washiriki wetu, jumuiya yetu na hivyo basi jukumu la uongozi katika jamii imekolea katika kila kitu tufanyacho, ikiwemo uhifadhi wa mazingira. Kujitolea kwetu kunaanza juu kabisa na kiwango cha kujitolea cha Halmashauri. Kama asilimia 1 ya faida inayopatikana baada ya kutozwa ushuru, hutumiwa katika jumuiya ambamo sisi hufanya shughuli zetu, kupitia kwa mipango inayohusiana na afya, elimu na maji. Hivi karibuni Kampuni ilianzisha Ripoti ya Uraia wa Shirika 2004, iliyopokelewa vyema na umma. Ripoti hii ambayo inapatikana katika mtandao wa kampuni, inaeleza waziwazi mafanikio ya Kampuni katika nyanja hii na inaonyesha makusudio yake kwa kuendeleza siku za usoni.

Unywaji wenye Uwajibikaji na Matangazo

Tunaamini kuwa ni jukumu letu kama mtengenezaji pombe, kukuza matumizi ya pombe yenye uwajibikaji. Tunaendelea kuwekeza katika elimu inayohusu pombe, inayoifaidi jumuiya. Kupitia kwa Sera ya Mwajiriwa ya Pombe, wafanyikazi wetu wanaelewa na hujulishwa juu ya matarajio ambayo EABL inayo kuhusu tabia yao na matumizi ya pombe. Sisi pia hufuata kikamilifu kanuni za utekelezaji ili kujumlisha uuzaji, utangazaji na mashindano.

Maadili ya Kibiashara

Wafanyikazi wa EABL hujitolea upya kwa Kanuni ya Maadili Mema ya Kampuni, kila mwaka. Kanuni hii hujumlisha sera za Kampuni juu ya utendajikazi, fedha na mienendo ifaayo katika mwelekeo wa maadili yaliyounganishwa. Pia inaahusisha viwango vya maadili vinavyohitajika kutoka kwa wafanyikazi wa EABL katika uhusiano wao wenyewe kwa wenyewe na wawekezaji wote. Kuongezea, kuna sera zingine zilizoelezwa kinaganaga na utaratibu, unaotumika kote katika Kampuni.

The past year has been a year of consolidation for East African Breweries Limited. Our strategic initiatives implemented over the last few years have been fruitful and continue to record growth for the Group.

Much of our focus for the past year has been investing in our people, brands and quality. We have invested in state of the art manufacturing equipment for our Tusker brewery. Staff training has been increased. New products and new packaging have been introduced and we have streamlined our supply and distribution chain. All these initiatives have further enhanced our brand value and quality to our consumers and have ultimately improved our production efficiencies.

J G Kiereini - Chairman

The business environment within East Africa continues to be challenging. Growth in the market continues to be very minimal and increasing numbers of consumers have moved to the illicit brew sector. Despite the difficult economic environment, we will continue to look for new and innovative ways to meet consumers' needs.

Overall, this year's results demonstrate that with sustained investment in our people, brand quality and innovation, the Group has been able to achieve an outstanding performance.

RESULTS

I am pleased to report that the Group was able to achieve an operating profit of KShs. 6 billion before taxation compared to KShs. 4.9 billion in the previous year. The increase in 2003/04 pre-tax profits is largely due to the strategic initiatives and cost management measures taken during the year.

CAPITAL RESTRUCTURING

The Board has decided, having considered the overall strength of the Group now and in the foreseeable future, to recommend some changes in the capital structure of the Group, subject to the approval of the regulatory authorities.

The Board will recommend for approval at the forthcoming Annual General Meeting that the company increase its authorised share capital by 50 million ordinary shares of KShs. 10 each.

Mwaka uliopita umekuwa mwaka ulioimarisha East African Breweries. Mikakati yetu ya kibiashara na uvumbuzi iliyotekelezwa kwa miaka michache iliyopita, ilifaulu na inaendelea kurekodi ukuzaji, kwa kampuni.

Mengi ya yale tuliyolenga kwa mwaka uliopita,yalikuwa ni uwekezaji katika wafanyikazi wetu, chapa zetu na ubora wetu. Tumewekeza katika vifaa vya utengenezaji vya hali ya juu katika kiwanda chetu cha Tusker. Mafunzo kwa wafanyikazi yameongezwa. Bidhaa mpya na mitindo mipya ya upakiaji imebuniwa na tumeboresha ugavi na ugawaji wetu. Uvumbuzi huu wote umezidisha thamani na ubora wa chapa zetu kwa wateja wetu na hatimaye kuendeleza uzalishaji wetu madhubuti.

Mazingira ya kibiashara yanayopatikana Afrika Mashariki yanaendelea kuwa yenye vikwazo. Ukuzaji katika soko unaendelea kuwa wa chini sana na idadi kubwa ya wateja imehamia katika sekta ya vinywaji haramu. Licha ya mazingira magumu ya kiuchumi, tutaendelea kutafuta njia mpya za uvumbuzi ili kutosheleza mahitaji ya wateja wetu.

Kwa jumla, matokeo ya mwaka huu yanaonyesha kwamba kwa kuwa na uwekezaji zaidi katika wafanyikazi wetu, ubora wa chapa na uvumbuzi, Kampuni imeweza kufanikiwa na utendajikazi wa kusifika.

MATOKEO

Nina furaha kuripoti kwamba Kampuni ilifanikiwa kupata faida ya shilingi bilioni 6 za Kenya, kabla ya kutozwa ushuru, ikilinganishwa na shilingi bilioni 4.9 za Kenya, katika mwaka uliopita. Nyongeza iliyopatikana kabla ya kutozwa ushuru katika mwaka 2003/4, imetokana hasa na mikakati iliyopangwa na hatua zilizochukuliwa za kuthibiti matumizi, kwa kipindi cha mwaka huo.

UPANGAJI UPYA WA RASILIMALI

Halmashauri imeamua kwamba,kwa kuwa ilikuwa imeshaangalia uwezo wa jumla wa Kampuni, kwa sasa na siku za usoni, itapendekeza mabadiliko fulani katika muundo wa rasilimali ya Kampuni, ikiwa idhini itatolewa na mamlaka ya urekebishaji.

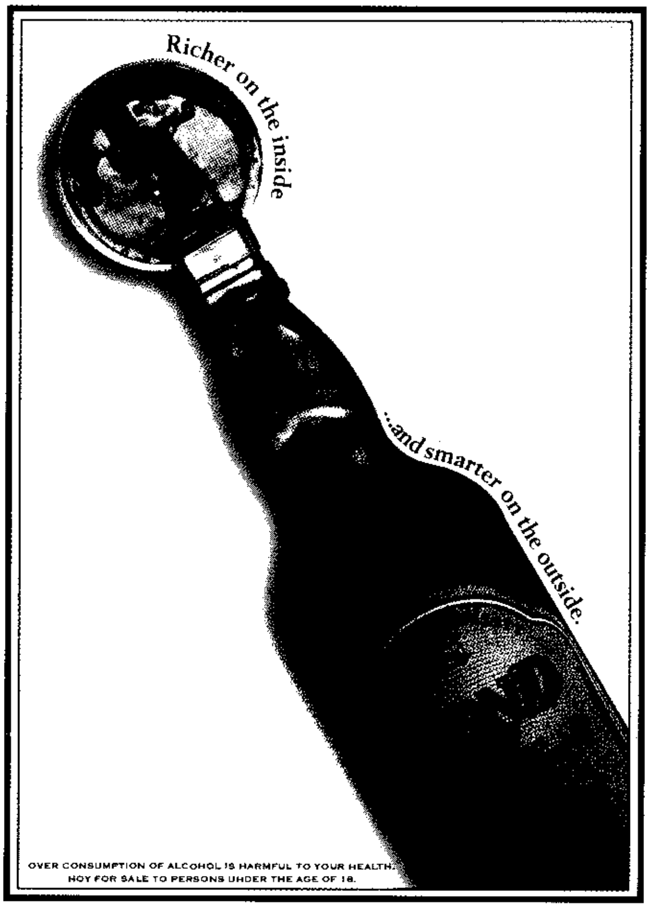
The Board will also recommend for approval at the forthcoming Annual General Meeting that the company issue one (1) bonus share of KShs. 10 each for every five (5) shares of KShs 10 each held. The Board will also propose that such bonus shares be entitled to the final dividend to be recommended and approved at the forthcoming Annual General Meeting.

Furthermore, the Board will propose at the forthcoming Annual General Meeting that the authorised share capital of 200 million shares of KShs. 10 each be sub-divided into 1,000 million shares of KShs 2 each.

These proposals are designed to increase the marketability and availability of the shares to as many investors as possible.

DIVIDENDS

The Board is pleased to recommend a final dividend of KShs.14.25 per share, which together with the interim dividend of KShs. 3.75 per share in March 2004, brings the full dividend for the year to KShs. 18.00. This represents a 20% increase above last year's dividend.



Halmashauri itapendekeza katika Mkutano Mkuu wa Mwaka unaokuja, kwamba idhini itolewe ili kampuni iongeze pesa za hisa zilizoidhinishwa zifikie hisa za kawaida zipatazo milioni 50 za shilingi 10 za Kenya kila moja.

Halmashauri pia itapendekeza katika Mkutano Mkuu wa Mwaka unaokuja, kwamba idhini itolewe ili kampuni itoe hisa moja (1) ya bonasi ya shilingi 10 za Kenya kila moja,kwa kila hisa tano (5) za shilingi 10 za Kenya. Halmashauri pia itapendekeza kwamba hisa hizo za bonasi ziwe na haki ya kujumlishwa katika mgawo wa mwisho ambao utapendekezwa na kuidhinishwa katika Mkutano Mkuu wa Mwaka unaokuja.

Kwa kuongezea, Halmashauri itapendekeza katika Mkutano Mkuu wa Mwaka unaokuja kwamba pesa za hisa zilizoidhinishwa zipatazo hisa milioni 200 za shilingi 10 za Kenya kila moja, zigawanywe kufikia hisa milioni 1,000 za shilingi 2 za Kenya kila moja.

Mapendekezo haya yamekusudiwa kuongeza uuzaji na kupatikana kwa urahisi kwa hisa, kwa wawekezaji wengi iwezekanavyo.

MGAWO WA FEDHA

Halmashauri ina furaha kupendekeza mgawo wa mwisho wa shilingi 14.25 za Kenya kwa kila hisa, ambayo pamoja na mgawo wa muda wa shilingi 3.75 za Kenya kwa kila hisa, ulioIipwa mwezi wa March mwaka huu,na unafanya jumla ya mgawo wa shilingi 18.00 za Kenya. Hii inawakilisha nyongeza ya asilimia 20 juu ya mgawo wa mwaka jana.

USHURU

Mwaka huu, Kampuni imelipa shilingi bilioni 15.8 za Kenya kama ushuru kwa hazina za kitaifa, kwa nchi ambazo tunaendeleza shughuli zetu. Hii ni asilimia 52 ya faida inayopatikana kabla ya kulipa ushuru na inawakilisha mchango mkubwa. Halmashauri ya Utozaji Ushuru ya Kenya, hivi majuzi ilitangaza kwamba kampuni yetu tanzu, Kenya Breweres, ndiyo inayolipa ushuru wa kiasi kikubwa zaidi nchini.

SOKO LA KIFEDHA NA UTEKELEZAJI KATIKA KIWANDA

Kwa sasa, Kampuni imeorodheshwa kama mojawapo ya kampuni bora katika Masoko ya Hisa ya Nairobi na Kampala. EABL ndiyo kampuni kubwa zaidi kifedha, katika haya Masoko ya Hisa. Bei yetu ya hisa imeendelea kufanya vyema kwa kurekodi kiwango cha juu cha shilingi 520 za Kenya, katika kipindi cha miezi kumi na miv iliyopita. Hii inawakilisha thamani iliyo sawa na karibu dola mi' 730 za Marekani.

TAXATION

During the year, the Group paid KShs. 15.8 billion in direct and indirect taxes to the national exchequers of the countries we operate in. This is 52% of the Group's gross turnover and represents a significant contribution. Kenya Revenue Authority recently declared that our subsidiary, Kenya Breweries was the highest taxpayer in the country.

FINANCIAL MARKET AND INDUSTRY PERFORMANCE

The Group is currently ranked as one of the top performing companies on both the Nairobi and Kampala Stock Exchanges. EABL is the largest company, by capitalization, on both Stock Exchanges. Our share price has also performed exceedingly well, recording a high of KShs. 520 in the last twelve months. This represents an equivalent value of about USD. 730 million.

For the fourth year in a row, EABL was awarded "The Most Respected Company in East Africa" by the East African business community, in 2003. The survey was conducted by PricewaterhouseCoopers and the Nation Media Group.

We are very proud of this achievement and we thank all our staff and business partners for helping us to achieve this highly coveted recognition.

THE BOARD

Mr. Patrick Healy, the former Group Managing Director of EABL retired from the company in January 2004. Mr. Healy led the Group for the previous six years and was instrumental in directing strategic change and growth. Mr. Gerald Mahinda is the new Group Managing Director. Mr. Mahinda was formerly the Group Finance and Strategy Director of EABL, prior to his one-year secondment to Guinness Nigeria Plc.

OUR PEOPLE

We invest heavily in our staff. We strive to recruit the brightest and best people and we implement continuous training for all our staff at every level. This ensures that we leverage and further the talent of all our people.

During the year, the total number of training days increased significantly across the Group. Management development programmes such as coaching conversations and effective management skills have been introduced to up skill management performance. Production staff received intensive training for the new packaging and bottling line in Kenya. Our marketing and procurement

Kwa mwaka wa nne mfululizo, EABL imetuzwa kama "Kampuni Inayoheshimika Zaidi katika Afrika Mashariki" na jumuiya ya kibiashara kutoka Afrika Mashariki, mwaka wa 2003. Uchaguzi huu ulifanywa na Pricewaterhouse Coopers na Nation Media Group.

Tunajivunia ushindi huu na tunawashukuru wafanyikazi wetu wote na washiriki wote wa kibiashara kwa kutuwezesha kupata tuzo hii ya kutambulika.

HALMASHAURI

Bw. Patrick Healy,aliyekuwa Mkurugenzi Mkuu wa Kampuni ya EABL alistaafu kutoka kwa kampuni mwezi wa Januari 2004. Bwana Healy aliongoza Kampuni kwa miaka sita iliyopita na alikuwa katika mstari wa mbele katika uongozi wa mabadiliko na ukuzaji. Bwana Gerald Mahinda ndiye Mkurugenzi Mkuu mpya wa Kampuni. Bwana Mahinda ndiye aliyekuwa Mkurugenzi wa Kifedha na Mikakati wa Kampuni ya EABL, kabla ya kutumwa kuihudumia Nigeria Plc kwa mwaka mmoja.

WAFANYIKAZI WETU

Uwekezaji ulio madhubuti umefanywa kwa wafanyikazi wetu. Tunajitahidi kuwaajiri wafanyikazi walio stadi na kutekeleza mafunzo yanayoendelea, kwa wafanyikazi wetu katika kila kiwango.Hii inahakikisha kwamba tunavikuza vipawa vya wafanyikazi wetu.

Mwaka huu, idadi ya jumla ya siku za mafunzo iliongezeka maradufu katika kampuni. Mipango ya kuendeleza uongozi kama vile mafunzo ya uzungumzaji bora na ukuzaji wa uongozi unaofaa, imeanzishwa ili kuboresha utendajikazi katika uongozi. Wafanyikazi wanaohusika na uzalishaji walipata mafunzo madhubuti juu ya mtambo mpya wa uwekaji pombe machupani, nchini Kenya. Wafanyikazi wetu staff continue to participate in global training workshops that enable them to adopt best practice standards and to learn from other markets.

Reward and recognition are key components of improving staff performance and we have successfully implemented a performance management system which highlights performance goals to staff and ensures rewards when these are attained.

Greater awareness of health and safety issues has been raised this year. Staff have participated in workshops on HIV/AIDS educational programmes. The company provides free anti-retroviral drugs to our employees and their immediate dependants who are infected with HIV/AIDS, which can help prolong their lives. A Safety Awareness week was also organized which focused on reducing accidents and highlighting areas of concern in the work place.

Staff have also benefited from our global network. Nine staff from our businesses in Kenya and Uganda have been seconded to our affiliates in Nigeria, Ghana, Seychelles and the United Kingdom.

MARKETING

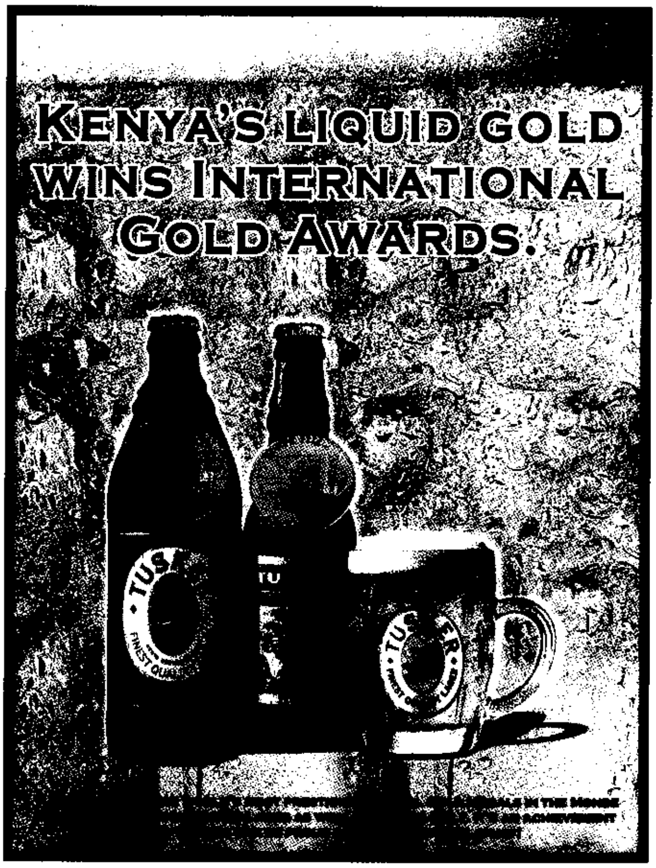
Our marketing departments continue to deliver innovative and exciting initiatives to better position our brands and to ensure that our brands meet the needs of our consumers.

Some of our marketing highlights include, the launch of a stylish new bottle for Guinness. We also introduced Senator Extra Lager to reach a broader base of consumers and the value spirit brand, Kane Extra was launched to provide greater affordability in the competitive spirits market.

We rewarded our consumers in Kenya with a national three-brand promotion, comprising of Tusker, Pilsner and Guinness. "Nderemo Ya Mabingwa" promotion gave away three houses for Tusker, three Pajeros/SUVs for Pilsner and 3-ton trucks for Guinness.

Other exciting marketing events included the Tusker Big Day Out on Jamhuri Day to celebrate Kenya's 40 years of independence. The Tusker Safari Sevens saw another victory for the Kenyan team and the ninth year running that Tusker has sponsored the worldclass rugby event. Tusker also sponsored this year's Kenya Golf Open. Tusker continues to do well in Tanzania.

Pilsner, Smirnoff and Tusker Malt Lager staged a range of exciting events, including the Smirnoff Experience and Smirnoff Sensation, Tusker Malt Lager Quiz nights in Kenya and Uganda, the Pilsner



wanaohusika na uuzaji na utangazaji wanaendelea kushiriki katika warsha za mafunzo ya kimataifa zinazowawezesha kutumia viwango bora vya utendajikazii na pia kujifunza kutoka kwa masoko mengine.

Kuwatuza na kuwatambua wafanyikazi ni kigezo muhimu katika kuboresha utendajikazi wao na tumefanikiwa kuanzisha mfumo wa utendajikazi wa uongozi, ambao unawaangazia wafanyikazi malengo ya utendajikazi na unaohakikisha tuzo, ikiwa zitafikiwa.

Utambuzi zaidi juu ya maswala ya afya na usalama umeshughulikiwa zaidi mwaka huu. Wafanyikazi wameshiriki katika warsha za kielimu zinazohusu HIV/AIDS. Kampuni inatoa bure dawa zinazotumiwa kurefusha maisha ya wafanyikazi walio na ukimwi pamoja na jamaa zao. Wiki ya kuwaelimisha watu kuhusu usalama, pia ilipangwa, na iliangazia upunguzaji wa ajali na kutilia mkazo sehemu zinazohusiana na mahali pa kazi.

Wafanyikazi wetu pia wamefaidika kutokana na uhusiano tulionao wa kimataifa. Wafanyikazi tisa kutoka kwa biashara zetu zilizoko Kenya na Uganda wametumwa ili kuwahudumia washiriki wetu walio Nigeria, Ghana, Seychelles na Uingereza.

Simba Wa Kenya Pool toumament in Kenya and the "Who's the King" Pool challenge tournament in Kampala.

Uganda Breweries flagship brand – Bell Lager had many marketing highlights over the year. The "Shine On" advertising campaign was launched. Bell continued to sponsor rugby through the Bell League. Bell also sponsored the first Pearl of Africa Music Awards (PAM) which showcased local musicians and helped to develop local talent. One of the PAM winners went on to win a KORA music award in South Africa.

Also in music, Bell Lager sponsored the hugely popular reggae global star – Sean Paul in his only Ugandan concert.

The next financial year promises even more promotions and events for all our consumers.

CORPORATE SOCIAL RESPONSIBILITY

East Africa is a challenging region to work in and requires great sensitivity in dealing with partners, local communities and employees. Corporate social responsibility is therefore ingrained in everything that we do.

Our commitment to corporate social responsibility starts at the top. The Board recently approved 1% of our profitability to go towards helping the communities in which we operate. Our long-term goal is that our communities will view us as a group of companies not only to invest in, but also to believe in. As a trusted and respected group of companies, we are aware that East Africa benefits from our presence. We want to ensure that we make and continue to make a positive impact on the region.

As the leading alcohol beverage company in East Africa, we believe we have a duty to promote the responsible use of alcohol. Consumed in a responsible manner, alcoholic beverages can be part of a healthy lifestyle. We do however recognize that the inappropriate consumption of alcohol can have negative consequences. To this end, we will continue to invest in alcohol education programs, and we will continue to adhere to a strict Marketing Code of Practice to cover all our marketing and advertising.

As part of communicating our impact on our communities, in May this year, His Excellency the Vice President and Minister for Home Affairs, Honorable Moody Awori officially launched the EABL Corporate Citizenship Report.

'he report was a first in the world of business in East Africa. It :uments the impact the Group makes in the region in terms of the

UUZAJI NA UTANGAZAJI

Idara zetu za uuzaji na utangazaji zinaendelea kutoa uvumbuzi wa kusisimua, ili kuboresha nafasi ya chapa zetu na kuhakikisha kwamba chapa zetu zinatosheleza matakwa yote ya wateja wetu.

Machache ya umuhimu katika uuzaji na utangazaji yanahusu, uzinduzi wa mtindo mpya wa chupa za Guinness. Pia tulianzisha Senator Extra Lager ili kuwafikia wanywaji wengi zaidi na chapa ya spiriti yenye thamani-Kane Extra, ilizinduliwa ili kuongeza uwezo zaidi wa ununuzi katika soko la spiriti lililo na ushindani mkubwa.

Tuliwatuza wateja wetu nchini Kenya kwa mashindano ya kimataifa yaliyohusu chapa tatu za Tusker, Pilsner na Guinness. 'Nderemo ya Mabingwa' ilipeana nyumba tatu kwa Tusker, Pajero/SUV tatu kwa Pilsner na lori za tani tatu kwa Guinness.

Matokeo mengine ya uuzaji na utangazaji ya kusisimua, yalihusu Tusker Big Oay Out, Siku ya Jamhuri, ili kuadhimisha miaka 40 ya uhuru wa Kenya. Mashindano ya Tusker Safari Sevens pia yalishuhudia ushindi mwingine kwa timu ya Kenya kwa mwaka wa tisa mfululizo ambapo Tusker imeyadhamini mashindano ya kimataifa ya raga. Tusker pia iliyadhamini mashindano ya mwaka huu ya Kenya Golf Open. Tusker inazidi kufanya vyema nchini Tanzania.

Pilsner, Smirnoff na Tusker Malt Lager ziliandaa tamasha kadha za kusisimua, zikiwemo Smirnoff Experience na Smirnoff Sensation, Tusker Malt Lager Quiz Nights nchini Kenya na Uganda na mashindano ya Pilsner Simba wa Kenya Pool, mjini Kampala.

Chapa inayowakilisha Uganda Breweries - Bell Lager, ilikuwa na vivutio vingi vya uuzaji na utangazaji, mwaka huu. Kampeni ya matangazo ya " Shine On" ilianzishwa. Bell iliendelea kuudhamini mchezo wa raga kupitia kwa ligi ya Bell. Vile vile, Bell iliyadhamini mashindano ya kwanza ya Pearl of Africa Music Award (PAM) yaliyohusisha waimbaji wa humu nchini na yalisaidia kukuza vipawa vyao. Mmoja wa washindi wa PAM aliendelea na hatimaye akashinda tuzo katika mashindano ya muziki ya KORA yaliyofanyika Afrika Kusini.

Pia katika muziki, Bell Lager ilimdhamini mwimbaji mashuhuri wa kimataifa wa reggae - Sean Paul katika tamasha yake ya pekee nchini Uganda.

Mwaka ujao wa kifedha unaahidi kuwa na mashindano zaidi na matokeo kwa wateja wetu wote.

economy, quality standards, the environment and community projects. It examines the impact the Group currently makes and the direction it is taking to continue to ensure a positive and improved influence on the region.

EABL invests heavily in community projects, which focus on three key areas - Water, Health and Education.

In the area of education we have continued to sponsor Business Scholarships at Strathmore University in Nairobi. To date, we have funded forty academically bright but financially needy students to study for degrees in Commerce and Business IT. Through the Guinness Strathmore Scholarships, we have donated KShs. 35 million to cover tuition costs for the four-year degree programme. Our very first scholars recently completed an internship at Kenya Breweries and they are expected to graduate this year.

Our Kenya Breweries Hospital Beds for Kenya programme, which was launched last year, was a great success. We plan to continue the programme this year, through the KBL Hospital Programme. We will again work with the Ministry of Health to provide much needed hospital equipment in needy provincial and district hospitals throughout Kenya.

Kenya Breweries also sponsored another water project during the year. The KBL Water of Life project in Nyatigo near Kisumu will benefit the local community through the construction of two boreholes. More Water of Life projects are planned for the coming year.

Uganda Breweries has continued to assist the Sickle Cell Association in Kampala, the Kamwokya Vocational Skills School and the National Wetlands Program in Uganda.

The company has donated to numerous charities through its Appeals Committee. The Uganda Women Efforts to Save Orphans (UWESO) received UShs. 35 Million from a charity golf tournament organized and sponsored by UBL.

UBL donated blankets worth over UShs. 3 million to the displaced people in Soroti - Northern Uganda affected by the civil war.

The Bikers Association of Uganda, a volunteer body that raises funds to supporting Mothers and their children living with HIV AIDS, were facilitated with funds of over UShs. 2 million shillings on their East and Southern African sensitization ride.

In times of great emergency and disaster, we believe that we have a role to play in helping to provide a solution. EABL took the initiative

JUKUMU LA UONGOZI

Eneo la Afrika Mashariki ni lenye vikwazo vingi katika utendajikazi na linahitaji kiwango cha juu cha hisi katika kutangamana na washiriki, jumuiya tunazohusiana nazo na wafanyikazi.Hivyo basi, jukumu la uongozi katika jamii limekolea katika yote tunayoyafanya.

Kujitolea kwetu katika kuwajibika katika kuiongoza jamii, kunaanzia juu kabisa. Hivi karibuni, halmashauri iliidhinisha asilimia 1 ya faida yetu, kutumiwa kuzisaidia jumuiya tunazofanya shughuli zetu. Shabaha yetu ya siku za usoni ni kwamba jumuiiya zetu zitatuchukulia kama makampuni sio tu ya uwekezaji bali pia wawe na imani kwetu.

Kama kampuni inayoaminika na kuheshimiwa, tunafahamu kwamba Afrika Mashariki inafaa kunufaika kutokana na kuwepo kwetu. Tunataka kuhakikisha kwamba tunao, na kuendelea kuwa na athari inayofaa katika eneo hili.

Kama kampuni inayoogoza katika Afrika Mashari katika biashara ya uuzaji vileo, tuna jukumu la kuhimiza uwajibikaji katika matumizi ya pombe. Vikinywewa katika hali ya uwajibikaji, vileo vinaweza kuchangia kwa maisha bora. Hata hivyo tunatambua kwamba matumizi ya unywaji pombe yanaweza kuwa na matokeo mabaya. Hivyo basi tutaendelea kuwa na uwekezaji katika mipango ya elimu inayohusiana na pombe na tutaendelea kuzingatia kwa makini kanuni ya uuzaji, utangazaji na matangazo.

Kama sehemu ya kuwasiliana na jumuiya zetu kuhusu athari zetu, mwezi wa Mei mwaka huu, Mheshimiwa Makamu wa Rais na Waziri wa Mambo ya Kinyumbani, Mheshimiwa Moody Awori, alifungua rasmi Ripoti ya Uraia wa Shirika la EABL.

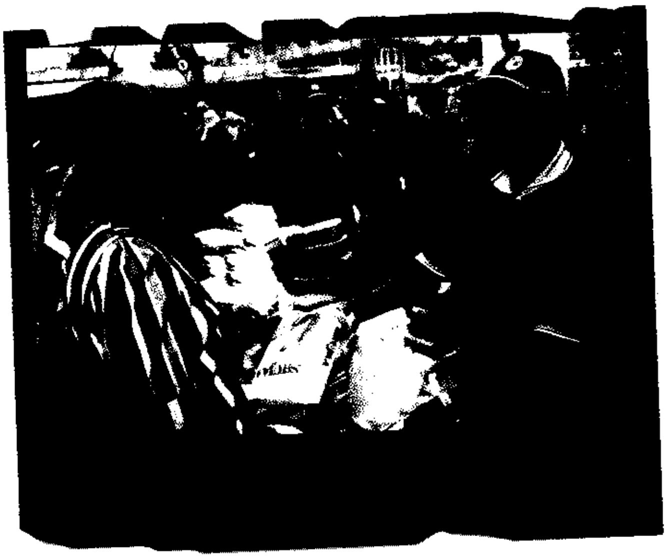
Ripoti hii ilikuwa ya kwanza katika ulimwengu wa biashara katika Afrika Mashariki. Inaelezea athari ambayo kampuni inayo katiaka eneo hili hasa kuzingatia uchumi, viwango vya hali ya juu, miradi ya kimazingira na jamii. Inatathmini athari ambayo kampuni inayo kwa sasa na mwelekeoambao inachukua ili kuendelea kuhakikisha kwamba inasaidia katika kukuza eneo hili.

EABL inazingatia sana uwekezaji katika miradi ya kijamii inayoangazia sehemu tatu mihimu-Maji, Afya na Elimu.

Katika nyanja ya elimu, tumeendelea kufadhili mafunzo ya Somo la Biashara katika Chuo Kikuu cha Strathmore, mjini Nairobi. Hadi sasa tumegharamia malipo kwa wanafunzi arobaini ambao ni werevu lakini hawajiwezi kifedha, ili wasomee digrii katika Biashara na Teknolojia ya Biashara. Kupitia kwa Msaada wa Masomo wa Guinness Strathmore tumeweza kutoa mchango wa shilingi milioni 35 za Ke and in conjunction with Standard Chartered Bank and Nation Media Group, pioneered the Save a Life Fund in June to assist in bringing food to Eastern Province, Kenya where communities suffered severely from drought and from an outbreak of food poisoning due to toxic maize.

The drought in Kenya has continued to worsen. The Government predicts three million Kenyans may face starvation. The Save a Life Fund will assist communities facing famine by working with the Kenya Red Cross to ensure rapid food distribution in the afflicted areas.

We are proud of our history of social responsibility achievement, and believe that we have the capacity to extend the reach of our corporate citizenship activities. We plan to announce new community projects over the coming year.



HIGHLIGHTS FROM OUR SUBSIDIARIES

KENYA BREWERIES

Kenya Breweries invested KShs. 1.4 billion into a state of the art bottling line, an initiative that was aimed at enhancing brand quality and production efficiencies. The new line has improved both quality and efficiencies significantly. The company is now refurbishing the brewhouse at a cost of KShs. 600 million. KBL is also spending KShs. 255 million to upgrade the effluent water treatment plant. Both projects are expected to be commissioned in November 2004.

Despite the volumes remaining level to last year, the company recorded excellent profitability, an improvement of 19% against last year. This was mainly due to the restructuring of our business operations, excellent marketing initiatives and improved production efficiencies.

ili kugharamia masomo yao ya digrii ya miaka minne. Hivi karibuni wasomi wetu walikamilisha ukufunzi wao katika Kenya Breweries na wanatarajiwa kufuzu mwaka huu.

Mpango wetu wa Kenya Breweries wa Vitanda vya Hospitali, Kenya, ulioanzishwa mwaka uliopita, ulikuwa na mafanikio makubwa. Tunanuia kuendelea na mpango huo mwaka huu, na kupitia kwa mpango wa Hospitali wa KBL, tutashirikiana tena na Wizara ya Afya ili kuchangisha vifaa vya hospitali vinavyohitajika sana katika hospitali zinazohitaji msaada, zilizoko mikoani na wilayani, kote nchini Kenya.

Mwaka huu Kenya Breweries ilidhamini mradi mwingine wa maji. Mradi wa KBL - Maji ya Uzima ulioko Nyatigo karibu na Kisumu, utaifaidi jamii iliyo karibu, kupitia kwa ujenzi wa visima viwili. Miradi mingine ya Maji ya Uzima imepangiwa kwa mwaka unaokuja.

Uganda Breweries inaendelea kutoa usaidizi kwa Chama cha Ugonjwa wa Anaemia Silimundu - (Sickle Cell) mjini Kampala, Shule ya Kiufundi ya Kamwokya na mpango wa Sehemu Nyevunyevu nchini Uganda.

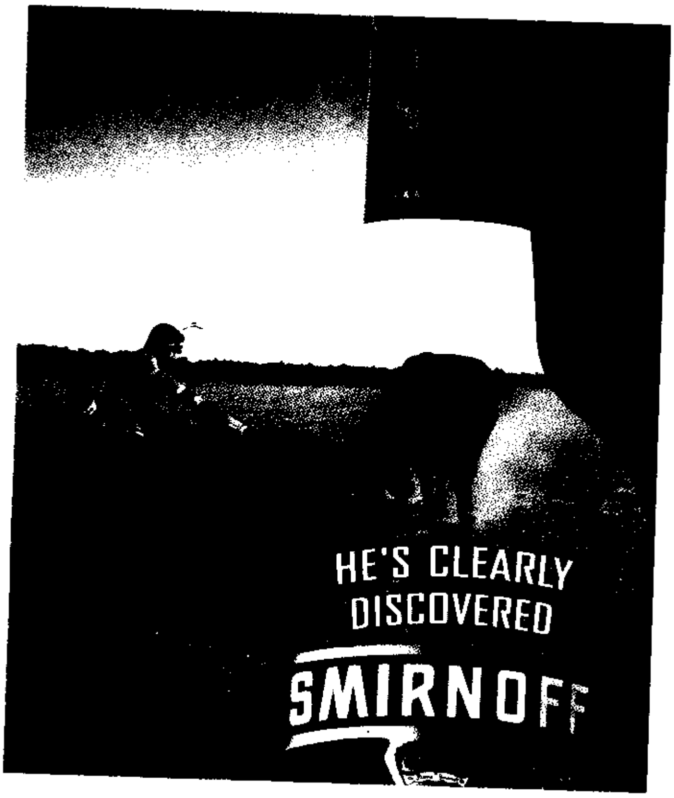
Kampuni pia imechangia miradi mbalimbali ya kuchangisha pesa, kupitia kwa Kamati ya Maombi. Juhudi za Wanawake wa Kiganda Kuwaokoa Mayatima, yaani Uganda Women Efforts to Save Orphans (UWESO), ilipokea shilingi milioni 35 za Uganda kutoka kwa mashidano ya golfu ya kuchangisha pesa, yaliyotayarishwa na kudhaminiwa na UBL.

UBL ilitoa msaada wa mablanketi yenye thamani ya zaidi ya shilingi milioni 3 za Uganda kwa watu walioathiriwa na vita na wasio na makwao, huko Soroti-Uganda Kaskazini.

Chama cha Waendeshaji Baiskeli cha Uganda, shirika ambalo limejitolea kuchangisha pesa za kuwasaidia akina mama na watoto wao walio na HIV/AIDS, walipata msaada wa zaidi ya shilingi milioni 2 za Uganda katika safari yao ya kuwafahamisha watu katika maeneo ya Afrika Mashariki na Kusini.

Katika nyakati za dharura kubwa na maafa, tunaamini kwamba ni jukumu letu kujitolea ili kusaidia kupata suluhisho. EABL ilikuwa katika mstari wa mbele na kwa kushirikiana na Benki ya Standard Chartered na kampuni ya Nation Media, tulikuwa waanzilishi wa hazina ya Save a Life, mwezi wa Juni, ili kusaidia katika usafirisaji wa chakula hadi Mkoa wa Mashariki, Kenya, ambapo jamii nyingi ziliteseka kutokana na ukame na pia kwa chakula kilichokuwa na sumu, iliyotokana na mahindi yaliyosumishwa.

Shida ya ukame nchini Kenya, imezidi kuwa mbaya. Serikali inabashiri kuwa huenda Wakenya milioni 3 wakakumbwa na baa la



Kenya Breweries re-affirmed its worldclass quality status, during the year by winning Gold medals for Tusker, Pilsner, Tusker Malt Lager and White Cap in the Monde Selection International Beer Competition. KBL is committed to producing high quality brands to its consumers.

The company also maintained its certification to ISO 9001-2000 and in addition was certified to HACCP (Hazard Analysis Critical Control Points) in June 2004.

UGANDA BREWERIES

The beer market flattened considerably after the 17% growth last year, growing by just 1%. UBL maintained its market leading position despite some production problems early in the year and achieved its highest ever-recorded production and sales in December.

Bell continues to be the leading beer brand and sales of Tusker Malt lager and Guinness again grew strongly. Citizen performed very well in the value sector.

Barley is now being grown locally on Mount Elgon and should be used in production in November this year. This is expected to boost profitability for the Citizen brand, as UBL can then take advantage of the excise incentive on locally grown raw materials.

njaa. Hazina ya Save a Life itasaidia jamii nyingi zilizokumbwa na shida hii, kwa ushirikiano na Shirika la Msalaba Mwekundu la Kenya, ili kuhakikisha ugawaji wa haraka wa chakula katika sehemu zilizoathiriwa.

Tunajivunia historia yetu katika kufanikisha jukumu letu la kijamii na kuamini kwamba tuna uwezo wa kuzidisha kiwango chetu katika shughuli zetu za uraia wa shirika. Tunapanga kutangaza miradi mipya ya kijamii kwa mwaka unaokuja.

MACHACHE YA UMUHIMU KUTOKA KWA MAKAMPUNI YETU

KENYA BREWERIES

Kenya Breweries iliwekeza shilingi bilioni 1.4 za Kenya katika mpango mpya wa sasa wa uwekezaji pombe machupani, uvumbuzi ulionuiwa kuboresha aina ya chapa na uzalishaji. Mtambo huu umeendeleza ubora na ufanisi maradufu.Kwa sasa kampuni inatengenezwa upya kwa gharama ya shilingi milioni 600 za Kenya. KBL pia inatumia milioni 255 za Kenya ili kustawisha kiwanda cha utunzaji maji machafu, miradi inayotarajiwa kuanza kutumiwa mwezi wa Novemba, 2004.

Licha ya uuzaji wetu kubakia katika kiwango kimoja mwaka uliopita, kampuni ilirekodi faida ya kufana, ongezeko la aslimia 19 ikilinganishwa na mwaka uliopita. Hii ilitokana hasa na ufanyaji upya wa utendajikazi wetu wa kibiashara, uuzaji na utangazaji bora.

Kenya Breweries ilihakikisha nafasi yake ya kimataifa mwaka huu, kwa kushinda medali za dhahabu kwa Tusker, Pilsner, Tusker Malt Lager na White Cap, katika mashindano ya Monde Selection International Beer. KBL imejitolea kuendelea kuwa na uzalishaji wa chapa bora kwa wateja wake.

Kampuni pia ilidumisha hati yake ya uthibitisho ya 1S0 9001-2000 na zaidi ya hayo ilipewa hati ya HACCP(Hazard Analysis Critical Control Points), mwezi wa Juni, 2004.

UGANDA BREWERIES

Soko la biashara lilididimia kwa kiwango fulani, baada ya ongezeko la aslimia 17 mwaka uliopita, kwa kuongezeka kwa aslimia 1 tu. UBL ilishikilia nafasi yake ya uongozi licha ya matatizo machache ya uzalishaji, mwanzoni mwa mwaka na kupata kiwango cha juu zaidi cha uzalishaji na mauzo, mwezi wa Desemba.

Bell inaendelea kuongoza kama chapa ya beer, na mauzo ya Tusker Malt Lager na Guinness, yaliendelea kuimarika. Citizen iliendelea kufanya vyema sana katika sekta ya thamani.

Spirits have continued to grow very well with record production and sales, ending the year nearly 30% up on last year. Uganda Waragi was again the strongest brand. This performance was achieved in the face of a large number of new entrants into the market selling very cheap spirits products. In the fiscal budget, duty on locally manufactured spirits increased from 45% to 60%.

Uganda Breweries Limited is strongly committed to protecting the environment, especially in regard to the protection of Lake Victoria. The company has invested in a multi-billion shilling wastewater treatment plant, the first of its kind in Uganda. The new plant will ensure that UBL complies with an international environmental standard. The plant will be operational by October 2004.

Production and utilities are also being upgraded by the company and work will continue into the new financial year.

KENYA MALTINGS

After the reduction in contracted barley acreage last year, the company was pleased to announce a 50% increase in barley acreage this financial year. Kenya Maltings has also commenced growing barley in Uganda to satisfy the needs of Uganda Breweries.

Kenya Maltings is continuing its barley breeding programme to deliver improved varieties to the farmer with the aim of mutually improving prosperity and sustainability.

During the year, the company commissioned an upgrade of its malting process to enable it to improve the quality of the processed malt. The company has also invested KShs. 80 million into a new effluent treatment plant which will ensure reduced environmental impact on ɿe local area.

Kwa sasa, shayiri inakuzwa katika eneo la Mlima Elgon na itatumiwa kwa uzalishaji, mwezi wa Novemba mwaka huu. Hii inatarajiwa kuzidisha faida kwa chapa ya Citizen, kwa sababu UBL inaweza kunufaika na motisha ya ushuru kwa mali ghafi inayokuzwa humu nchini.

Vinywaji vikali vimeendelea kukua vyema kwa uzalishaji na mauzo ya kiwango cha juu kwa kumaliza mwaka kwa takriban asilimia 30 zaidi ya mwaka jana. Uganda Waragi iliibuka tena kama chapa maarufu zaidi. Utekelezaji huu ulitokana na idada kubwa ya washindani katika soko, waliouza bidhaa za hali ya chini za vinywaji vikali. Katika makadirio ya hazina ya serikali, ushuru uliotozwa kwa vinywaji vikali vinavyotengenezwa humu nchini, uliongezeka kutoka aslimia 45 hadi 60.

Uganda Breweries Limited imejitolea vilivyo kuyalinda mazingira na ulinzi wa Ziwa Victoria. Kampuni imewekeza katika mtambo unaosafisha maji machafu yanayotoka kwenye viwanda, unaogharimu mabilioni ya shilingi, ukiwa ni wa aina ya kwanza nchini Uganda. Mtambo huu mpya utahakikisha kwamba UBL inatekeleza na kukubaliana na kiwango cha kimataifa cha mazingira. Mtambo huu utaanza kufanya kazi kufikia mwezi wa Oktoba mwaka huu.

Uzalishaji na utumizi pia unaimarishwa na kampuni na kazi itaendelea hadi kufikia mwaka mpya wa kifedha.

KENYA MALTINGS

Baada ya kupunguzwa kwa hekari za shayiri iliyokuzwa, kwa mapatano, mwaka uliopita, kampuni ilikuwa na furaha kuangaza nyongeza ya aslimia 50 katika ukuzaji wa shayiri, mwaka huu. Pia, Kenya Maltings imeanza ukuzaji wa shayiri nchini Uganda ili kutosheleza matakwa ya Uganda Breweries.

Kenya Maltings inaendelea na mpango wake wa uzalishaji shayiri ili kuwapa wakulima shayiri iliyostawi ya aina tofauti, kwa lengo la kustawisha mapatano na uendelezaji.

Kwa kipindi cha mwaka, kampuni imetoa mamlaka ya uimarishaji wa utengenezaji wa kimea cha pombe ili kuiwezesha kuboresha kiwango chake. Kampuni pia imewekeza shilingi milioni 80 za Kenya kwa mtambo unayoyasafisha maji machafu yanayotoka katika kiwanda, utakaohakikisha kupunguzwa kwa athari ya kimazigira katika eneo la karibu.

Kenya Maltings ilikuwa na utaratibu mpya kwa vifaa vyake vilivyo katika ofisi zake ili kuiwezesha kuwa na utendajikazi ulio bora. Ofisi hizi zitafunguliwa rasmi mwezi wa Novemba, 2004.

Kenya Maltings carried out a re-organisation of its office facilities to enable it to perform more effectively. The premises were officially opened in November 2003.

UDV KENYA

The company expanded its market considerably this year, as a result of being able to leverage the availability of the KBL network. This led to enhanced sales of spirit products across the board with an increase in the bottom line.

The company introduced Kane Extra, which has proved to be a great success in the value segment of the market. A new label was designed for Bond 7 Whisky and has been well received in the market.

UDVK took a position that it could no longer be in the very low segment of the sachet market and in May this year, the company voluntarily ceased producing spirits packaged in sachets in the KShs. 25 category.

UDVK has complied with the Government's action to ban sachets and has exited the sachet section of the market entirely. We are energetically driving our sales and marketing efforts to ensure that we continue to give value to our consumers through innovative packaging.

CENTRAL GLASS INDUSTRIES

The Glass business has continued to grow despite a generally depressed consumer trade in soft drinks and beer. Local sales rose by 15% while exports increased by 20% in the current year compared to last year. Overall, the market grew by a significant 17% over the previous year.

CGI has continued to invest in Quality Systems and the company was certified to the Environmental Management System ISO 14001 during the year. CGI is only the 9th company in Kenya to receive this certification and this reflects its commitment to the environment, as also reflected in its heavy recycling of glass.

The prospects for the coming year are good and exports should improve as the Great Lakes Region economies continue to grow. The COMESA market and the rationalization of tariffs have contributed to improved export business opportunities. As a result, Central Glass Industries continues to be the prime source of foreign exchange earnings for the Group.

UDV KENYA

Kampuni ilipanua soko lake kwa kiasi fulani mwaka huu, kutokana na uwezo wake wa kutumia mtandao wa KBL unaopatikana kwa urahisi. Hii ilichangia kuongezeka kwa mauzo ya bidhaa za vinywaji vikali katika maeneo mengi, huku kukiwa na nyongeza katika viwango vya chini.

Kampuni ilibuni Kane Extra ambayo imethibitisha kuwa na ufanisi mkubwa katika sehemu ya thamani ya soko. Kitambulisho kipya kilibuniwa kwa Bond 7 Whisky na kinywaji hiki kimepokelewa vyema katika soko.

UDV ilichukua msimamo kwamba, haingeweza kuendelea kuwa katika sehemu ya chini ya soko la vinywaji vikali vinavyopakiwa katika pakiti. Mnamo mwezi Mei mwaka huu, kampuni ilihiari kusitisha utoaji wa bidhaa zilizo katika pakiti ndogo katika kitengo cha shilingi 25. Serikali ilipiga marufuku bidhaa za spiriti zilizo na uzito chini ya milimita 200, mwezi wa Juni, 2004.

UDV imekubaliana na hatua ya Serikali na imejiondoa kabisa kutoka katika kitengo cha bidhaa zilizo katika pakiti ndogo, katika soko. Tunajibidiisha kuboresha juhudi zetu za uzaaji na utangazaji ili kuhakikisha kwamba tunaendelea kuwathamini wateja wetu kupitia kwa upakiaji ulio bora.

CENTRAL GLASS INDUSTRIES

Biashara ya Glasi imeendelea kukua licha ya kupungua kwa viwango vya biashara vya wanunuzi wa soda na bia. Mauzo ya humu nchini yalizidi kwa asilimia 15, huku mauzo ya nchi za nje yakizidi kwa asilimia 20, tukilinganisha mwaka huu na mwaka uliopita. Kwa jumla soko lilikuwa kwa kiwango cha asilimia 17, zaidi ya mwaka uliop

THE FUTURE

We have consistently produced and marketed international award winning brands. We will continue to focus on our people, brand quality and product innovation. The Group will continue to explore strategic opportunities that are aimed at unlocking our growth potential. Despite the many challenges we face in the region, our strategy will continue on course, and we look to the future with confidence.

APPRECIATION

In a year of outstanding results, I would like to thank my colleagues on the Board of Directors, and over 1,000 employees of our operating companies for their work and continued dedication to the company. In thanking them, I would also like to salute our business partners and consumers for their sustained support. The excellent results we have achieved this year are the result of a combined effort from everyone concerned.

J G Kiereini
Chairman

CGI imeendelea kuwekeza katika mipango Rasmi ya Uboreshaji na mwaka huu kampuni ilituzwa hati ya Mfumo wa Kuyatunza Mazingira wa ISO 14001. CGI ni kampuni ya 9 nchini Kenya kupokea hati hii na hii inaonyesha kujitolea kwake kuyalinda mazingira, inavyoonekana katika wingi wake wa utengenezaji upya bidhaa kutoka kwa glasi.

Matarajio ya mwaka ufuatao ni mazuri na mauzo ya nje ya nchi yataboreshwa kutokana na kukua kwa chumi za Eneo la Maziwa Makuu. Soko la COMESA, na kupangwa kwa makini kwa ushuru wa forodha umechangia kuboresha nafasi ya biashara ya mauzo ya nje ya nchi. Kutokana na hayo, Central Glass Industries inaendelea kuwa chanzo kikuu cha mapato ya fedha za kigeni kwa Kampuni.

KUENDELEA MBELE

Tumekuwa na msimamo thabiti hasa kwa uzalishaji, uuzaji na utangazaji wa bidhaa za kimataifa zenye ushindi na tutaendelea kuwaangazia wafanyikazi wetu, ubora wa chapa na uvumbuzi wa bidhaa. Kampuni itaendelea kuangazia fursa zenye mikakati zinazolengwa ili kutupa nafasi ya kuimarika zaidi. Licha ya vikwazo vingi tunavyokabiliana navyo katika eneo hili, tunaendelea kufuata mkondo unaofaa, na kuwa na matumaini makuu kwa siku za usoni.

SHUKRANI

Kwa mwaka uliokuwa na matokeo ya kufana, ningependa kuwashukuru wenzangu walio katika Halmashauri ya Wakurugenzi na zaidi ya wafanyikazi 1,000 wa makampuni yetu kwa kazi yao, na kuendelea kujitolea kwao kwa kampuni. Kwa kuwashukuru, pia ningependa kuwapongeza washiriki wetu wa kibiashara na wateja wetu kwa kuendelea kutuunga mkono. Matokeo ya kufana ambayo tumeyapata mwaka huu yametokana na ushirikiano na juhudi za kila mtu aliyehusika.

J G Kiereini
Mwenyekiti

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 30 June 2004.

1 **Activities**
East African Breweries Limited remains a holding company with subsidiaries involved in the marketing, brewing/manufacturing, and selling of drinks, glass containers, malt and barley.

2 **Trading Results**
The results for the year are set out on page 27.

3 **Bonus share issue**
The directors recommend to the shareholders at the forthcoming Annual General Meeting the issue of bonus shares at the rate of 1 ordinary share for every 5 such shares held and the new bonus shares to qualify for the final dividend for the year ended 30 June 2004.

4 **Dividends**
The directors recommend a final dividend of KShs 14.25 per ordinary share to be paid on or about 22 October 2004 to those members on the register at the close of business on 6 October 2004. This, together with the interim dividend of KShs 3.75 per ordinary share paid in March 2004, brings the dividend for the year to KShs 18.00 per issued ordinary share (2003 – dividend per share KShs 15.00). With the bonus issue taken into account, the total effective dividend per ordinary share existing at the year end will amount to KShs 20.85.

5 **Increase in authorised share capital and share split**
The directors recommend that the authorised share capital be increased to 200 million ordinary shares of KShs 10 each, and such authorised share capital be subdivided into 1,000 million ordinary shares of KShs 2 each.

6 **Directors**
The directors who served since 1 July 2003 are set out on page 3.

7 **Auditors**
The auditors, KPMG Kenya, have indicated their willingness to continue in office in accordance with Section 159(2) of the Kenyan Companies Act (Cap. 486).

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

9 **Approval of financial statements**
The financial statements were approved at a meeting of the directors held on 26 August 2004.

BY ORDER OF THE BOARD

M N Oluoch-Olunya (Mrs)
Secretary

Date: 26 August 2004

Wakurugenzi wana furaha ya kuwasilisha ripoti yao pamoja na taarifa za kifedha, ambazo zimekaguliwa, kwa mwaka uliomalizika tarehe 30 Juni 2004.

1 **Shughuli za Kampuni**
East African Breweries Limited bado inaendelea kumiliki makampuni mengine yanayoshughulikia upikaji na uuzaji wa vinywaji,vyombo vya asili ya chupa, kimea cha pombe na shayiri.

2 **Matokeo ya Biashara**
Matokeo ya utekelezaji wa kampuni katika mwaka huo, yameorodheshwa katika ukurasa wa 27.

3 **Utoaji wa hisa za bonasi**
Wakurugenzi watapendekeza kwa wanahisa katika Mkutano Mkuu wa Mwaka unaokuja, utoaji wa hisa za bonasi kwa kiwango cha hisa 1 ya kawaida kwa kila hisa 5 za aina hiyo na hisa mpya za bonasi ziruhusiwe kuwa katika mgawo wa mwisho, kwa mwaka uliomalizika tarehe 30 Juni 2004.

4 **Mgawo wa Fedha**
Halmashauri inapendekeza mgawo wa mwisho wa shilingi 14.25 za Kenya kwa kila hisa ya kawaida itakayolipwa karibu na au tarehe 22 Oktoba 2004 kwa wanahisa ambao wameorodheshwa katika daftari, kufikia mwisho wa shughuli, tarehe 6 Oktoba 2004. Hii, pamoja na mgawo wa muda wa shilingi 3.75 za Kenya kwa kila hisa ya kawaida iliyolipwa mwezi Machi 2004, unaufanya mgawo na mwaka kuwa shilingi 18 za Kenya kwa kila hisa ya kawaida iliyotolewa (2003 – mgawo wa fedha kwa kila hisa ni shilingi 15 za Kenya). Kwa kuzingatia utoaji wa hisa za bonasi, mgawo wa fedha wa jumla kwa kila hisa ya kawaida iliyopo mwisho wa mwaka utafikia shilingi 20.85 za Kenya.

5 **Nyongeza katika pesa za hisa zilizoidhinishwa**
Wakurugenzi wanapendekeza kwamba pesa za hisa zilizoidhinishwa, ziongezwe hadi hisa za kawaida zipatazo milioni 200 za shilingi 10 za Kenya kila moja na pesa hizo za hisa zilizoidhinishwa, zigawanywe zaidi kufikia hisa za kawaida zipatazo milioni 1,000 za shilingi 2 za Kenya kila moja.

6 **Wakurugenzi**
Majina ya waliokuwa wakurugenzi wa kampuni kutokea tarehe 1 Julai 2003, yanapatikana katika ukurasa wa 3.

7 **Wakaguzi wa Hesabu**
Wakaguzi, KPMG Kenya, wamedokeza kwamba wako tayari kuendelea na wadhifa wao, kuambatana na kifungu cha 159(2) cha Sheria zinazosimamia Makampuni nchini Kenya (Cap. 486).

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

9 **Kuidhinishwa kwa taarifa za kifedha**
Taarifa za kifedha ziliidhinishwa katika mkutano wa wakurugenzi uliofanywa tarehe 26 Agosti 2004.

KWA AMRI YA HALMASHAURI

M N Oluoch-Olunya (Bi)
Katibu

Tarehe: Agosti 26 2004

The Kenyan Companies Act requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the group and the company as at the end of each financial year and of the operating results of the group for that year. It also requires the directors to ensure that the group and the company keep proper accounting records, which disclose with reasonable accuracy the financial position of the group and the company. They are also responsible for safeguarding the assets of the group.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the group and the company and of the group's operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company and its continuing subsidiaries will not remain a going concern for at least the next twelve months from the date of this statement.

Director: J G Kiereini

Director: P D Fullam

Date: 26 August 2004

Sheria zinazoyasimamia Makampuni nchini Kenya, zinawahitaji wakurugenzi kutayarisha taarifa za kifedha ambazo ni sahihi na zinazoonyesha kwa ukweli hali ya shughuli za kampuni ilivyo, kwa pekee na ikiwa na makampuni yake tanzu, na matokeo ya shughuli hizo hadi kufikia mwisho wa mwaka huo. Wakurugenzi vilevile wanahitajiwa kuhakikisha kuwa kampuni na makampuni yake tanzu inaweka kumbukumbu za uhasibu zilizo sawa na ambazo zinaonyesha kwa usahihi wa kutosha hali ya kifedha ya Kampuni na makampuni yake tanzu ilivyo. Pia wanawajibika kulinda rasilimali ya kampuni.

Wakurugenzi wanakubali jukumu lao juu ya taarifa za kifedha za mwaka huu, ambazo zimetayarishwa kwa kutumia sera za uhasibu zinazofaa na zinazothibitishwa kwa uamuzi wa makadirio ya kutosha na yenye busara kuambatana na Viwango vya Uhasibu vya Kimataifa na Sheria zinazosimamia Makampuni. Wakurugenzi wanaonelea kwamba taarifa hizi za kifedha zinaonyesha kwa ukweli hali ya shughuli za kifedha ya kampuni wa peee na ikiwa na makampuni yake tanzu, ilivyo. Wakurugenzi pia wanakubali kuchukua jukumu la kudumisha kumbukumbu za uhasibu ambazo zinaweza kutegemewa wakati wa matayarisho ya taarifa za kifedha pamoja na utaratibu unaofaa wa uthabiti wa kifedha wa kindani.

Hakuna chochote kinachojulikana kwa wakurugenzi ambacho kingewaonyesha kwamba kampuni na makampuni yake tanzu yanayoendelea, haitoweza kufanya biashara kwa angalau muda wa miezi kumi na miwili ijayo kutoka tarehe ya kuandikwa kwa taarifa hii.

Mkurugenzi: J G Kiereini

Mkurugenzi: P D Fullam

Tarehe: Agosti 26 2004

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EAST AFRICAN BREWERIES LIMITED

We have audited the financial statements set out on pages 27 to 56 for the year ended 30 June 2004. 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. The balance sheet of the Company is in agreement with the books of account.

Respective responsibilities of directors and independent auditors

As stated on page 25, the directors are responsible for the preparation of financial statements that give a true and fair view of the state of affairs of the group and the company and of the group's operating results. Our responsibility is to express an opinion on the financial statements based on our audit.

Basis of opinion

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

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 group and company's financial position at 30 June 2004 and of the group's operating results and cash flows for the year then ended and comply with International Financial Reporting Standards and the Kenyan Companies Act.

KPMG KENYA
CERTIFIED PUBLIC ACCOUNTANTS
P O Box 40612 - 00100
NAIROBI

Date: 26 August 2004

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

Tumekagua taarifa za kifedha zilizo kwenye kurasa 27 hadi 56 kwa mwaka uliomalizikia tarehe 30 Juni 2004. Tumepata habari zote na maelezo ambayo kwa kadiri ya ujuzi wetu kamili na maarifa yetu, yalihitajika kwa minajili ya ukaguzi wetu. Mizani ya hesabu za kampuni inakubaliana na vitabu vya hesabu.

Majukumu mbalimbali ya wakurugenzi na ya wakaguzi huru wa hesabu.

Kama ilivyoelezwa katika ukurasa wa 25, ni wajibu wa wakurugenzi kutayarisha taarifa za kifedha zilizo sahihi na zinazoonyesha kwa ukweli, hali ya shughuli za kampuni na makampuni yake tanzu, ilivyo. Jukumu letu ni kuwaeleza maoni yetu juu ya taarifa za kifedha, ambayo hayapendelei upande wowote, tukizingatia ukaguzi wetu.

Msingi wa maoni

Tulitekeleza ukaguzi wetu kuambatana na Viwango vya Kimataifa vya Ukaguzi. Viwango hivyo vinahitaji tupange na kutekeleza uchunguzi wetu ili tupate thibitisho tosha kuwa taarifa za kifedha hazina upotofu wa aina yoyote. Ukaguzi unahusisha kutathimini, kwa msingi wa majaribio, kwa ushahidi unaothibitisha kiasi na matangazo yanayotolewa kwenye taarifa za kifedha. Pia, ukaguzi huwa ni pamoja na tathmini jumla ya uwasilishaji wa taarifa za kifedha. Tuna imani kwamba ukaguzi wetu unatoa msingi unaofaa wa maoni yetu.

Maoni

Kwa maoni yetu, vitabu vya hesabu vimehifadhiwa vizuri na taarifa za kifedha zinaonyesha kwa ukweli, hali halisi ya kifedha ya kampuni na makampuni yote yanayohusika, ilivyokuwa kufikia tarehe 30 Juni 2004 na fedha zilivyopokelewa na kutumika kwa mwaka uliomalizika hapo, na zinakubaliana na Viwango vya Uhasibu vya Kimataifa na Sheria zinazosimamia Makampuni nchini Kenya.

KPMG KENYA
CERTIFIED PUBLIC ACCOUNTANTS
P O Box 40612 - 00100
NAIROBI

Tarehe: Agosti 26 2004

Consolidated Profit and Loss Account

	Note	Total and continuing operations 2004 KShs'000	Continuing operations 2003 KShs'000	Discontinuing operations 2003 KShs'000	Total consolidated 2003 KShs'000
Revenue					
Gross		30,076,665	28,918,151	-	28,918,151
Indirect taxes		(13,484,330)	(13,687,260)	-	(13,687,260)
Net revenue		16,592,335	15,230,891	-	15,230,891
Cost of sales		(5,105,206)	(5,209,763)	-	(5,209,763)
Gross profit		11,487,129	10,021,128	-	10,021,128
Other operating income	4	239,813	257,500	-	257,500
Selling and distribution costs		(1,036,518)	(959,068)	-	(959,068)
Administrative expenses		(4,674,013)	(4,425,198)	-	(4,425,198)
Profit from operations		6,016,411	4,894,362	-	4,894,362
Net finance income	6	173,822	42,388	-	42,388
Share of Associate's profits		851,664	446,527	-	446,527
Profit before integration and reorganisation costs		7,041,897	5,383,277	-	5,383,277
Group integration and reorganisation	3(d)	-	692,666	(2,435,159)	(1,742,493)
Profit before taxation	7	7,041,897	6,075,943	(2,435,159)	3,640,784
Income tax expense	8	(2,293,984)	(1,676,638)	-	(1,676,638)
Profit after taxation		4,747,913	4,399,305	(2,435,159)	1,964,146
Minority interest		(898,855)	(464,138)	-	(464,138)
Net profit for the year		3,849,058	3,935,167	(2,435,159)	1,500,008
Basic earnings per share	9	KShs 35.21			KShs 13.76
Diluted earnings per share	9	KShs 35.05			KShs 13.66
Dividend per share		KShs 18.00			KShs 15.00

The notes set out on pages 34 to 56 form an integral part of these financial statements.

Consolidated Balance Sheet

ASSETS	Note	2004 KShs'000	2003 KShs'000
Non current assets			
Property, plant and equipment	10(a)	7,774,472	5,941,841
Prepaid operating lease rentals	11(a)(i)	33,816	35,495
Investment in associate company	12(a)	1,164,357	1,515,531
Dther investments	13	10,400	10,400
Goodwill	3(c)	659,894	696,555
Deferred tax assets	14(a)	14,968	80,988
Defined benefit asset	15(b)	115,924	123,247
Due from related companies	18(a)	-	453,773
		9,773,831	**8,857,830**
Current assets			
Stocks	16	3,490,100	3,503,493
Debtors	17(a)	1,766,262	1,350,484
Due from related companies	18(a)	235,229	472,616
Taxation recoverable		282,304	-
Term deposits		2,466,353	2,094,948
Cash and bank balances		2,756,458	1,018,266
		10,996,706	**8,439,807**
TOTAL ASSETS		**20,770,537**	**17,297,637**
EQUITY AND LIABILITIES			
Share Capital and Reserves (Page 10 & 11)		13,544,510	11,086,296
Minority interest		1,714,110	1,504,826
Non current liabilities			
Deferred tax liabilities	14(b)	1,212,380	805,130
Provision for staff gratuity		393,622	456,419
		1,606,002	1,261,549
Current liabilities			
Creditors	20(a)	3,700,296	3,163,777
Taxation payable		-	2,132
Dividends payable		193,787	218,003
Bank overdraft	21	11,832	61,054
		3,905,915	3,444,966
TOTAL EQUITY, MINORITY INTEREST AND LIABILITIES		**20,770,537**	**17,297,637**

The financial statements on pages 27 to 56 were approved by the Board of Directors on 26 August 2004 and were signed on its behalf by:

Director: J G Kiereini

Director: P D Fullam

The notes set out on pages 34 to 56 form an integral part of these financial statements.

	Note	2004 KShs'000	2003 KShs'000
ASSETS			
Non current assets			
Property, plant and equipment	10(b)	217,766	124,602
Prepaid operating lease rentals	11(a)(ii)	1,922	1,955
Investment in Subsidiaries	22	4,324,783	4,324,783
Investment in associate company	12(b)	3,484,622	3,644,952
Due from related companies	18(b)	-	453,773
Other investments	13	10,400	10,400
Deferred tax asset	14(c)	-	43,096
		8,039,493	**8,603,561**
Current assets			
Debtors	17(b)	32,961	35,627
Dividend receivable		66,667	-
Due from subsidiaries	23	1,833,832	1,528,511
Due from related companies	18(b)	191,101	304,696
Due from associates	18(b)	27,044	-
Taxation recoverable		38,427	107,809
Term deposits		1,197,399	857,368
Cash and bank Balances		91,120	2,787
		3,478,551	**2,836,798**
TOTAL ASSETS		**11,518,044**	**11,440,359**
EQUITY AND LIABILITIES			
Share Capital and Reserves (Page 12)		9,951,733	8,481,231
Non Current liabilities			
Deferred tax	14(c)	49,217	-
Provision for staff gratuity		42,016	24,552
		91,233	**24,552**
Current liabilities			
Creditors	20(b)	909,748	986,829
Due to subsidiaries	18(b)	382,163	1,738,580
Dividends payable		183,167	209,167
		1,475,078	**2,934,576**
TOTAL EQUITY AND LIABILITIES		**11,518,044**	**11,440,359**

The financial statements on pages 27 to 56 were approved by the Board of Directors on 26 August 2004 and were signed on its behalf by:

Director: J G Kiereini

Director: P D Fullam

The notes set out on pages 34 to 56 form an integral part of these financial statements.

Consolidated Cash Flow Statement

	Note	2004 KShs'000	2003 KShs'000
Cash flows from operating activities	24(a)	**5,946,489**	**2,502,032**
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		71,694	65,178
Proceeds from disposal of prepaid operating lease rentals		-	22,258
Purchase of plant and equipment		(2,155,245)	(548,153)
Dividend received from associate company		691,417	-
Investment in subsidiaries, net of cash acquired	3(b)	-	46,081
Investment in unquoted companies		-	(10,000)
Cash flows from investing activities		(1,392,134)	(424,636)
FINANCING ACTIVITIES			
Issued share capital		7,992	-
Dividend paid to shareholders		(1,741,445)	(1,270,430)
Interest received		54,934	169,746
Dividend paid to minority interest		(717,017)	(274,151)
Short term loans repaid		-	(1,834,945)
Cash flows from financing activities		**(2,395,536)**	**(3,209,780)**
Net increase/(decrease) in cash and cash equivalents	24(b)	**2,158,819**	**(1,132,384)**

The notes set out on pages 34 to 56 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

	Share capital KShs'000	Share premium KShs'000	Revaluation surplus KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total KShs'000
2004:						
At 1 July 2003	1,090,305	2,188,534	2,055,031	4,444,060	1,308,366	11,086,296
Shares issue (Note 19)	7,992	-	-	-	-	7,992
Exchange differences on translation of foreign subsidiaries	-	-	61,796	252,443	-	314,239
Exchange differences on translation of foreign associate	-	-	-	(190,845)	-	(190,845)
Net profit for the year	-	-	-	3,849,058	-	3,849,058
Revaluation reserve on revaluation of property (Note 10(a))	-	-	298,732	-	-	298,732
Revaluation reserve realised on disposal and impairment of assets	-	-	(17,790)	284	-	(17,506)
Deferred tax on revaluation of property	-	-	(86,227)	-	-	(86,227)
Dividend:						
- 2003 Final paid	-	-	-	-	(1,308,366)	(1,308,366)
- 2004 interim proposed	-	-	-	(408,863)	408,863	-
- 2004 interim paid	-	-	-	-	(408,863)	(408,863)
- 2004 Final proposed	-	-	-	(1,878,088)	1,878,088	-
At 30 June 2004	**1,098,297**	**2,188,534**	**2,311,542**	**6,068,049**	**1,878,088**	**13,544,510**

The notes set out on pages 34 to 56 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

	Share capital KShs'000	Share premium KShs'000	Revaluation surplus KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total KShs'000
2003:						
At 1 July 2002 as previously reported	1,090,305	2,188,534	2,477,038	4,434,689	981,275	11,171,841
Reversal of revaluation surplus on leasehold land and accumulated depreciation thereon (Note 11(a)(i))	-	-	(73,441)	8,975	-	(64,466)
Reversal of deferred tax on leasehold land	-	-	14,217	-	-	14,217
As restated	1,090,305	2,188,534	2,417,814	4,443,664	981,275	11,121,592
Realised on disposal of subsidiary - Kibo Breweries Limited	-	-	(12,415)	12,415	-	-
Exchange differences on translation of foreign subsidiaries	-	-	(49,167)	(174,747)	-	(223,914)
Net profit for the year	-	-	-	1,500,008	-	1,500,008
Excess depreciation transfer	-	-	(39)	39	-	-
Reversal on impairment of property, plant and equipment	-	-	(5,086)	-	-	(5,086)
Deferred tax on impairment of property, plant and equipment	-	-	2,063	-	-	2,063
Revaluation reserve realised on sale of 20% of shares of subsidiary, Kenya Breweries Limited, to minority interest	-	-	(298,139)	298,139	-	-
Dividend:						
- 2002 declared and paid	-	-	-	-	(981,275)	(981,275)
- 2003 interim paid	-	-	-	(327,092)	327,092	-
- 2003 interim paid	-	-	-	-	(327,092)	(327,092)
- 2003 final proposed	-	-	-	(1,308,366)	1,308,366	-
At 30 June 2003	**1,090,305**	**2,188,534**	**2,055,031**	**4,444,060**	**1,308,366**	**11,086,296**

The notes set out on pages 34 to 56 form an integral part of these financial statements.

Company Statement of Changes in Equity

	Share capital KShs'000	Share premium KShs'000	Revaluation surplus KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total KShs'000
At 1 July 2002	1,090,305	2,188,534	36,276	2,600,368	981,275	6,896,758
Reversal of revaluation surplus and depreciation thereon on leasehold land (Note 11(a)(ii))	-	-	(2,680)	406	-	(2,274)
As restated	1,090,305	2,188,534	33,596	2,600,774	981,275	6,894,484
Net profit for the year	-	-	-	2,895,114	-	2,895,114
Dividend:						
- 2002 declared and paid	-	-	-	-	(981,275)	(981,275)
- 2003 interim proposed	-	-	-	(327,092)	327,092	-
- 2003 interim paid	-	-	-	-	(327,092)	(327,092)
- 2003 final proposed	-	-	-	(1,308,366)	1,308,366	-
At 30 June 2003	**1,090,305**	**2,188,534**	**33,596**	**3,860,430**	**1,308,366**	**8,481,231**
At 1 July 2003	1,090,305	2,188,534	33,596	3,860,430	1,308,366	8,481,231
Shares issue (Note 19)	7,992	-	-	-	-	7,992
Revaluation reserve on revaluation of property (Note 10(b))	-	-	128,688	-	-	128,688
Revaluation reserve realised on disposal and impairment of assets	-	-	(5,415)	-	-	(5,415)
Deferred tax on revaluation of property	-	-	(38,606)	-	-	(38,606)
Net profit for the year	-	-	-	3,095,072	-	3,095,072
Dividend:						
- 2003 declared and paid	-	-	-	-	(1,308,366)	(1,308,366)
- 2004 interim proposed	-	-	-	(408,863)	408,863	-
- 2004 interim paid	-	-	-	-	(408,863)	(408,863)
- 2004 final proposed	-	-	-	(1,878,088)	1,878,088	-
At 30 June 2004	**1,098,297**	**2,188,534**	**118,263**	**4,668,551**	**1,878,088**	**9,951,733**

The notes set out on pages 34 to 56 form an integral part of these financial statements.

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 Financial Reporting Standards. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, and financial instruments carried at amortised cost.

(b) Consolidation principles

The consolidated financial statements include the company and its subsidiaries and associate made up to the end of the financial year. A listing of the major subsidiaries is set out on Note 22.

(c) Basis of consolidation

i). *Subsidiaries*
Subsidiaries are those enterprises controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain the benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii). *Associates*
An associated company is that in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of the associated company on an equity accounting basis, from the date that significant influence commences until the date that significant influence ceases. Consolidation adjustments are also made to ensure consistency with the group's accounting policies. At the company level, associates are recognised using the equity method.

(d) Revenue recognition

Revenue is recognised when goods are supplied to and accepted by the customer. Turnover represents the proceeds from the sale of goods to customers and includes excise duty and output value added tax.

(e) Translation of foreign currencies

i). *Foreign currency transactions*
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.

ii). *Financial statements of foreign operations*
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 recognised directly in equity. All inter-company balances and transactions, including unrealised inter-company profits, are eliminated on consolidation.

(f) Segmental reporting

Segment information is presented in respect of the group's geographical segments, which is the primary format and is based on the countries in which the group operates. The group has no distinguishable significant business segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arms length basis.

(g) Property, plant and equipment

Items of property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. 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
Buildings	2% or over the un-expired period of the land lease
Plant, machinery and equipment	3 – 20%
Motor vehicles: Commercial	20%
Others	25%

(h) Impairment

The carrying amounts of the group's assets other than stocks (Note 1(k)) and deferred tax (Note 1(p)) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and an impairment loss recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

i). Calculation of recoverable amount

The recoverable amount of the group's investments in held-to-maturity securities and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii). Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for the same asset.

(i) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases.

Payments made under operating lease arrangements (whether prepaid or post paid) are recognised as an expense in the income statement on a straight-line basis over the term of the lease.

(j) Goodwill

Goodwill arising on acquisition of subsidiaries and associates is charged to the income statement over its estimated useful life. Useful life is the best estimate of the period during which future economic benefits are expected to flow to the enterprise and does not exceed twenty years. Goodwill is stated at cost less accumulated amortisation and impairment losses (Note 1(h)).

(k) 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.

(l) Trade and other debtors

Trade and other receivables are stated at cost less impairment losses (Note 1(h)).

(m) Trade and other payables

Trade and other payables are stated at their cost.

(n) Financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. Financial instruments held by the group include term deposits, short-term inter-company loans, receivables arising from day to day sale of goods and services and cash and bank balances.

Management determines the appropriate classification of its financial instruments at the time of purchase and re-evaluates its portfolio every balance sheet date to ensure that all financial instruments are appropriately classified.

Held-to-maturity receivables and originated loans and receivables are recognised on the day they are transferred to the group.

The group recognises available-for-sale assets on the date it commits to purchase the assets.

Financial instruments are measured initially at cost, including transaction costs.
Subsequent to initial recognition, all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

Originated loans and receivables and held-to-maturity assets are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method.

A financial asset is derecognised when the group loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished.

(o) Employee benefits

The Group operates two retirement benefit plans for majority of its employees. The assets of the schemes are held in separate funds.

(i) Defined contribution plans
Some of the group's employees are eligible for retirement benefits under a several defined contribution schemes. Contributions to those schemes are charged to the income statement as incurred.

(ii) Defined benefit plan
Management staff are eligible for retirement benefits under a defined benefit scheme. The group's net obligation is calculated by estimating the amount of future benefits due to employees in return for their service in current and prior periods. The fair value of plan assets is deducted to obtain the net obligation. The calculation is carried out by an independent actuary based on the projected unit credit method.

Where the calculation results in a benefit to the group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs, and the present value of any future refunds from the plan; or reduction in future contributions to the plan. Actuarial gains and losses are charged to the profit and loss account over the average remaining working lives of employees participating in the scheme.

(iii) Equity compensation benefits
The stock option programme allows Group employees to acquire shares of the company.

(iv) Staff gratuity
On normal retirement after completion of continuous and meritorious service with the group, both management and unionisable staff are entitled to 30 days pay for each completed year of service, after first completing three years of service, by way of gratuity, based on wage or salary at the time of such resignation or termination of services. A provision for the service gratuity is recognised in the financial statements as it accrues to each employee.

(p) Taxation

Tax on the operating results for the year comprises both current and change in deferred tax. Current tax is provided on the results in the year as shown in the financial statements 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. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

(q) 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.

(r) Dividends

Dividends are recognised as a liability in the period in which they are declared. Proposed dividends are disclosed as a separate component of equity.

(s) Related party transactions

In the normal course of business, transactions have been entered with certain related parties. These transactions are on an arm's length basis.

(t) Discontinuing Operations

A discontinuing operation is a clearly distinguishable component of the Group's business that is abandoned or terminated pursuant to a single plan, and which represents a separate major line of business or geographical area of operations.

(u) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

2 SEGMENTAL REPORTING

	Kenya 2004 KShs'000	Kenya 2003 KShs'000	Uganda 2004 KShs'000	Uganda 2003 KShs'000	Tanzania 2004 KShs'000	Tanzania 2003 KShs'000	Eliminations 2004 KShs'000	Eliminations 2003 KShs'000	Consolidated 2004 KShs'000	Consolidated 2003 KShs'000
External sales	24,780,993	24,013,129	5,295,672	4,905,022	-	-	-	-	30,076,665	28,918,151
Inter-segment sales	1,938,501	1,700,252	-	-	-	-	(1,938,501)	(1,700,252)	-	-
Total sales	**26,719,494**	**25,713,381**	**5,295,672**	**4,905,022**	**-**	**-**	**(1,938,501)**	**(1,700,252)**	**30,076,665**	**28,918,151**
Segment profit from operations	5,615,463	4,531,491	400,948	362,871	-	-	-	-	6,016,411	4,894,362
Net finance income/(costs)	172,556	35,976	1,266	6,412	-	-	-	-	173,822	42,388
Share of associate profits	-	-	-	-	851,664	446,527	-	-	851,664	446,527
Group integration and reorganisation	-	692,666	-	-	-	(2,435,159)	-	-	-	(1,742,493)
Income tax expense	(1,827,895)	(1,404,173)	(157,991)	(129,574)	(308,098)	(142,891)	-	-	(2,293,984)	(1,676,638)
Segment results	**3,960,124**	**3,855,960**	**244,223**	**239,709**	**543,566**	**(2,131,523)**	-	-	**4,747,913**	**1,964,146**
Minority interest									(898,855)	(464,138)
Net profit for the year									**3,849,058**	**1,500,008**
OTHER INFORMATION:										
Segment assets	17,442,839	15,032,357	3,327,698	2,265,280	-	-	-	-	20,770,537	17,297,637
Segment liabilities	4,032,109	3,920,501	1,479,808	791,996	-	-	-	-	5,511,917	4,712,497
Capital expenditure	1,948,548	487,909	206,697	60,244	-	-	-	-	2,155,245	548,153
Depreciation expense	578,448	552,409	153,770	135,049	-	-	-	-	732,218	687,458
Impaired assets written down	(111,066)	(14,038)	-	-	-	(1,018,721)	-	-	(111,066)	(1,032,759)

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Segment revenue is based on the geographical location of both customers and assets.

3 GROUP INTEGRATION AND REORGANISATION

(a) Acquisition and Disposal of Subsidiaries and Associates in year the ended 30 June 2003

Acquisitions

Effective 12 December 2002, the Group acquired 20% of the issued share capital of Tanzania Breweries Limited (TBL), satisfied by an exchange of shares with SAB Miller Africa B.V. in Kenya Breweries Limited. The company's principal activities are the production, distribution and sale of malt beer and alcoholic fruit beverages in Tanzania. It operates breweries in Dar es Saalam, Arusha and Mwanza and ten depots throughout the country. It also farms barley, which is used to produce malt at its malting plant in Moshi. The acquisition was accounted for using the equity method of consolidation.

Effective 12 December 2002, the Group acquired all the shares in Castle Brewing Kenya Limited (CBKL) satisfied by an exchange of shares with SAB Miller Africa B.V. in Kibo Breweries Limited. The company's principal activities was brewing and marketing of beer in Kenya. However, the brewery ceased operations on 13 May 2002 and subsequently ceased trading on that date. The company has been dormant from that date.

On 1 July 2002, the Group acquired all the shares in International Distillers Uganda Limited (IDU) for Kshs 300 million satisfied in cash. The company leases its property and earns royalties for its brands in Uganda.

On 30 June 2002, the Group acquired 46.32% in the issued share capital of UDV (Kenya) Limited (UDV(K)), for KShs 667,803,000 in 2002 and KShs 7,299,000 in 2003 satisfied in cash. The company manufactures and sells spirits in Kenya.

Disposals

On 12 December 2002, the Group disposed of its interest in Kibo Breweries Limited (Kibo) to TBL as noted above.

On 12 December 2002, the Group disposed of 20% of the issued share capital of Kenya Breweries Limited by an exchange of shares with SAB Miller Africa B.V. in TBL as mentioned above. The net financial effect of these additions and disposals is shown under Note 3 (d).

(b) Effect of acquisition and disposal of subsidiaries

The acquisition and disposals of subsidiaries had the following effect on the group's assets and liabilities in 2003.

		Acquisition of CBKL KShs '000'	Acquisition of IDU KShs '000'	Acquisition of UDV (K) KShs '000'	Disposal of KIBO KShs '000'
Property, plant and equipment		120,000	44,860	102,294	(484,249)
Prepaid operating lease rentals		30,000	1	12	-
Defined benefit asset		-	-	1,490	-
Stocks		-	-	172,775	-
Debtors		-	662	39,152	-
Due from related companies		-	35,151	52,360	-
Treasury bills		-	-	70,000	-
Cash and bank balances		-	106,931	176,449	-
Minority interest		-	-	(247,355)	-
Deferred tax liability		-	(5,951)	(4,728)	-
Provision for staff gratuity		-	-	(4,207)	-
Creditors		-	(9,743)	(71,978)	-
Due to related companies		-	(829)	(64,787)	-
Taxation payable		-	-	(8,037)	-
Dividends payable		-	(142,636)	-	-
Net identifiable assets and liabilities		**150,000**	**28,446**	**213,440**	**(484,249)**
Goodwill on acquisition	- 2002	-	-	453,749	-
	- 2003	334,249	271,554	7,913	-
		334,249	271,554	461,662	-
Consideration paid/(received) satisfied by swap of shares	- 2003	**484,249**	-	-	**(484,249)**
satisfied in cash	- 2002	-	-	667,803	-
	- 2003	-	300,000	7,299	-
		-	300,000	675,102	-
Cash and cash equivalent		-	(106,931)	(246,449)	-
Net cash outflow/(inflow)	- 2003	-	**193,069**	**(239,150)**	-

(c) Goodwill

Cost	UBL KShs '000'	CBKL KShs '000'	TBL KShs '000	UDV (K) KShs '000'	IDU KShs '000'	Total KShs '000'
At 1 July 2003 and 30 June 2004	116,415	334,249	2,129,421	461,662	271,554	3,313,301
Amortisation						
At 1 July 2003	116,415	334,249	2,129,421	23,083	13,578	2,616,746
Amortisation charge for the year	-	-	-	23,083	13,578	36,661
At 30 June 2004	116,415	334,249	2,129,421	**46,166**	**27,156**	**2,653,407**
Carrying amount						
At 30 June 2004	-	-	-	**415,496**	**244,398**	**659,894**
At 30 June 2003	-	-	-	**438,579**	**257,976**	**696,555**

The goodwill represents the excess of cost of acquisitions over the fair value of identifiable assets and liabilities of the respective companies. Goodwill has been amortised over its estimated useful life up to twenty years.

(d) Group integration and reorganisation - 2003
Continuing operations:

	2003		
	Sales proceeds /(purchase price) KShs '000'	**Fair value of net assets acquired/ (disposed) KShs '000'**	**Gain/(loss) arising KShs '000'**
Sale of 20% interest in Kenya Breweries Limited	3,725,267	(903,180)	2,822,087
Acquisition of 20% interest in Tanzania Breweries Limited	(3,341,316)	1,211,895	(2,129,421)
Sub-total			**692,666**
Discontinuing operations:			
Acquisition of 100% interest in Castle Brewing Kenya Limited	(484,249)	150,000	(334,249)
Sale of 100% interest in Kibo Breweries Limited	484,249	(484,249)	-
Closure costs and impairment losses for Kibo Breweries Limited	-	-	(1,018,721)
Transaction costs including capital gains taxes relative to the reorganisation	-	-	(1,082,189)
Sub-total			**(2,435,159)**
Total			**(1,742,493)**

4 OTHER OPERATING INCOME

	2004 KShs'000	2003 KShs'000
Gain on disposal of leasehold land	-	22,223
Gain on disposal of property, plant and equipment	45,767	4,428
Royalty income from associate	66,681	67,232
Rental income	14,786	14,539
Sale of scrap items	42,468	65,158
Other	70,111	83,920
	239,813	**257,500**

5 PERSONNEL EXPENSES

	2004 KShs'000	2003 KShs'000
Salaries and wages	1,382,164	1,347,756
Compulsory social security contributions	19,984	17,855
Contributions to defined contribution scheme	17,294	26,183
Defined benefit scheme costs (net)	9,481	12,184
Staff gratuity	(45,228)	46,748
Redundancy costs	198,315	143,759
Other	180,591	330,280
	1,762,601	**1,924,765**

The average number of people engaged during the year were 1,128 (2003 – 1,423).

6 NET FINANCE INCOME

	2004 KShs'000	2003 KShs'000
Interest income	54,934	169,746
Interest expense	(25,463)	(82,796)
Foreign exchange gain/(loss)	144,351	(44,562)
	173,822	**42,388**

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

		2004 KShs'000	2003 KShs'000
Depreciation		732,218	687,458
Amortisation of goodwill		36,661	36,661
Amortisation of prepaid operating lease rentals		1,679	202
Directors emoluments	- Fees (Group)	5,315	6,702
	- Fees (Company)	2,913	2,800
	- Other (Group)	138,300	118,590
	- Other (Company)	35,370	37,835
Auditors remuneration	- Group	9,396	9,396

8 INCOME TAX EXPENSE

	2004 KShs'000	2003 KShs'000
Current tax expense	1,644,443	1,589,895
Prior year over provision	(2,380)	(90,485)
	1,642,063	1,499,410
Deferred tax (Note 14)	343,823	34,337
Share of tax of associate	308,098	142,891
	2,293,984	**1,676,638**

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

	2004 KShs'000	2003 KShs'000
Accounting profit	7,041,897	3,640,784
Tax at the standard rate of 30%	2,112,569	1,092,235
Tax effect of non deductible expenses and non-taxable income	183,795	674,888
Prior year over provision	(2,380)	(90,485)
	2,293,984	**1,676,638**

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

Kenya	30%
Tanzania	30%
Uganda	30%

9 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on:

Basic earnings per share	2004	2003
Net profit for the year – KShs'000	**3,849,058**	**1,500,008**
Weighted average number of ordinary shares in issue during the year	**109,296,928**	**109,030,506**
Basic earnings per share	**KShs 35.21**	**KShs 13.76**
Diluted earnings per share (2003 – restated)		
Number of ordinary shares in issue during the year	109,829,772	109,030,506
Options granted:		
– under the Share Save Scheme	-	799,266
	109,829,772	**109,829,772**
Diluted earnings per share	**KShs 35.05**	**KShs 13.66**

10 PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Freehold properties KShs'000	Leasehold buildings 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 2003	1,714,338	1,200,164	6,159,098	397,650	271,406	9,742,656
Exchange movement on foreign subsidiaries	-	68,029	238,554	-	7,084	313,667
Additions	-	1,449	56,345	-	2,097,451	2,155,245
Transfers	-	-	1,457,897	-	(1,457,897)	-
Reclassification	6,161	23,323	(29,537)	53	-	-
Disposals	(27,571)	-	-	-	-	(27,571)
Revaluation	(168,582)	79,610	-	-	-	(88,972)
Impairment loss	272	(1,250)	(483,095)	250	(3,159)	(486,982)
As at 30 June 2004	1,524,618	1,371,325	7,399,262	397,953	914,885	11,608,043
Comprising:						
At cost	-	-	6,269,172	397,953	914,885	7,582,010
At valuation	1,524,618	1,371,325	1,130,090	-	-	4,026,033
	1,524,618	1,371,325	7,399,262	397,953	914,885	11,608,043
Depreciation						
As at 1 July 2003	310,523	102,494	3,061,584	326,214	-	3,800,815
Exchange movement on foreign subsidiaries	-	1,964	79,320	-	-	81,284
Reclassification	4,422	-	(4,422)	--	-	
On revaluation	(342,804)	(60,382)	-	-	-	(403,186)
Charge for the year	29,503	36,196	662,604	3,915	-	732,218
On disposals	(1,644)	-	-	-	-	(1,644)
Impairment loss	-	(605)	(375,262)	(49)	-	(375,916)
As at 30 June 2004	-	79,667	3,423,824	330,080	-	3,833,571
Net book value						
At 30 June 2004	**1,524,618**	**1,291,658**	**3,975,438**	**67,873**	**914,885**	**7,774,472**
At 30 June 2003	**1,403,815**	**1,097,670**	**3,097,514**	**71,436**	**271,406**	**5,941,841**

10 PROPERTY, PLANT AND EQUIPMENT (continued)

During the year, Knight Frank (Kenya) Limited professionally valued the group's land and buildings in Kenya on existing use basis. The resulting surplus was credited to a revaluation surplus account in June 2004. The valuations and appraisals were carried out in accordance with RICS Appraisal and Valuation manual ("The Red Book") and were based on expected use. The land and buildings in Uganda is still carried at the professional valuation of 1998 on the open market value for existing use. Other items of property, plant and equipment were revalued by Lloyd Masika Limited on the basis of open market value for existing use as at 30 June 1996.

As at 30 June 2004, there were no assets pledged by the group to secure liabilities.

If the property, plant and equipment were stated on a historical cost basis, the amounts would be as follows:

	Freehold properties KShs'000	Leasehold buildings KShs'000	Plant and equipment KShs'000	Motor Vehicles KShs'000	Total KShs'000
Cost	599,144	700,494	7,168,194	397,650	8,865,482
Accumulated depreciation	(104,696)	(88,041)	(2,907,657)	(330,080)	(3,430,474)
Net book value					
At 30 June 2004	**494,448**	**612,453**	**4,260,537**	**67,570**	**5,435,008**
At 30 June 2003	**461,293**	**312,216**	**2,550,894**	**71,436**	**3,395,839**

b) Company

	Freehold properties KShs'000	Leasehold buildings KShs'000	Equipment KShs'000	Capital work in progress KShs'000	Total KShs'000
Cost					
At 1 July 2003	5,500	44,370	129,068	3,159	182,097
Revaluations	-	121,130	-	-	121,130
Write offs	-	-	-	(3,159)	(3,159)
Disposals	(5,500)	-	-	-	(5,500)
At 30 June 2004	-	165,500	129,068	-	294,568
Comprising					
At cost	-	-	129,068	-	129,068
At revaluation	-	165,500	-	-	165,500
At 30 June 2004	-	165,500	129,068	-	294,568
Depreciation					
At 1 July 2003	-	6,834	50,661	-	57,495
Charge for the year	-	724	26,141	-	26,865
On revaluation	-	(7,558)	-	-	(7,558)
At 30 June 2004	-	-	76,802	-	76,802
Net book value					
At 30 June 2004	-	**165,500**	**52,266**	-	**217,766**
At 30th June 2003	**5,500**	**37,536**	**78,407**	**3,159**	**124,602**

The company's leasehold buildings were professionally valued by Knight Frank on the basis of open market value for existing use in June 2004. The resulting surplus was credited to a revaluation surplus.

As at 30 June 2004, there were no assets pledged by the company to secure liabilities.

10 PROPERTY, PLANT AND EQUIPMENT (continued)

During the year, Knight Frank (Kenya) Limited professionally valued the group's land and buildings in Kenya on existing use basis. The resulting surplus was credited to a revaluation surplus account in June 2004. The valuations and appraisals were carried out in accordance with RICS Appraisal and Valuation manual ("The Red Book") and were based on expected use. The land and buildings in Uganda is still carried at the professional valuation of 1998 on the open market value for existing use. Other items of property, plant and equipment were revalued by Lloyd Masika Limited on the basis of open market value for existing use as at 30 June 1996.

As at 30 June 2004, there were no assets pledged by the group to secure liabilities.

If the property, plant and equipment were stated on a historical cost basis, the amounts would be as follows:

	Freehold properties KShs'000	Leasehold buildings KShs'000	Plant and equipment KShs'000	Motor Vehicles KShs'000	Total KShs'000
Cost	599,144	700,494	7,168,194	397,650	8,865,482
Accumulated depreciation	(104,696)	(88,041)	(2,907,657)	(330,080)	(3,430,474)
Net book value					
At 30 June 2004	**494,448**	**612,453**	**4,260,537**	**67,570**	**5,435,008**
At 30 June 2003	**461,293**	**312,216**	**2,550,894**	**71,436**	**3,395,839**

b) Company

	Freehold properties KShs'000	Leasehold buildings KShs'000	Equipment KShs'000	Capital work in progress KShs'000	Total KShs'000
Cost					
At 1 July 2003	5,500	44,370	129,068	3,159	182,097
Revaluations	-	121,130	-	-	121,130
Write offs	-	-	-	(3,159)	(3,159)
Disposals	(5,500)	-	-	-	(5,500)
At 30 June 2004	-	165,500	129,068	-	294,568
Comprising					
At cost	-	-	129,068	-	129,068
At revaluation	-	165,500	-	-	165,500
At 30 June 2004	-	165,500	129,068	-	294,568
Depreciation					
At 1 July 2003	-	6,834	50,661	-	57,495
Charge for the year	-	724	26,141	-	26,865
On revaluation	-	(7,558)	-	-	(7,558)
At 30 June 2004	-	-	76,802	-	76,802
Net book value					
At 30 June 2004	**-**	**165,500**	**52,266**	**-**	**217,766**
At 30th June 2003	**5,500**	**37,536**	**78,407**	**3,159**	**124,602**

The company's leasehold buildings were professionally valued by Knight Frank on the basis of open market value for existing use in June 2004. The resulting surplus was credited to a revaluation surplus.

As at 30 June 2004, there were no assets pledged by the company to secure liabilities.

b) Company (continued)

If the property and equipment were stated on a historical cost basis the amounts would be as follows:

	Freehold properties KShs'000	Leasehold buildings KShs'000	Plant and equipment KShs'000	Total KShs'000
Cost	-	1,000	129,068	130,068
Accumulated depreciation	-	-	(76,802)	(76,802)
Net book value:				
At 30 June 2004	-	1,000	52,266	53,266
At 30 June 2003	85	1,000	78,407	79,492

11 LEASES

a) Prepaid operating lease rentals

Leases of land have been classified as operating leases.

(i) Group

	2004 KShs'000	2003 KShs'000
Cost		
At 1 July 2003 and 1 July 2002 as previously stated	38,882	Nil
Leasehold land value reclassified from property, plant and equipment	-	92,345
Reversal of revaluation surplus relating to leasehold land	-	(73,441)
	38,882	18,904
On acquisition of subsidiaries	-	20,013
On disposal	-	(35)
At 30 June	38,882	38,882
Amortisation		
At 1 July 2003 and 2002	(3,387)	-
Accumulated depreciation reclassified from property, plant and equipment	-	(12,160)
Reversed accumulated depreciation on surplus revaluation previously charged to profit and loss account	-	8,975
Accumulated amortisation at 1 July 2003 and 2002 - as restated	(3,387)	(3,185)
Amortisation for the year	(1,679)	(202)
	(5,066)	(3,387)
At 30 June	**33,816**	**35,495**

a) **Prepaid operating lease rentals (continued)**

(ii) **Company**

	2004 KShs'000	2003 KShs'000
Cost		
At 1 July 2003 and 2002 – as previously stated	2,250	Nil
Leasehold land value reclassified from property, plant and equipment	-	4,930
Reversal of revaluation surplus relating to leasehold land	-	(2,680)
	2,250	2,250
Amortisation		
At 1 July 2003 and 2002 as previously stated	(295)	-
Accumulated depreciation transfer from property, plant and equipment	-	(669)
Reversed accumulated depreciation on revaluation surplus previously charged to profit and loss	-	406
Accumulated amortisation at 1 July 2003 and 2002 – as restated	(295)	(263)
Amortisation for the year	(33)	(32)
	(328)	(295)
At 30 June	**1,922**	**1,955**

b) **Leases as lessee**

Group

Two subsidiaries in the Group (Kenya Breweries Limited and Uganda Breweries Limited) have entered into operating lease agreements for leasing of commercial and non-commercial vehicles. Lease payments cover principal rentals, maintenance fees, fleet management costs and insurance costs.Future minimum lease payments under these operating leases are as follows:

	2004 KShs'000	2003 KShs'000
Not later than one year	108,680	158,296
Later than one year and not later than five years	12,079	92,005
	120,759	**250,301**

During the year ended 30 June 2004, KShs 135,382,240 was recognised as an expense in the profit and loss account in respect of the operating leases (2003 – KShs 137,341,000).

c) **Leases as lessor**

Group

The group has entered into operating lease agreements for leasing part of its properties. The future minimum lease receipts under the operating lease is as follows:

	2004 KShs'000	2003 KShs'000
Not later than one year	29,376	10,709
Later than one year and not later than five years	46,582	24,233
	75,958	**34,942**

During the year ended 30 June 2004, KShs 14,097,000 was recognised as income in the profit and loss account in respect of the operating lease agreements (2003 – KShs 14,539,000).

12 INVESTMENTS IN ASSOCIATES

a) Group

	Effective interest	2004 KShs'000	2003 KShs'000
Group share of net assets:			
Tanzania Breweries Limited	20.00%	1,164,357	1,515,531

The above represents the Group share of net assets of the associated companies.

b) Company

	2004 KShs'000	2003 KShs'000
Tanzania Breweries Limited (58,985,693 ordinary shares of TShs 100 each)	3,484,622	3,644,952

Effective 12 December 2002, the company purchased 20% of the issued share capital of Tanzania Breweries Limited, which has been accounted for on an equity basis.

13 OTHER INVESTMENTS

Group and Company

	2004 KShs'000	2003 KShs'000
Unquoted: At cost		
4,000 Ordinary shares (representing 20%) in Sen-Tech Limited	400	400
20% investment in Challenge Fund Limited who in turn have subscribed to 50% in Central Depository and Settlement Corporation Ltd	10,000	10,000
	10,400	10,400

There is no material difference between fair value and costs for these investments.

14 DEFERRED TAX

Group

(a) Deferred tax asset

Movements during the year are as follows:

Arising from:	At 1 July 2003 KShs '000	Recognised in profit and loss account KShs'000	Recognised in equity KShs'000	At 30 June 2004 KShs'000
Property, plant & equipment	59,617	(73,998)	68,335	53,954
Tax losses carried forward	(114,448)	66,184	-	(48,264)
Staff gratuity provisions	(24,795)	6,397	-	(18,398)
Unrealised exchange gain/loss	-	3,178	-	3,178
Other provisions	(1,362)	(4,076)	-	(5,438)
Total	**(80,988)**	**(2,315)**	**68,335**	**(14,968)**

A deferred tax asset of KShs 632,424,728 (2003 – KShs 841,435,000) associated with a subsidiary, Castle Brewing Kenya Limited, has not been recognised in the balance sheet as the directors do not expect the temporary difference to reverse in the foreseeable future.

(b) Deferred tax liability

Movements during the year are as follows:

Arising from:	At 1 July 2003 KShs'000	Currency changes KShs'000	Recognised in profit and loss account KShs'000	Recognised in equity KShs'000	Minority interest KShs'000	At 30 June 2004 KShs'000
Property, plant & equipment	1,036,510	53,268	249,338	17,892	10,753	1,367,761
Tax losses carried forward	(130,118)	-	26,483	-	-	(103,635)
Staff gratuity provisions	(110,283)	-	37,678	-	-	(72,605)
Defined benefit asset	36,974	-	(3,051)	-	-	33,923
Unrealised exchange gain/loss	-	-	56,649	-	-	56,649
Other provisions	(27,953)	(20,801)	(20,959)	-	-	(69,713)
Total	805,130	32,467	346,138	17,892	10,753	1,212,380
Net recognition in profit and loss account and equity			**343,823**	**86,227**		

Company

(c) Deferred tax liability/(asset)

Movements during the year are as follows:

	At 30 June 2003 KShs'000	Recognised in income KShs'000	Recognised in Equity KShs'000	At 30 June 2004 KShs'000
Arising from:				
Property, plant & equipment	4,163	(2,242)	38,606	40,527
Staff gratuity provisions	(7,366)	(5,239)	-	(12,605)
Unrealised exchange gains	-	25,346	-	25,346
Other provisions	-	(4,051)	-	(4,051)
Tax losses	(39,893)	39,893	-	-
Total	**(43,096)**	**53,707**	**38,606**	**49,217**

15 RETIREMENT BENEFIT OBLIGATIONS

(a) Defined contribution plans

The group operates a number of defined contribution plans. After serving a qualifying period, eligible employees are entitled to participate in the defined contribution plans for retirement, disability or death benefits. During the year the group expensed KShs 17,294,000 (2003 – KShs. 26,183,000) in relation to these plans.

(b) Defined benefit plan

At the year end the defined benefit assets are specified as follows:

	2004 KShs'000	2003 KShs'000
Present value of funded obligations	327,093	295,035
Fair value of scheme assets	(454,396)	(403,527)
Net overfunding in the scheme	(127,303)	(108,492)
Unrecognised actuarial gain (loss)	11,379	(14,755)
Net asset in the balance sheet	**(115,924)**	**(123,247)**
Movements in the net asset recognised in the balance sheet are as follows:		
Net asset at 1 July	(123,247)	(116,616)
On acquisition of subsidiary	-	(1,490)
Net expense recognised in the income statement	9,481	12,184
Employer contributions	(2,158)	(17,325)
Net asset in the balance sheet at 30 June	**(115,924)**	**(123,247)**
The expense recognised in the income statement is as follows:		
Current service costs	18,510	22,291
Interest on obligation	26,079	24,443
Expected return on plan assets	(35,108)	(34,550)
Total expense included in administration expenses	**9,481**	**12,184**

15 RETIREMENT BENEFIT OBLIGATIONS (Continued)

	2004	2003
Discount rate (p.a.)	9%	9%
Expected return on scheme assets (p.a.)	9%	9%
Future salary increases (p.a.)	7%	7%
Future pension increases (p.a.)	0%	0%

(c) Equity compensation benefits

The directors, through an independent Trust, are empowered to grant share options to group employees. These options are granted for a maximum period of ten years and a minimum period of three years at a price determined by the market value ruling on the Nairobi Stock Exchange on the day preceding the day on which the options are granted. The shares to be exercised within this Trust have been issued directly through the company and also purchased at the stock exchange.

Executive Share Option Scheme

Movements in the number of share options held for the employees under the Executive Option Scheme are as follows:

	2004 KShs'000	2003 KShs'000
Outstanding at 1 July	323,324	232,547
Granted during the year	30,143	105,258
Lapsed	-	(14,481)
Exercised	(96,596)	-
Outstanding at 30 June	**256,871**	**323,324**
Exercise price per share	**73.95**	-

Options may be exercised at prices ranging between KShs 73.95 and KShs 438.60.

Employee Share Save Scheme

As at 30 June 2004, the Trust's obligation to members under the employee share save scheme stood at 294,012 shares (2003 – 174,885). During the year 16,896 shares (2003 – Nil) were exercised by employees. The exercise price per share is KShs 60.65.

16 STOCKS

	2004 KShs'000	2003 KShs'000
Raw materials	1,104,268	1,300,173
Consumables	1,434,413	1,345,790
Finished goods	868,579	820,820
Goods in transit	82,840	36,710
	3,490,100	**3,503,493**

17 DEBTORS

(a) Group

	2004 KShs'000	2003 KShs'000
Trade debtors	1,014,155	828,369
Barley advances	111,927	43,210
VAT and Excise duty recoverable	269,243	276,883
Other debtors	370,937	202,022
	1,766,262	1,350,484

(b) Company

	2004 KShs'000	2003 KShs'000
Debtors	**32,961**	**35,627**

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers.

18 RELATED COMPANY BALANCES

a) Group

Balances due (to)/from related companies	2004 KShs'000	2003 KShs'000
Due from related companies : Long term	-	**453,773**
Due from related companies : Short term	**235,229**	**472,616**

As part of the reorganisation strategy, the company has entered into an agreement relative to certain receivables due from SAB Miller B.V. whereby these will be settled by a future dividend waiver of SAB Miller B.V.'s 20% shareholding in Kenya Breweries Limited.

b) Company

Due (to)/from related companies	2004 KShs'000	2003 KShs'000
Long term		
Diageo Plc (formerly Guinness Brewing Worldwide)	-	7,790
SAB Miller B.V.	-	445,983
	-	453,773
Short term		
SAB Miller B.V.	**191,101**	**304,696**
Due to group companies		
Castle Brewing Kenya Ltd	(84,149)	-
Kenya Breweries Limited	(298,014)	(1,738,580)
	(382,163)	**(1,738,580)**
Due from associate companies		
Tanzania Breweries Limited	**27,044**	-

Shareholding

PRINCIPAL SHAREHOLDERS OF THE COMPANY AND THEIR RESPECTIVE SHAREHOLDINGS AS AT 30 JUNE 2004

NO.	NAME OF SHAREHOLDER	NUMBER OF SHARES HELD	% TOTAL OF EABL SHARES
1.	Diageo Kenya Limited	46,630,325	42.46
2.	Board of Trustees - National Social Security Fund	6,474,287	5.89
3.	Diageo Holdings Netherlands B.V.	4,993,389	4.55
4	Mr Kanaksinh Karsandas Babla & Mr Sandip Kanaksinh Babla	3,471,711	3.16
5	Guinness Overseas Limited	2,865,112	2.61
6	Barclays (Kenya) Nominees Ltd. Non Resident A/C 9011	2,777,786	2.53
7	Barclays (Kenya) Nominees Ltd. Non Resident A/C 9057	1,761,478	1.60
8	Barclays (Kenya) Nominees Ltd. Non Resident A/C 9002	1,688,819	1.54
9	Kenya Reinsurance Corporation (Life Fund Investments)	1,562,790	1.42
10	Old Mutual Life Assurance Company Ltd.	1,346,994	1.23
11	Barclays (Kenya) Nominees Ltd. A/C 1256	1,260,000	1.15
12	Mr Kanaksinh Karsandas Babla & Kusum Kanaksinh Babla	1,111,113	1.01
13	Barclays (Kenya) Nominees Ltd. A/C 1853	878,199	0.80
14	ICDC Investment Company Ltd.	788,156	0.72
15	Group Employee Share Ownership Plan, East African Breweries Ltd.	754,667	0.69
	Total Number of Shares	**78,364,826**	**71.35**

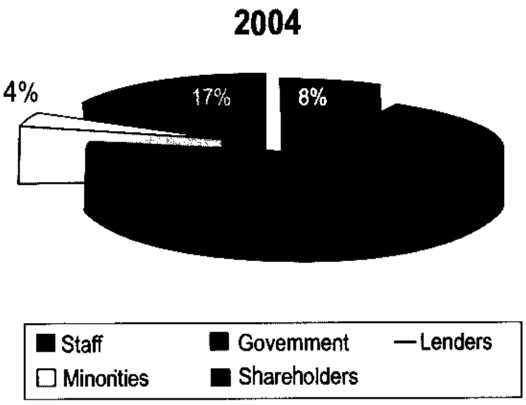
DISTRIBUTION OF SHAREHOLDERS AS AT 30 JUNE 2004

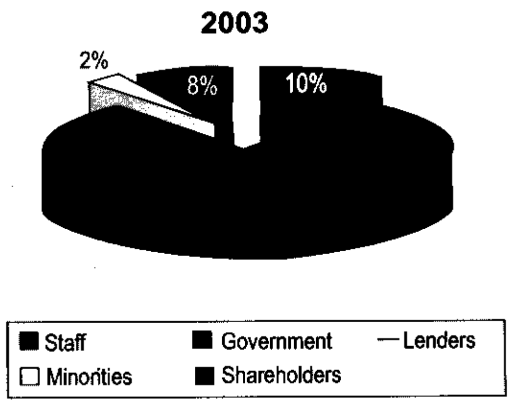
SHAREHOLDING **Number of Shares**	**Number of Shareholders**	**Number of Shares Held**	**% Shareholding**
Less than 500	18,586	2,753,795	2.51
501 - 5,000	3,209	4,620,960	4.21
5001 - 10,000	305	2,208,621	2.01
10,001 - 100,000	324	8,824,428	8.03
100,001 - 1,000,000	48	15,478,164	14.09
Above 1,000,000	12	75,943,804	69.15
Total	**22,484**	**109,829,772**	**100.00**

	2004 Kshs'000	2003 Kshs'000
Value generated		
Derived from turnover	30,076,665	28,918,151
Bought-in materials and services	(8,614,038)	(10,029,073)
Value added	**21,462,627**	**18,889,078**
Share of associate profit	851,664	446,527
Total funds available for allocation	**22,314,291**	**19,335,605**

This was shared as follows:

	2004 Kshs'000	2004 %	2003 Kshs'000	2003 %
Staff	1,762,601	7.90%	1,924,765	9.95%
Government as taxes	15,778,314	70.71%	15,363,898	79.46%
Banks and other lenders	25,463	0.11%	82,796	0.43%
Minority interests	898,855	4.03%	464,138	2.40%
Shareholders	3,849,058	17.25%	1,500,008	7.76%
	22,314,291	**100.00%**	**19,335,605**	**100.00%**





25 FINANCIAL INSTRUMENTS

(a) Effective interest rates

In respect of the income-earning financial assets and interest-bearing financial liabilities, the following table indicates the effective interest rates during the year:

	2004		2003	
	Effective interest rate %	**Less than 3 months KShs '000**	**Effective interest rate %**	**Less than 3 months KShs '000**
Term deposits	1.49%	2,466,353	2.64%	2,094,948
Cash and bank balances	1.21%	2,756,458	5.07%	1,018,266
Bank overdraft	11.75%	(11,832)	12.75%	(61,054)
		5,210,979		**3,052,160**

(b) Foreign currency risk

The Group incurs foreign currency risks on sales, purchases and borrowings that are denominated in a currency other than Kenya shilling. The currencies giving rise to this risk are primarily Euros, Pounds Sterling, US Dollars and Uganda shillings.

In respect of other monetary assets and liabilities held in currencies other than the Kenya shilling, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

26 CAPITAL COMMITMENTS

	2004 KShs'000	2003 KShs'000
Contracted but not provided for	443,413	1,400,276
Authorised but not contracted	109,000	278,000

27 RELATED PARTY TRANSACTIONS

Directors and executive officers
As at 30 June 2004 there were no loans to directors or to executive officers.

	2004 KShs'000	2003 KShs'000
Total directors' remuneration included in personnel expenses are as follows:		
Directors fees - Fees (Group)	5,315	6,702
- Fees (Company)	2,913	2,800
- Other (Group)	138,300	118,590
- Other (Company)	35,370	37,835

Other related party transactions in respect of related companies are disclosed under Note 18.

28 CONTINGENT LIABILITIES

Contingent liabilities incurred in the ordinary course of business:

	2004 KShs'000	2003 KShs'000
Guarantees in respect of bank advances to barley farmers	34,085	14,367
Pending legal cases	54,168	291,412
Other liabilities	313,023	268,798
	401,276	**574,577**

29 ULTIMATE HOLDING COMPANY

The ultimate holding company is Diageo plc, which is incorporated in the United Kingdom.

30 INCORPORATION

The company is incorporated in Kenya under the Companies Act.

31 CURRENCY

The financial statements are presented in Kenya Shillings (KShs).

24 NOTES TO THE CASH FLOW STATEMENT

	2004 KShs'000	2003 KShs'000
a) Reconciliation of net profit before tax to cash flows from operating activities		
Net profit before tax	7,041,897	3,640,784
Adjustments for:		
Income from associate	(851,664)	(446,527)
Loss on disposal of interest in subsidiary	-	793,027
Gain on partial disposal of interest in subsidiary	-	(2,438,136)
Depreciation	732,218	687,458
Amortisation of prepaid operating lease rentals	1,679	202
Amortisation of goodwill	36,661	2,500,331
Exchange differences	149,518	(80,474)
Profit on disposal of operating lease rentals	-	(22,223)
Profit on disposal of property, plant & equipment	(45,767)	(4,428)
Loss on impairment of property, plant and equipment	93,560	-
Net increase in defined benefit asset	7,323	(5,141)
Net increase in staff gratuity provision	(62,797)	21,670
Interest income	(54,934)	(169,746)
Interest expense	25,463	82,796
Operating profit before working capital changes	**7,073,157**	**4,559,593**
Decrease in stocks	13,393	771,197
Increase in debtors	(415,778)	(26,461)
Increase in creditors	536,519	139,647
Net movement in balance with related companies	691,160	(1,315,294)
Cash generated from operations	**7,898,451**	**4,128,682**
Interest expense	(25,463)	(82,796)
Income taxes paid	(1,926,499)	(1,543,854)
Cash flows from operating activities	**5,946,489**	**2,502,032**

b) Movement in cash and cash equivalents

	2004 KShs'000	2003 KShs'000	Change in the year KShs'000
Cash and bank balances	2,756,458	1,018,266	1,738,192
Term deposits	2,466,353	2,094,948	371,405
Bank overdraft	(11,832)	(61,054)	49,222
	5,210,979	**3,052,160**	**2,158,819**

22 INVESTMENT IN SUBSIDIARIES

Company	Effective interest	2004 KShs'000	2003 KShs'000
At cost:			
Kenya Breweries Limited	80%	1,806,847	1,806,847
Salopia Limited (Dormant)	100%	200	200
Allsopps (E.A.) Sales Limited (Dormant)	100%	2	2
East African Breweries (Mauritius) Limited (Dormant)	100%	389	389
Central Glass Industries Limited	100%	790,288	790,288
Uganda Breweries Limited	98%	687,647	687,647
International Distillers Uganda Limited	100%	300,000	300,000
UDV (Kenya) Limited	46.32%	589,410	589,410
Castle Brewing Kenya Limited	100%	150,000	150,000
		4,324,783	**4,324,783**

23 DUE FROM SUBSIDIARIES

Company	2004 KShs'000	2003 KShs'000
Central Glass Industries Limited	3,834	125,493
Kenya Maltings Limited	1,780,947	1,378,677
Uganda Breweries Limited	41,797	6,778
UDV (Kenya) Limited	7,254	17,563
	1,833,832	**1,528,511**

c) Related party transactions

During the year the group purchased goods and services worth KShs 518,202,000 (2003 – KShs 477,650,000) from related companies. During the year, the group sold goods and services worth KShs 8,659,000 to related companies (2003 – KShs 64,446,000). Transactions with related companies are priced on arm's length basis and are in the ordinary course of business. The group also paid management fees amounting to KShs 206,288,000 (2003 – KShs 205,412,000) and royalties amounting to KShs 13,015,000 (2003 – KShs 13,216,000) to related parties.

19 SHARE CAPITAL

Group and Company	2004 KShs'000	2003 KShs'000
Authorised		
150,000,000 Ordinary shares of KShs 10 each	**1,500,000**	**1,500,000**
Issued and fully paid		
At 1 July 2003 and 2002 – 109,030,506 Ordinary shares of KShs 10 each	1,090,305	1,090,305
799,266 (2003 – Nil) Ordinary shares of KShs 10 each issued during the year	7,992	-
At 30 June – 109,829,772 (2003 – 109,030,506) Ordinary shares of KShs 10 each	**1,098,297**	**1,090,305**

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.

20 CREDITORS

	2004 KShs'000	2003 KShs'000
(a) Group		
Trade creditors	904,924	911,683
VAT and Excise duty payable	1,040,733	800,565
Other creditors	882,411	484,753
Provision for costs of re-organisation	872,228	966,776
	3,700,296	**3,163,777**
(b) Company		
Other creditors	37,520	20,053
Provision for costs of reorganisation	872,228	966,776
	909,748	**986,829**

21 BANKING FACILITY

Group:

The group has been granted unsecured bank credit facilities by Standard Chartered Bank Kenya Limited, Standard Chartered Bank Uganda Limited, Citibank NA and Commercial Bank of Africa Limited which have a combined facility of KShs 2,425,000,000 and are repayable on demand.

Fold 2
Pili Kunja Hapa

Fold 1
Kwanza Kunja Hapa

Company Secretary
East African Breweries Limited
P.O. Box 30161
00100 Nairobi
Kenya

Fold 3
Halafu Kunja Hapa

Proxy
Fomu ya Uwakilishi

I/We ______________________________

____

Share A/c No. ______________________________

of (address) ______________________________

____

being a 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 82nd Annual General Meeting of the Company to be held on 21 October 2004 at 10.00 a.m. or at any adjournment thereof.

As witness to my/our hands

this ____________ day of ______________ 2004.

Signature(s) ______________________________

Notes:

1. This proxy is to be delivered to the Company Secretary not later than 10.00a.m. on Tuesday 19 October 2004 failing which it will be invalid.

2. In the case of a corporation, the proxy must be under its common seal.

Mimi/Sisi ______________________________

____

Nambari ya akaunti ya hisa ______________________________

anwani ______________________________

____

kama mwanahisa/wanahisa wa East African Breweries namteua/tunamteua ______________________________

wa (anwani) ______________________________

na akikosa yeye, namteua/tutamteua Mwenyekiti wa mkutano kama mwakilishi wangu/wetu, kupiga kura kwa niaba yangu/yetu kwenye Mkutano Mkuu wa Mwaka wa Themanini na Mbili wa Kampuni utakaofanyika tarehe 21 Oktoba 2004 saa nne za asubuhi ama siku yoyote ile endapo mkutano huo utaahirishwa.

Sahihi ______________________________

Sahihi hii/hizi imewekwa/zimewekwa tarehe ____________ 2004

Maelezo muhimu:

1. Iwapo hutaweza kuhudhuria, mkutano huu wewe mwenyewe binafsi, ni lazima fomu hii ya uwakilishi ijazwe kikamilifu na kufikishwa kwa Katibu wa Kampuni kabla ya saa nne za asubuhi ya Jumanne, tarehe 19 Oktoba 2004 na isipofikia wakati huo, uteuzi wako/wenu wa uwakilishi hautafaa.

2. Iwapo mteuaji ni shirika, fomu hii ya uwakilishi ni lazima ipigwe muhuri wa kampuni hiyo.

ADMISSION CARD

PLEASE ADMIT

To the Annual General Meeting of East African Breweries Limited which will be held at the Tusker Sports Ground, Ruaraka, Nairobi on Thursday 21 October 2004 at 10.00 a.m.

This admission card must be produced by the Shareholder or proxy in order to obtain entrance to the Annual General Meeting.

M N Oluoch-Olunya (Mrs)
Company Secretary

____
Name of Shareholder

____
Address of Shareholder

Number of shares held ______________________________