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105,500 and counting....



Nakuru - Kenya



Ndakaini - Kenya



Sasumua - Kenya



Ndakaini - Kenya

**Our
goals
are
getting
greener**

**A year later
our green
vision is
making huge
steps to
meet our
Green Goals**



Balitta - Uganda



Kasubi Tombs - Uganda



Mpiji - Uganda



Ruaraka - Kenya

**EABL is a strong supporter of environmental conservation.
After engaging in successful tree planting exercises in Kenya and
Uganda, we are proud to have planted 105,500 trees so far this year.**

To find out more, get in touch through this email:
eablfoundation@eabl.com

**GREEN
GOALS
2010**

AN INITIATIVE OF EABL

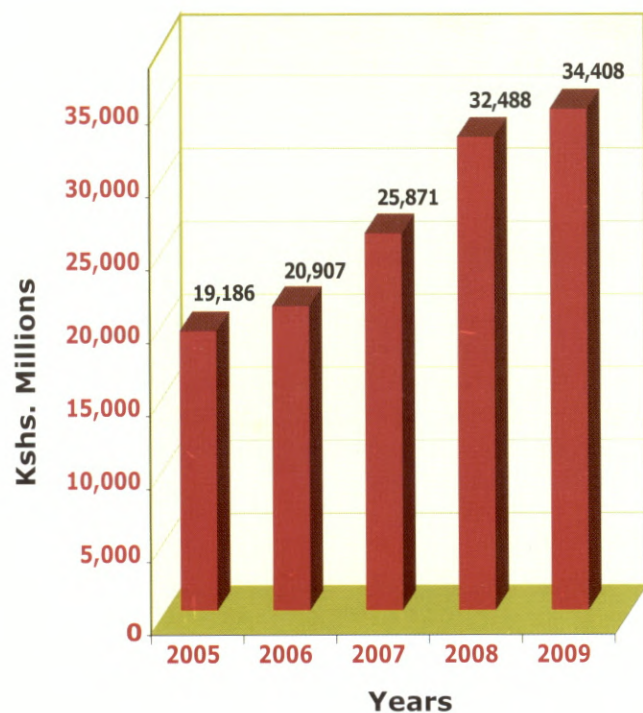


**EAST
AFRICAN
BREWERY
LIMITED**

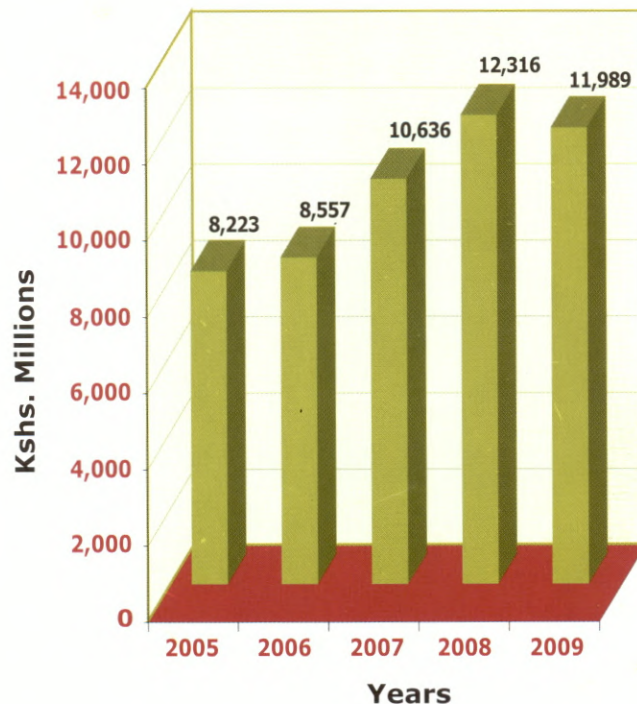
FINANCIAL HIGHLIGHTS – 2009



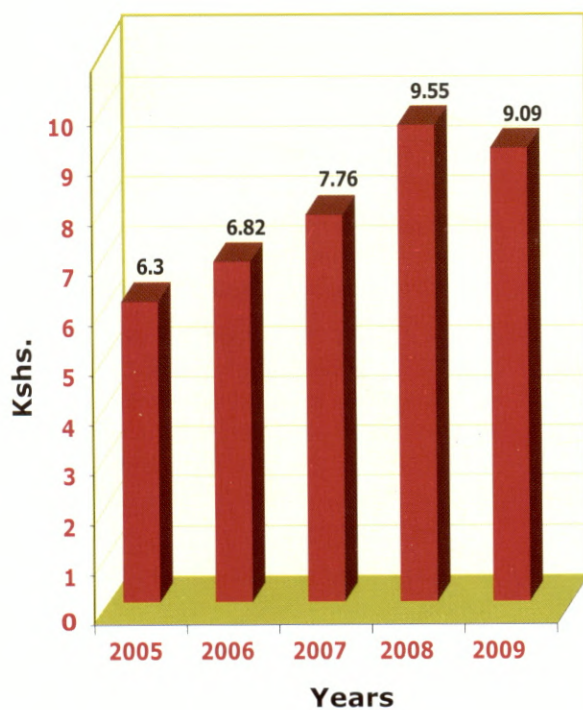
Net sales value



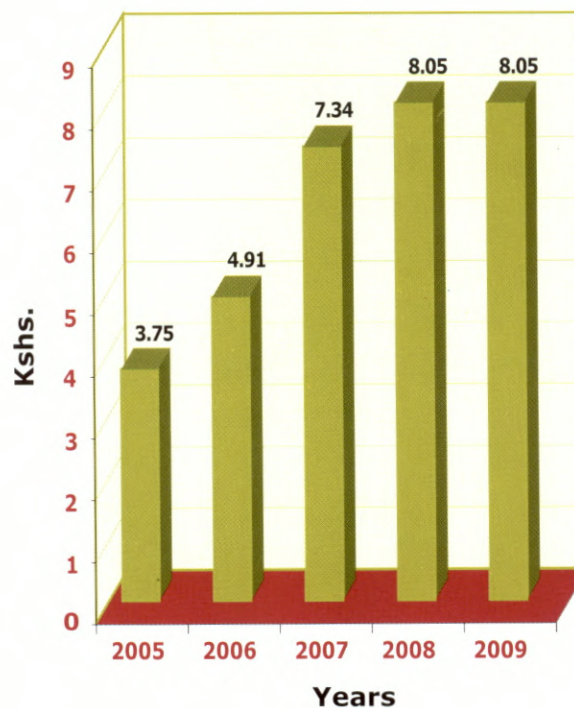
Profit before tax



Earnings per share



Dividend per share





**AS ALWAYS, OUR GOAL IS
TO BUILD A STRONGER,
MORE RESPONSIVE AND
RESPONSIBLE COMPANY.
STRONG BRANDS AND
EXCELLENT PEOPLE ARE
HELPING US TO ACHIEVE
THAT GOAL.**

**DRINK RESPONSIBLY
LIVE RESPONSIBLY**

East African Breweries experienced a great many challenges and opportunities over the past year. The economic climate affected our business in several major ways, as did the post-election violence in Kenya and persistent regional drought. Raw materials, fuel oil and electricity costs all went up. East African Breweries responded by becoming a more flexible and responsive organization, by investing in trials of new varieties of sorghum in Kenya and Uganda. Cost management initiatives, innovative practices and stringent waste management also helped to keep costs down. The restructuring of the organisation carried out during the year will work to improve the efficiency of various processes and organizational structures, also leading to cost savings down the line. By striving to do things 'simpler, faster, better' we are building the EABL of the future.

Performance

The past year saw a turnover increase of 6% to Kshs 34.4 billion to the previous year's turnover of Kshs 32.5 billion. After taking into account the one-off reorganisation expense a marginal decline was recorded in profit before tax of 3% from KShs 12.3 billion last year to Kshs 12 billion.

Nevertheless, the Group continues to be a substantial contributor to the exchequers within the region, paying a total of KShs 27 billion during the year, compared to Kshs 25 billion in the prior year towards excise duty, VAT and corporation tax, which represents about 47% of gross turnover.

Production

The Group extended Kshs 2.4 billion in additional capital investment to increase capacity and to improve production quality at its plant both in Nairobi and Kampala so as to enhance the Group's ability to grow in the future.

East Africa Maltings' sales remained flat for the year but investments in sorghum and new varieties of barley promise to improve the outlook for the future.

Despite soaring energy costs, Central Glass profits rose 19% compared to the previous year. Rising raw materials costs led the business to use highly innovative methods to keep costs down. The Central Glass plant continues to operate at full capacity and the need to upgrade capacity is becoming increasingly important.

Our business in Uganda realised beer volume sales that surpassed last year's sales by 13.9% despite the very challenging operating climate. Growth was



Modern state-of-art brewhouse at the Ruaraka, Nairobi plant

inspired by some very successful promotional campaigns for brands like Alvaro, Guinness, Tusker, Pilsner and President lager.

Our Venture businesses earned a 77% growth in volumes and 69% growth in operating profit during the year in the Great Lakes region. Promotions including Johnnie Walker Golf Classic helped raise awareness of our brands. However a tax increase on spirits in Kenya negatively impacted sales. Opening a bonded warehouse in Kigali, raised our profile both in Rwanda and in Eastern DRC. Global priority brands Johnnie Walker, J&B and Myers were introduced for sale in Uganda for the first time through Uganda Breweries Ltd.

People Investments

Our single greatest asset remains our people and safety is our priority across the Group. The past year saw a great improvement in safety adherence. We continue to emphasize 'One Company, One Culture' throughout the business. Through leadership programmes and staff health initiatives, we are helping to grow a complete talent base. The Diageo Africa Early Career programme, social facilities, aerobics classes and peer education initiatives are all helping to improve staff performance and retention by building a stronger, healthier organization.

Brand Investments

A large number of promotions and marketing campaigns helped to grow market share and improve brand awareness during the year. Highlights included sponsorships of the fifth annual Tusker Open golf tournament, the Harambee stars football team and the Tusker Safari Sevens rugby tournament. The Pilsner IMARA campaign and Guinness' sponsorship of the English Premier League in both Kenya and Uganda have both helped raise the

profile of those brands. Tax increases affected sales for brands like Senator and Kane Extra Golden, but targeted promotions and innovations helped mitigate the effect. One of our most exciting achievements for the year was the launch of our non-alcoholic Alvaro brand, in pineapple and pear flavours. The brand has been received enthusiastically throughout Kenya and Uganda. To improve sales, Senator Keg was re-branded and renamed 'President' for six months which coincided with the election of Barack Obama to the United States Presidency. Other promotions for Smirnoff and Malta Guinness were also effective.

Investing in the community

On the corporate affairs side, EABL is continuing to invest in corporate citizenship activities through its EABL Foundation. Our Water of Life programme benefited 700,000 people last year. In Kenya and Uganda, the Foundation has helped build rainwater harvesting projects and ablution blocks. The EABL Scholarship Programme awarded 20 students with scholarships, bringing the total number of students who have participated in the programme to 120. Several students have now graduated from university and are working with leading firms in Kenya, Uganda and Tanzania. Fulfilling our Green Goals agenda was also a top priority during the year. EABL staff helped plant 100,000 trees in Kenya and Uganda. Our goal is still to reduce, reuse and recycle whenever possible.

Responsible Drinking

The responsible enjoyment of our products by adults remains a top priority for the business. Over the year, EABL worked hard to raise awareness about responsible drinking through a variety of



Bottles of President Lager on the production line

creative promotions and marketing initiatives. Preventing underage drinking and drink driving are cornerstones of our mission. A taxi promotion in Nairobi and billboard signs in Nairobi and Mombasa reminding drivers to get 'someone for the road' has become very visible. EABL has invested over Kshs 120 million to date in the responsible drinking campaign.

Finally, we reviewed our Code of Business Conduct during the year and worked to strengthen awareness of good business practices among our leadership team members.

Strategic Investments

On 16 July 2009, EABL entered into a conditional agreement with the shareholders of Serengeti Breweries Limited that could lead to EABL acquiring a substantial interest in Serengeti Breweries, the second-largest brewery in Tanzania. EABL also gave notice to terminate its existing brewing and distribution agreement with Tanzania Breweries Limited. As at the issuing of this report, issues have arisen between EABL and Tanzania Breweries Limited that are the subject of legal proceedings in the UK. In the interim and pending further announcement, Tanzania Breweries Limited continues to be the sole and exclusive manufacturer and distributor of EABL products in Tanzania.

Careers

Recently, we bade farewell to our Managing Director, Gerald Mahinda, who has left EABL for an exciting new opportunity at Brandhouse in South Africa. Brandhouse is a three-way joint venture between Diageo, Heineken

and Namibia Breweries Ltd. We are very proud of Gerald as he embarks on this next stage of his career, which is part of Diageo's management rotation programme. EABL is grateful to Gerald for his unwavering leadership and dedicated service to the company, and we will miss him. We are fortunate to welcome Seni Adetu an accomplished international business executive and former Managing Director of Guinness Ghana Breweries Ltd, to the post of Managing Director of EABL. Welcome, Seni!

Acknowledgements

Let me take this opportunity to acknowledge the contribution and loyalty of all our consumers and business partners.

Finally, we would like to thank the Management and staff of EABL for the effort and dedication towards building the company we want, and to appreciate the support during the year of the members of the Board of Directors.

As always, our goal is to build a stronger, more responsive and responsible company. Strong brands and excellent people are helping us to achieve that goal. Join us in celebrating another eventful and productive year for EABL.

Jeremiah Kiereini
Chairman

Seni Adetu
Group Managing Director



TUSKER BREWERY

Over the year Tusker Brewery produced 3.9MHL. The business installed another bottling line capable of producing 80,000 bottles per hour as well as six Dual Purpose Vessels, four Bright Beer Tanks and an additional utilities plant at a cost of Kshs 3.4 billion. The facilities were commissioned in November 2008. This investment will increase production capacity to 6.2MHL. The equipment is state-of-the-art and will generate major savings in cost of production as well as improving quality.

The cost of Goods Sold (COGS) agenda was greatly affected by inflation affecting all raw materials. Imported barley and malt, fuel oil and electricity were all affected. The Company responded proactively by implementing cost management initiatives, innovative practices and stringent waste management to help cushion the business against these effects. Introducing sorghum also helped to keep costs down.

The Perfect Plant Programme in Kenya and Uganda continues to be the key driver to manufacturing excellence tools and techniques in our business. This will move our manufacturing performance from Good to Excellent.

EAST AFRICAN MALTINGS

The 2009 financial year posed many challenges for East African Maltings Ltd (EAML). As an agriculture-based business, post election violence and persistent drought affected our local barley output. Similar shortfalls were reported in other

cereals grown in the country. Our malting plant operations were impacted by a shortage of grain, resulting in downtime. To cover the local production shortfall, we imported 40% of our barley and malt requirements whilst taking advantage of the government's import tax remission granted for one year ending in September 2009.

In order to improve on barley output, we continued to invest in trials of new varieties with Syngenta E.A Ltd. We believe these varieties will not only enhance farm yields but also deliver increased brewing potential. The program is in its second year and results so far are promising.

In both Kenya and Uganda, we have started to develop sorghum as an additional brewing raw material. The potential to grow sorghum in East Africa is high; the crop thrives in semi-arid areas, which currently do not have significant economic activities. Once fully implemented, sorghum will transform economically the regions where it will be grown.

Sales for the current year remained flat at 64,000 tonnes compared to the previous year due to suppressed beer demand.

EAML operations continue to operate under stringent international Quality, Environment, Food Safety and Occupational Health & Safety management system standards as certified under ISO 9001, ISO 14001, ISO 22000 and OHSAS 18001 respectively. Additionally, this year we achieved an 80% reduction in workplace accidents over last year. This together with a 100% LTO audit action completion rate marked a significant step towards building a 'Zero Harm Safety Culture'.



Quality testing



Dual Purpose Vessels at the Uganda plant

CENTRAL GLASS

Central Glass celebrated its best year ever with profits growing by 19% over the previous year, in spite of several major challenges.

Energy costs soared during the year leading to large increases in raw material costs, particularly for soda ash. We mitigated high-energy costs by using highly innovative interventions in the melting process. We managed to get excellent supplies of cullet from Ugandan dumping sites as well as our local bottlers in Kenya. Using cullet also supports our efforts to help protect the environment.

We replaced one of our old V-block compressors with a variable drive (VSD) compressor, which is more energy efficient.

Additionally, we worked to improve quality by procuring major inspection equipment, specifically a bottom inspector cum mould reader that uses digital technology and one on-line thickness (OLT) selector capable of inspecting round and non-round containers.

The plant continues to operate at full capacity with major challenges in meeting expanding demand. The future of glass as the primary packaging solution for beverages is promising and we continue to be the major foreign exchange earner for EABL.

PORT BELL BREWERY

In spite of a very challenging operating climate, overall beer volume sales surpassed last year's sales by 13.9%. Volume growth in 2009 was driven by Bell Lager (4.2%), Pilsner (33.9%), Guinness (39%) and Senator (9%).

Growth was inspired by a number of very successful promotional campaigns as well as brand innovations for Alvaro, the new Guinness Packs, Tusker Lager, a new Pilsner advertising campaign and President Lager.



VENTURE

The 2009 financial year saw the set up of the Venture business, created to give focus to our Spirits portfolio and to facilitate our geographical expansion agenda into the Great Lakes region. This exciting development supported East Africa Breweries' strategic intent to become the leading drinks business in the Eastern Africa region.

The business experienced a mixed performance in the year with our spirits sales being adversely affected by an excise tax increase in Kenya. However, the Great Lakes region exceeded expectations, aided by very strong performance in Southern Sudan (SoSS). Within the Eastern African markets, we opened a bonded warehouse in Kigali to service the Rwandan and eastern DRC market. We worked to improve visibility in that market. Overall, we delivered a 77% growth in volumes and 69% growth in operating profit in these markets.

Spirits

Spirits in Kenya started the year on a high note by growing 8% during the first half of the year compared to the same period in the previous year. A number of proven activities supported this growth, namely enhanced visibility, 'bottle on the table' activations for Johnnie Walker, gifting packs and the Richot National Consumer Promotion. We also executed another very successful Johnnie Walker Golf Classic series with five golf amateurs winning a coveted trip to the Asian Johnnie Walker Classic tour in Perth in February 2009. In November, however, the government of Kenya implemented a new tax regime, which had a negative impact on our pricing. This led to the collapse of our volumes especially for the value brands; the new pricing caused our brands to become unaffordable for price-sensitive target consumers. The situation was further aggravated by the June 2009 budget which includes a combination of a specific and ad valorem tax regime impacting the pricing of our mainstream and premium portfolio by an additional fifty per cent.

Spirits in Uganda experienced a more positive performance with no adverse tax regimes. Key brands Uganda Waragi and V&A were supported by theme campaigns and successful consumer promotions. The global priority brands (Johnnie Walker, J&B and Myers) were introduced for sale for the first time in July through the Uganda Breweries Ltd route to market.



THERE IS NO BETTER WAY TO SAY, 'I LOVE YOU' THIS VALENTINE'S.

If you want to give that special someone a gift this Valentine's Day, go for a bottle of Baileys. Right now, we are offering the original cream liqueur together with a complimentary martini glass for just 1600/-. There is no better way to say 'I love you'. So drop into any leading supermarket today and pick up a Baileys Gift Pack.



LISTEN TO YOUR LIPS

The offer is available at all Nakumatt, Uchumi and leading supermarkets countrywide.



A Tusker Bambika promotion winner receives his winnings

MARKETING

This year marked a number of successful promotions and marketing campaigns for our products, including Tusker, Pilsner, Guinness, Senator Keg, Alvaro, Malta Guinness and Smirnoff. Talent competitions, Sporting events and instant promotions were particularly effective in building market share, while price promotions and media events helped grow brand awareness. A tightening economy and tax increases caused some contraction in brand participation, but rapid-response campaigns targeted at low-income consumers generated renewed interest in brands like Senator and Kane Extra.

Tusker

For the fifth year in a row, Tusker Malt Lager sponsored Africa's premier golf event. The tournament was held at the recently redesigned Muthaiga Golf Club and helped build the profile of the brand by bringing together world-class professionals with Kenyan golfers. Tusker Malt Lager remained the top brand in the Premium category in Uganda, growing 6.6% over the year. The brand sponsored a Jazz night concert at which the legendary Miriam Makeba and Uganda's own Isiah Katumwa performed. Tusker Malt Lager also

sponsored the successful Uganda Inter Regional Golf Tournament. Tusker Lager announced a Kshs 23 million incentive scheme for Kenya's national football team, the Harambee Stars, to help motivate the players to qualify for the 2010 FIFA World Cup finals and the 2010 Africa Cup of Nations. The game show, "Tusker Milli Na Marafiki," successfully helped build the association of Tusker with groups of friends drinking together, while the "Bambika Na Tusker" promotion rewarded technology users with instant wins and a chance at a Kshs 5 million grand prize. For the 14th year running, Tusker sponsored the Tusker Safari Sevens rugby tournament in Nairobi. Finally, Tusker Academy trained distributors in world-class standards and operational efficiency. Tusker Lager was included to the brand portfolio in Uganda and was well received. The brand is showing potential to grow its market share.

Pilsner

The Pilsner Mfalme DJ competition brought together aspiring disc jockeys in Kenya and Uganda for in-bar activations that helped raise the profile of the brand. The event was recognized for its flawless execution by a leading local daily newspaper. The Pilsner IMARA campaign captured the steadfast, smart and confident personality of Pilsner consumers through television, print, radio, in-bar branding and outdoor advertising

communications. The brand also rolled out the Passa Passa dance competition in Uganda, which saw groups of talented young adults come together to socialise, network and compete.

Guinness

As the broadcast sponsor of the English Premier League, Guinness has earned an exciting position among consumers in both Kenya and Uganda. The brand celebrated 250 years of greatness with a new-look campaign, ensuring that the brand remains relevant and attractive. The Guinness bottle was redesigned to meet world-class standards of quality and modernity, while the label for Guinness 300mL and Guinness 500mL will also have a new look, all while maintaining the price and quality of the product that consumers expect. To help attract new consumers, Guinness launched a price-reduction promotion at participating outlets leveraging the English Premier League sponsorship as well as consumer rewards. All of these promotions helped earn Guinness a 7% increase over last year's earning in Kenya, while in Uganda, Guinness registered a growth of 39% over the previous year. All key imagery scores improved by a minimum of 6%, indicating that brand health improved significantly.

Senator

In November 2008, a 33% price increase caused sales to decline by 40% in volume. In response to this, EABL launched a successful trade incentive motivating Senator Keg outlets to stock the product. The outlets are situated in markets with poor infrastructure, substandard hygiene and low levels of investment and these factors influence how the bars present Senator Keg to consumers. In response, Senator Keg launched a quality programme called "Base Poa" to assist 1,085 bars with staff training and decorative upgrades. Senator Keg also ran an exciting instant-win promotion that helped to consolidate loyal brand consumers.

Despite Senator facing heavy competition, quality and inventory issue in Uganda, the brand recorded a modest 9% growth for the year. Major activities for the brand included market day activations with prizes including bicycles and lanterns. More Senator Keg outlets were opened with kegs and pumps across the country and a visibility drive also improved awareness through billboards and advertisements in key focus areas.



The entrance to UBL offices in Kampala

Bell Lager

Bell Lager, registered strong growth despite challenges stemming from the poor economic climate. Bell Lager ended the year with a market share of 23% with volume growing by 4% over the previous year.

The brand remained relevant to consumers through events including the Ekidde Consumer promotion which saw consumers win lifestyle prizes like fuel, grocery shopping. The brand sponsored the top social event of the year, the PAM awards, which gave consumers a chance to enjoy their favourite lager while dancing to their favourite artists' live performances. The Buganda King's annual end-of-year event Enkuka coupled with consumer activations and a concert was also supported by Bell Lager; the event was attended by nearly 20,000 people. The brand improved visibility with an outdoor and outlet brand promotion campaign during the second half of the year. To drive consideration and consumer appreciation of the brand's quality, a "4 senses" billboard campaign was initiated during the third and fourth quarters of the year. Finally, 40 outlets were identified for weekly activations dubbed "Bell theme nights".

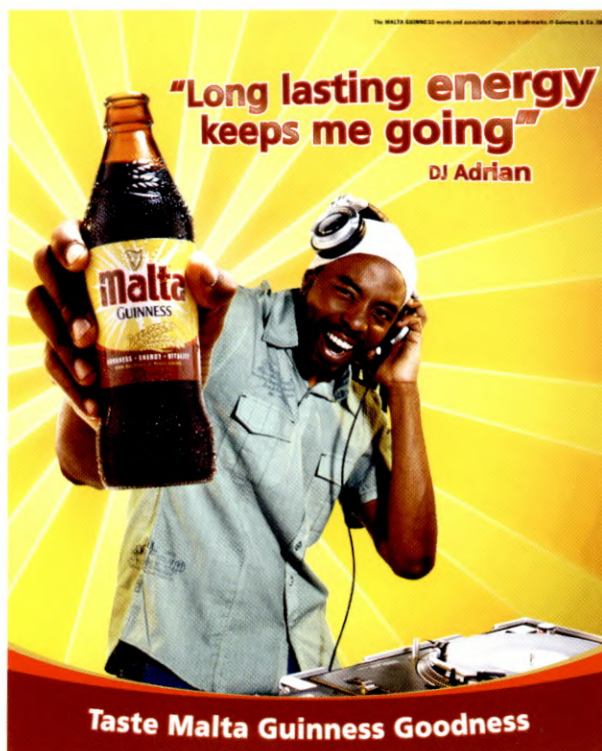
Smirnoff

Activations included a well received and much-hyped media rave on 22 August 2008, followed by robust and intense media and public relations campaigns. Five thousand participants enjoyed the electric atmosphere, mind-blowing sound system, laser lights and international DJs.





Malta Street Dance competition winners



Malta Guinness & Alvaro

Malta Guinness launched its credentials campaign during the year, which brought three brand ambassadors on board to help communicate the value of vitamins and iron contained in Malta Guinness and the fact that the brand contains no alcohol. The campaign helped improve trials, translating into volumes.

Alvaro was launched during the year in Nairobi, Kenya and in Kampala, Uganda. The non-alcoholic beverage is marketed in two flavours, Pineapple and Pear, which have been received enthusiastically by consumers.

Innovations

The spirits segment is the most competitive in the marketplace, with products targeted at low-income consumers contributing over 70% of the total volumes sold. However, a tax increase on 1 December 2008 caused the price of popular Kane Extra Golden to increase from Kshs 80 to Kshs 135. As a result, Kane Extra Golden lost a considerable share of the market which EABL quickly worked to reclaim by launching two new affordable products, Kane Extra Special and Kane Extra Classic, both retailing for Kshs 95.

EABL launched President Lager during the year to celebrate the election of Barack Obama to the United States Presidency. The Senator brand was elevated to "President" which helped to boost volumes. The brand was only available for six months but contributed 2% to total EABL volumes for the year.



EABL staff during a strategy session

HUMAN RESOURCE

One Company, One Culture

As a Company that comprises several business units, our unity and common sense of purpose is crucial for us to nurture the synergies that our diversity presents. In the last financial year, we conducted our internal brand engagement programme that saw a cross-functional, cross-business, cross-unit approach to rolling out our values as a business and our new corporate image. We shall continue embedding the 'oneness' of our organization into the new financial year, so that all staff feel they belong to one strong Company, EABL. We will drive the true feeling of employee loyalty within the business so that our super-engagement will be the cause of our success both as a company and as individuals.

Leadership

The quality of our leadership in the business is what will continue to give us a competitive advantage over other players in our industry, and other competitors for talent. Last year, we emphasised training our top leadership and engaging external coaches to build their leadership skills. This will continue in the coming year, as we realize that every

employee deserves a great manager, and the cornerstone of our retention strategy is good quality leadership, which in turn reflects in the stability of our organization and its overall performance.

Talent base

The Company's talent base continues to deliver positive results for EABL and is our greatest asset. We continue to invest in development, recognizing that when our functional and leadership skills are superior to the competition, then our individual and collective performance is unchallenged. Industry leadership therefore becomes invaluable. We will continue to develop early career entrants to the business as part of the Diageo Africa Early Career programme. Currently we are expanding the programme to encompass a Pan-African approach that promises even better quality development for our graduate trainees. Our succession planning at more senior levels will have much more focused talent pools with skills development at the pinnacle of our agenda. Learning and development will continue to be embedded as a culture within the organization through the Diageo Academy and all the other e-learning facilities at our disposal.



EABL staff during a Safety briefing session

Organisation effectiveness and efficiency

In F09 we restructured the organization to enhance the effectiveness and efficiency of all our processes and organization structures. We do not envision drastic reorganization for the coming year, but we will continue to improve on our efficiency within the business so that overhead is kept under control whilst good governance and compliance remain uncompromised. Our 'simpler, faster, better' approach to doing business should drive brilliant execution and speed to market. There is anecdotal evidence that our past business complexity negatively impacted our employee satisfaction and work/life balance – an issue which we will consciously manage more proactively in the coming year. Our speed and effectiveness will also enhance our performance and business reputation.

Good governance

The Company continues to believe in the importance of good governance and sees it as an imperative to our business at all levels. The Code of Business Conduct has recently been reviewed to reflect the emphasis that each employee needs to fully understand compliance with work ethics and regulatory expectations.

Staff Welfare

The Company in Kenya continues to invest in the welfare of staff through various initiatives and the provision of diverse services. In Kenya Club 2010 has been established as a social facility at the Corporate Centre to supplement the Lifestyle Bar at the Tusker Brewery as a place for social interaction after a long week's work on Friday evenings. Quarterly staff quizzes are organized at Club 2010 that have proved very popular amongst staff. Aerobics classes also continue to be held daily at the EABL Kenya Staff clinic, promoting a healthy lifestyle. Next year, we will strengthen the peer educator team so that we can roll out our HIV/AIDS initiatives to our key third party suppliers and contractors.

Safety

Safety is a priority for EABL and the past year saw a great improvement in performance as measured by incidence occurrence. We engaged training across the business sensitising all staff on safety measures and practices. Safety within EABL was also extended to our suppliers and contractors who we have inducted into our Safety policies. As a result of our stringent safety culture, we realised significant outcomes, particularly in Uganda where we recorded zero lost time accidents (LTA) last year.



EABL FOUNDATION

Water of Life

The EABL Foundation continued to invest in water and sanitation projects during the year, benefiting over 700,000 people in the region.

In Uganda, the Foundation completed construction of a rainwater harvesting tank within Kampala's Central Business District. The project was commissioned by the renowned artiste, Shaggy, during his tour of Kampala. Other projects included construction of similar facilities in Nakawa Division including Kiswa Health Centre and the Kitintale and Luzira markets.

EABL Foundation sponsored a rainwater harvesting tank in Kampala Dispensary. Several water dams were also constructed in northern areas of Uganda. The project was carried out by Africare and is benefiting over 90,000 area residents of Teso, Uganda.

In Kenya, EABL Foundation funded the construction of several ablution blocks in the country. Areas include Mathare/Huruma, Machakos, Nanyuki, Embu and Kakamega among other. The Kshs 2 million water and ablution blocks are model facilities constructed by Ecotact, a local NGO and over 600,000 people will benefit. In the future, the EABL Foundation plans to build upon these successes by investing in additional water and ablution blocks in Kenya and Uganda.

Skills for life

The Foundation continued to sponsor the EABL Scholarship Programme in the last financial year. Twenty students received scholarships in the region, bringing the number of EABL Scholarship beneficiaries to 120 since the programme's inception.

Several students have since graduated with some already working with leading firms.

Environment

EABL continued to play a leading role in environmental conservation in the region. Through the staff-driven initiative 'EGT' (EGreen Team), over 100,000 trees were planted in various areas. These included Mpigi, Kasubi and Nabitalo areas of Uganda. In Kenya staff participated in tree planting activities in Nakuru, Ndakaini and Sasumua dam, and the Aberdares and Ruaraka areas.

The Green Goals agenda has continued to be a major focus area in maintaining our 3Rs agenda – Reduce, Reuse and Recycle.

• Recycling

The labels/pulp project recycles old beer labels into usable energy. The waste labels are used as fuel for boilers and kilns used to produce energy via steam or combustion. The project seeks to utilize the waste that is generated from the brewery and recycling it into energy. Recycling of aluminum cans into kitchenware is also being undertaken. All EABL



E-Green Team Members after a successful tree planting in Ndakaini - Kenya

events involve a can mop-up exercise where all waste cans are collected, sorted and taken for recycling.

• Reduce

The Mazingira tree-planting project is helping EABL to reduce its carbon emissions, with over 10,000 trees planted around the brewery. In all aspects of its business, EABL is striving to reduce the waste that it produces.

Responsible Drinking

EABL worked hard to raise awareness about responsible drinking. The company has invested millions of shillings over the last several years in bartender and server training, consumer awareness programmes and responsible marketing initiatives.

Preventing underage drinking and drink driving are cornerstones of EABL's mission to promote the responsible and enjoyable use of our brands.

• Responsible Drinking Messages Illuminated

Over the holiday season, EABL supplied dozens of taxis with illuminated signs and responsible drinking messages including 'One too many... Do the right thing... Get a cab' and 'Party Tonight? ... Do the right thing: Take a Taxi'. The 133 taxis participating in

the EABL initiative were operating in what is termed the 'beer belt' areas of Nairobi including City Centre, Nairobi West and Westlands.

Over the same period, EABL also launched a series of billboards in Nairobi and Mombasa reminding consumers that the best way to avoid drink driving is to designate a sober driver. Messages like 'Designate yourself. Be the hero, be someone for the road' were displayed on busy roads in both cities.

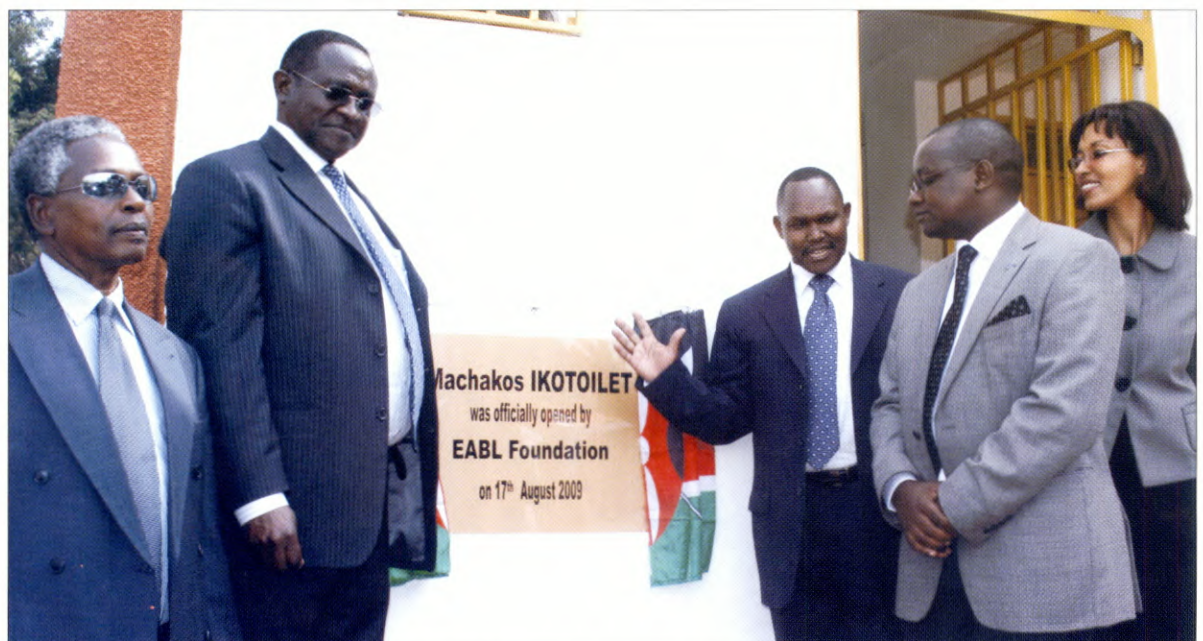


• We-ID programme

'We ID' is a national programme established to help address the issue of underage drinking. The initiative includes promotional materials for retail establishments that remind customers of the rule 'we don't sell alcohol to persons under 18 years.' In addition, the programme involves training modules for retail employees so that they check proof of age before serving customers

who appear to be underage. Following the training of 500 outlets in Nairobi last year, the training of an additional 700 outlets in Western Kenya, Central and Coast Provinces is currently underway.

In Uganda We ID was launched in Kampala ahead of the Easter festive season. The campaign was successful in incorporating stakeholders such as the police who reiterated that it was illegal to sell alcoholic beverages to minors under the Liquor Licensing Act cap 121. The Uganda government thanked UBL for launching the campaign saying it will go a long way in reducing the incidence of underage drinking.



An EABL Foundation water ablution block for Machakos residents is commissioned



A 'Don't drink and drive' branded Taxi

Petrol Station branding

As a demonstration of its commitment to promoting Responsible Drinking, EABL invested Ksh10 million in a partnership with Caltex in Kenya to roll out "Don't Drink & Drive" at Caltex service stations.

Many service stations offer lifestyle convenience stores

and are an ideal location for communicating responsible drinking messages concerning drinking and driving. Seventy Caltex outlets in Kenya were branded with this messaging countrywide. Various aspects of the responsible drinking campaign have been running in Kenya and Uganda since September 2004. EABL has invested over Kshs 120 million to date in the responsible drinking campaign.



Launch of EABL - Caltex Petromart responsible drinking partnership



**KAMA KAWAIDA, LENGU
LETU NI KUJENGA KAMPUNI
IMARA, INAYOJALI WATU NA
KUWAJIBIKA ZAIDI. BIDHAU
ZETU IMARA PAMOJA NA WATU,
VINATUSAIDIA KUTIMIZA
LENGU HILO. UGANA NASI
TUNAPOSHEREHEKEA MWAKA
MWINGINE WA MAFANIKIO NA
UZALISHAJI KATIKA EABL.**

**DRINK RESPONSIBLY
LIVE RESPONSIBLY**

Kampuni ya East African Breweries imepitia changamoto pamoja na hali nzuri ya kibiashara katika muda wa mwaka mmoja uliopita. Mazingira ya kiuchumi yaliathiri biashara yetu kwa njia mbalimbali, jinsi ilivyokuwa wakati wa ghasia za baada ya uchaguzi mkuu nchini Kenya, na hali ya kiangazi. Bei za mali ghafi, mafuta na umeme zilipanda. Kampuni ya East African Breweries, hata hivyo ilikabiliana na hali hii ikijizatiti kama kiwanda kinachoendeshwa kulingana na mazingira ya kiuchumi, kupitia uwekezaji katika aina mpya ya zao la mtama nchini Kenya na Uganda. Mbinu mpya za upunguzaji wa gharama, njia mpya za kibiashara na usimamizi mzuri wa bidhaa zisizotumika, pia zilisaidia kupunguza gharama. Njia mpya ya usimamizi iliyobuniwa mwaka huu katika kampuni hii, itasaidia kuboresha mbinu za utendaji-kazi mbalimbali katika kampuni, pamoja na kupunguza gharama. Kwa kujizatiti kutenda mambo kwa njia 'rahisi, haraka, bora' tunajenga EABL ya siku za usoni.

Mapato

Mwaka uliokwisha wa kifedha kumekuwa na ongezeko la mapato kwa kiwango cha asilimia 6 na kufikia KShs 34.4 bilioni ikilinganishwa na mapato ya mwaka jana ya KShs 32.5 bilioni. Baada ya kuondoa gharama ya mara moja ya upangaji upya wa kampuni, faida kabla ya ushuru kutozwa wa asilimia 3 ilipungua kwa kiasi kidogo kutoka KShs 12.3 bilioni mwaka jana hadi KShs 12 bilioni.

Hata hivyo, Kikundi cha EABL kinaendelea kuchangia kiasi kikubwa cha pesa kwa Serikali katika eneo hili, kilipolipa jumla ya KShs 27 bilioni katika mwaka huu wa kifedha ikilinganishwa na KShs 25 bilioni mwaka uliotangulia kupitia ushuru wa forodha, ushuru wa VAT na pia ushuru wa shirika, zote zikichukua asilimia 47 ya mapato ya jumla.

Uzalishaji

Kikundi cha EABL kilitoa KShs 2.4 bilioni katika uwekezaji wa rasilimali wa ziada na kuongeza uwezo wa utoaji na kuimarisha ubora wa bidhaa katika viwanda vyake vilivyoko Nairobi na Kampala ili kuimarish uwezekano wa Kikundi kukua hata zaidi katika siku za usoni. Mauzo ya East Africa maltings hayakupanda katika mwaka huu wa kifedha lakini uwekezaji katika mtama na aina mpya za shayiri vinaleta tumaini kuhusu hali ya usoni.

Licha ya gharama za juu za kawi, kiwanda cha Central Glass kilipata faida ya asilimia 19 zaidi ikilinganishwa na mwaka uliotangulia. Ongezeko la gharama ya mali ghafi lilisababisha matumizi ya juu ya vigae vya glasi na madini aina ya calumite, bidhaa zilizosaidia kupunguza gharama ya uzalishaji. Kiwanda cha Central Glass kinazidi kuhudumu bila shida yoyote na kunao mipango kabambe ya kujenga kiwanda kingine kipyaa. Biashara yetu nchini Uganda, ilipata faida kubwa kutokana na ongezeko la mauzo ya bia yaliyopitisha yale ya mwaka uliopita ya asilimia 13.9 licha ya changamoto nyingi katika mazingira ya kibiashara.



Mtambo wa kisasa wa kutengeneza pombe ulioko katika kiwanda cha Ruaraka, Nairobi

Ongezeko la uzalishaji lilitokana na kufaulu kwa kampeini za vinywaji vya Alvaro, Guinness, Tusker, Pilsner na President lager. Biashara yetu, licha ya hatari na changamoto zote, iliongezeka kwa asilimia 77 kwa ukubwa na asilimia 69 ya faida ya uzalishaji katika mwaka kwenye maeneo ya Maziwa Makuu. Kampeini kama vile udhamini wa hafla ya gofu ya Johnnie Walker Golf Classic, ilisaidia kuongeza faida ya bidhaa zetu, lakini ongezeko la ushuru dhidi ya mivinyo nchini Kenya, liliathiri mauzo. Kufunguliwa kwa ghala jijini Kigali, iliinua biashara yetu nchini Rwanda na Mashariki mwa Jamhuri ya Kidemokrasia ya Congo (DRC). Mivinyo maarufu ulimwenguni kama vile Johnnie Walker, J&B na Myers, ilizinduliwa kwa mara ya kwanza nchini Uganda kupitia kampuni ya Uganda Breweries Ltd.

Uwekezaji katika Watu

Watu wetu wanabakia kuwa mojawapo ya thamani kubwa katika kampuni yetu, hivyo tunazidi kusisitiza wito kwamba; 'Kampuni Moja, Utamaduni Moja' katika biashara yetu. Kupitia njia za kuinua uongozi katika watu pamoja na njia za kuboresha afya ya wafanyakazi, tunasaidia kukuza dhana ya 'wananchi wa EABL'. Mpango wa Diageo Africa Early Career programme, mipango ya kijamii, madarasa ya mazoezi, na elimu ya watu, zinasaidia kuinua utendaji-kazi miongoni mwa wafanyakazi kupitia ujenzi wa kampuni imara na yenye afya nzuri.

Uwekezaji katika vinywaji mbalimbali

Kampeini kadha na mauzo zimesaidia kuongeza nafasi yetu katika masoko pamoja na kuhamasisha watu kuhusu bidhaa zetu kadha katika mwaka huu. Njia hizo zilikuwa pamoja na udhamini wa Hafla ya Tano ya Gofu ya Kila Mwaka ya Tusker Open Golf, udhamini ya Timu ya Kitaifa ya Kandanda, Harambee Stars na hafla ya Raga ya Tusker Safari Sevens. Kampeini ya Pilsner IMARA na udhamini wa Guinness kwenye Ligi ya Kandanda ya Uingereza nchini Kenya na Uganda, zimesaidia kufanya bidhaa

hizo zijulikane katika masoko. Ongezeko la ushuru liliathiri mauzo ya vinywaji kama vile Senator na Kane Extra Golden, lakini kampeini pamoja na njia zingine-bunifu zilisaidia kukabiliana na athari hiyo. Mojawapo ya faida kubwa na iliyofaulu kwetu mwaka huu, ilikuwa kuanzishwa kwa kinywaji kisicho na pombe aina ya Alvaro, kilichokuja kwa ladha ya nanasi na pea. Kinywaji hicho kimefaulu kote nchini Kenya na Uganda. Ili kuinua mauzo, kinywaji cha Senator Keg kilipambwa na kupewa sura na jina mpya kikiitwa 'President' kwa muda wa miezi sita, ili kuwiana na uchaguzi wa Barack Obama kama Rais wa Marekani. Kampeini zingine za vinywaji kama Smirnoff na Malta Guinness pia zilifaulu.

Uwekezaji katika Jamii

Kwa upande wa masuala ya kishirika, kampuni ya EABL inazidi kuwekeza katika miradi ya kuwajibika kwa kijamii kupitia kwa Wakfu wake, EABL Foundation. Mpango wetu wa Maji ya Uhai yamewanufaidi watu 700,000 mwaka jana. Nchini Kenya na Uganda, Wakfu umesaidia miradi ya kuhifadhi maji ya mvua na ukenzi wa vyoo. Mpango wa Udhamini wa Masomo ya Juu ya EABL, ulidhamini wanafunzi 20, hivyo kufikisha 120 idadi ya wanafunzi ambao wamefaidika na mpango huu. Wanafunzi wengi wamefuzu kutoka vyuo vikuu na wanafanya kazi sasa katika kampuni mashuhuri nchini Kenya, Uganda na Tanzania.

mojawapo ya masuala yaliyopewa kipaumbele mwaka huu. Wafanyakazi wa EABL walisaidia kupanda miti 100,000 nchini Kenya na Uganda. Lengo letu ni kupunguza, matumizi tena za bidhaa jinsi inavyowezekana.

Unywaji wa Kuwajibika

Kipaumbele muhimu katika biashara yetu ni kuhakikisha wateja wetu wamefurahia vinywaji vyetu kwa njia ya kuwajibika. Katika mwaka huu, EABL ilijizatiti kuhamasisha watu kuhusu unywaji wa kuwajibika. Hii ilifanywa kupitia kampeini na mbinu mbalimbali.



Bia ya President Lager ikipakiwa katika chupa

Suala kuu ni kupunguza na kuzuia unywaji pombe kwa watu walio katika umri wa chini ya miaka 18. Kwa mfano, kuna kampeni iliyoanzishwa kwa kutumia magari ya teksi kwa njia ya mabango jijini Nairobi na Mombasa, kuwakumbusha madereva. Kampeni hiyo inajulikana kama 'someone for the road'. Kampuni ya EABL imetumia zaidi ya Ksh120 milioni kufanikisha kampeni hiyo ya unywaji wa kuwajibika.

Mwisho, tulibadilisha na kuchunguza upya maadili yetu ya kufanya biashara (Code of Business Conduct) katika mwaka huu na tukafanya kazi kuboresha njia bora za kibiashara miongoni mwa watu wetu wanaoongoza mikakati ya kibiashara.

Mikakati ya Uwekezaji

Mnamo Julai 16, 2009, EABL ilitia sahihi mkataba wenye masharti na wawekezaji wa kampuni ya Serengeti Breweries Limited. Mkataba huu utawezesha EABL kumiliki asilimia kubwa katika Serengeti Breweries, ambayo ndiyo kampuni ya pili kubwa ya kutengeneza pombe nchini Tanzania. EABL pia iliipa notisi ili kusitisha mkataba wake na Tanzania Breweries Limited ya kuuza pombe. Kufikia wakati ambapo ripoti hii inatolewa, masuala fulani yameibuka baina ya EABL na Tanzania Breweries Limited, ambayo yako mahakamani London, Uingereza. Huku tukisubiri kutoa tangazo la baadaye, Tanzania Breweries Limited inaendelea kuwa mtengenezaji pekee na muuzaji wa bidhaa za EABL nchini Tanzania.

Kazi

Majuzi, tulimuaga Mkurugenzi wetu Mkuu, Gerald Mahinda, aliyondoka EABL kutekeleza kazi nyingine katika Brandhouse, Afrika Kusini. Brandhouse, ni kampuni-mshirika wa kundi la kampuni zingine tatu za Diageo,

Heineken na Namibia Breweries Ltd. Tunamtakia mema Gerald anapoanza kazi yake mpya, ambayo ni sehemu ya usimamizi katika Diageo. EABL inamshukuru sana Gerald kwa kujitolea mhanga katika uongozi na huduma zake kwa EABL, na hakika, tutamkosa.

Hata hivyo, tunafurahia kumkaribisha Seni Adetu, afisa mkuu sifika na mashuhuri wa masuala ya kibiashara kimataifa na aliyekuwa Mkurugenzi Mkuu wa Guinness Ghana Breweries Ltd. Atahudumu kama Mkurugenzi Mkuu wa EABL. Karibu, Seni!

Shukrani

Nachukua fursa hii kuwashukuru wateja na washirika wetu wa kibiashara.

Mwisho, tungependa kushukuru usimamizi na wafanyakazi wote wa EABL kwa kujitolea ili kusaidia katika mwaka na wenzetu, wanachama wa Bodi ya Wakurugenzi. Ungana nasi tunaposherehekea mwaka mwingine wa uzalishaji na mafanikio wa EABL.

Kama kawaida, lengo letu ni kujenga kampuni imara, inayohudumia watu na inayowajibika zaidi. Bidhaa zetu imara pamoja na watu, zinatusaia kutimiza lengo hilo. Ungana nasi tunaposherehekea mwaka mwingine wa uzalishaji na mafanikio katika EABL.

**Jeremiah Kiereini
Mwenyekiti**

**Seni Adetu
Mkurugenzi Mkuu**



Kiwanda cha Tusker Brewery

Katika mwaka wa matumizi ya kifedha 2009, kiwanda cha Tusker Brewery kilizalisha pombe kwa kiwango cha 3.9MHL. Kampuni hii ilianzisha kiwanda kingine cha kutengereza chupa chenye uwezo wa kutayarisha chupa 80,000 kwa saa moja pamoja na mapipa sita ya pombe aina ya Dual Purpose, nne aina ya Bright Beer Tanks pamoja na kiwanda kingine cha ziada, kwa gharama ya Sh3.4 bilioni. Viwanda hivyo vilianzishwa Novemba 2008. Kutokana na hayo, kiwango cha uzalishaji kitaongezeka hadi 6.2MHL. Mtambo huo ni wa kisasa na utapunguza gharama ya uzalishaji na kuboresha bidhaa.

Ajenda ya Gharama ya Bidhaa zilizouzwa (COGS) iliathiriwa pakubwa na hali ya uchumi iliyoathiri pia mali ghafi zote. Shayiri na pombe, mafuta ya kuendesha mashine pamoja na umeme, zote ziliathiriwa. Kampuni hata hivyo ilikabiliana na hali hiyo kwa kuzindua mbinu za kupunguza gharama na usimamizi, kama hatua ya kusaidia biashara kutoathiriwa na hali hiyo. Matumizi ya mtama kama mali ghafi pia yalisaidia kupunguza gharama. Viwanda vya Kenya na Uganda, vinazidi kuwa muhimu kuendesha kazi ya utengenezaji bidhaa na mbinu za kibiashara. Hatua hii itainua mpango wetu wa kutengeneza bidhaa kuwa Nzuri zaidi.

Kiwanda cha East African Maltings

Mwaka wa matumizi ya kifedha 2009, ulikuja na changamoto kadha kwa kiwanda cha East African Maltings Ltd (EAML). Kama biashara inayotegemea msingi wa kilimo, ghasia za baada ya uchaguzi mkuu na kiangazi, ziliathiri uzalishaji wa mtama. Athari kama hizo pia ziliripotiwa katika maeneo mengine yanakokuzwa nafaka humu nchini. Operesheni zetu ziliathiriwa na ukosefu wa nafaka, hivyo kusababisha kushuka kwa kiwango cha uzalishaji. Ili kukabiliana na hali hiyo, tuliagiza kutoka nje, asilimia 40 ya mtama na mahitaji yetu mengine ya pombe, huku tukitumia nafasi ya mpango wa serikali wa ulipaji ushuru dhidi ya bidhaa zilizoagizwa kutoka nje kwa mwaka moja hadi Septemba 2009.

Ili kuinua kiwango cha uzalishaji wa mtama, tuliendelea kujaribu matumizi ya aina mbalimbali ya zao hilo, kwa usaidizi wa kampuni ya Syngenta E.A Ltd. Tunaamini mazao hayo hayatasaidia pekee kuinua hali ya mavuno mashambani, bali pia yataimarisha uzalishaji wa bidhaa zetu. Mpango huu uko katika awamu yake ya pili na faida tayari inaonekana.

Nchini Kenya na Uganda, tumeanza kukuza mtama kama mali ghafi ya utengenezaji wa pombe. Zao hili lina uwezo mkubwa wa kukuzwa katika eneo la Afrika Mashariki kwa kuwa linafanya vizuri katika maeneo kame, ambayo kwa wakati huu, hayana shughuli



Uchunguzi wa ubora



Mapipa ya utumizi mbalimbali yaliyoko katika kiwanda kilichoko nchini Uganda

za kiuchumi. Punde baada ya kuidhinishwa kabisa, matumizi ya mtama yatainua uchumi katika maeneo yatakayopandwa. Mauzo katika mwaka huu yalibakia tani 64,000 yakilinganishwa na mwaka uliotangulia.

Shughulii katika EAML zinazidi kufanyika katika mazingira yanayoipa kipaumbele masuala ya ubora, uhifadhi wa mazingira, usalama wa chakula na afya, pamoja na usalama katika uendeshaji kazi na usimamizi kuambatana na matarajio ya ubora ya vyeti vya kimataifa vya ISO 9001, ISO 14001, ISO 22000 na OHSAS 18001 mtawalia. Mbali na hayo, katika mwaka wa matumizi ya kifedha ya 2009, tuliweza kupunguza ajali za viwandani kwa asilimia 80 ikilinganishwa na mwaka wa 2008. Hii, pamoja na asilimia 100 LTO ya ukaguzi, ilitupa hatua kubwa katika kubuni mazingira ya kikazi yasiyo na athari kubwa kwa wafanyakazi.

KIWANDA CHA CENTRAL GLASS

Kiwanda cha Central Glass kilisherehekea mwaka wake wenye faida kubwa iliyokua kwa asilimia 19 dhidi ya mwaka uliotangulia, licha ya changamoto kadha. Gharama ya kawi iliongezeka katika mwaka huo, hivyo kusababisha ongezeko katika gharama ya mali ghafi, haswa madini ya soda ash. Tulikabiliana na gharama kubwa ya uzalishaji kwa kutumia vigae vya glasi na madini ya calumite ili kusaidia katika shughuli ya uchomaji. Tuliweza kupata mali ghafi safi ya cullet kutoka kwa maeneo ya kutupa taka nchini Uganda pamoja na kiwanda chetu cha

kutengeneza chupa nchini Kenya. Matumizi ya cullet pia yanatusaidia kulinda mazingira.

Aidha, tuliweza kununua mashine mpya aina ya (VSD) compressor, iliyo na nguvu na uepesi zaidi, ili kuchukua nafasi ya ile ya zamani aina ya V-block.

Mbali na hayo, tulijizatiti kuinua ubora kwa kuweka kifaa kuu cha ukaguzi, hususan aina ya "bottom inspector cum-mould reader" inayotumia njia ya kisasa ya kiteknolojia na inayotumia mtindo wa (OLT) iliyo na uwezo wa kukagua makontena kila wakati.

Kiwanda hiki kinazidi kufanya kazi yake jinsi inavyohitajika, kukiwa na changamoto. Kunao mipango ya ujenzi wa kiwanda kipya. Hali ya usoni ni nzuri kwa matumizi ya glasi kama bidhaa ya kuhifadhi vinywaji na tunazidi kuwa mshirika wa kuiletea kampuni ya EABL mapato ya kigeni.

KIWANDA CHA POMBE CHA PORT BELL

Licha ya mazingira yenye changamoto tele, jumla ya uzalishaji wa bia ilizidi mauzo ya mwaka jana kwa asilimia 13.9. Ongezeko hilo la uzalishaji mnamo 2009, lilisababishwa na mauzo ya pombe aina ya Bell Lager (4.2), Pilsner (33.9), Guinness (39) na Senator (9).

Uzalishaji huo ulifaulu kutokana na kampeini iliyofaulu kwa kuanzishwa kwa vinywaji kama vile Alvaro, chupa mpya ya Guinness, Tusker Lager, kampeini mpya ya kutangazia bia ya Pilsner na President Lager.

Mwaka wa matumizi ya kifedha 2009, ulihusisha kuanzishwa kwa mikakati ya kibiashara ili kuimarisha mauzo ya mivinyo na kuhakikisha kupanuliwa kwa biashara yetu katika maeneo ya Maziwa Makuu. Hatua hii ilisaidia East Africa Breweries kutimiza lengo lake la kuwa muuzaji na mtengenezaji wa vinywaji katika eneo la Afrika Mashariki.

Biashara yetu hata hivyo ilipata changamoto mbalimbali katika mwaka. Biashara katika maeneo ya Maziwa Makuu ilinairiri kupita kiasi, haswa mauzo mengi katika Sudan Kusini (SOS). Katika masoko yaliyoko Afrika Mashariki, tuliifunga bohari jijini Kigali ili kuhudumia masoko yaliyoko Rwanda na kusini mwa Jamhuri ya Kidemokrasia ya Congo (DRC). Tuliifanya kazi kuhakikisha masoko yamejulikana. Kwa jumla, tulipata asilimia 77 katika uzalishaji na faida ya asilimia 69 katika masoko hayo.

Mivinyo

Mauzo ya mivinyo nchini Kenya yalianza mwaka vizuri na kuimarika kwa asilimia nane katika miezi sita ya kwanza ikilinganishwa na wakati kama huo mwaka uliopita. Shughuli mbalimbali zilisaidia katika ukwaji huu. Kuimarishwa kwa kampeni ya kuhakikisha mvinjo wa Johnnie Walker umeonekana meza ni 'bottle on the table', pakiti za zawadi pamoja na kampeni ya Richard National Consumer Promotion, zilisaidia. Tulihamini pia mashindano ya gofu, Johnnie Walker Golf Classic, ambapo washindi walidhaminiwa katika safari ya kwenenda katika mashindano ya gofu, Asia, Asian Johnnie Walker Classic jijini Perth, Februari 2009. Mnamo Novemba, Serikali ya Kenya iliweka sheria mpya ya ushuru, iliyoathiri bei za bidhaa zetu, (wastani wa asilimia+60). Hii ilithiri mauzo yetu kuwa baadhi ya wateja walishindwa kutokana na bei za juu. Hali hii ilithiriwa zaidi na bajeti ya Juni, kwa ongezeko la bei kwa kiwango cha asilimia 50.

Hata hivyo, mivinyo iliyouzwa nchini Uganda havikuathiriwa na ushuru. Vinywaji mashuhuri humo, kama Uganda Waraji na V&A vilisaidiwa na kampeni kabambe na mauzo. Vinywaji mashuhuri vya kimataifa kama vile Johnnie Walker, J&B na Myers, vilianza kuuzwa kwa mara ya kwanza Julai, kupitia Uganda Breweries Ltd hadi masoko.



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Kwa msururu wa miaka hii, Tusker Malt Lager imekhamini mashindano ya gofu Afrika (Africa premier golf). Mashindano yaliandaliwa majuzi katika uwanja wa Muthaiga Golf Club na yalisaidia kuleta pamoja wachezaji wa kimataifa pamoja na wale wa kutoka Kenya. Tusker Malt Lager ilibaki kuwa kinywaji maarufu katika kiwango cha Premium nchini Uganda, ikikuwa kwa asilimia 6.6 katika mwaka. Kinywaji hicho kilidhamini hafa ya usiku ya muziki wa Jazz, ambapo mwanamuziki mkongwe Miriam Makeba na Isiah Katuma kutoka Uganda, walishiriki pamoja na mashindano ya Inter Regional Golf Tournament. Tusker Lager ilitangaza udhamini wa Ksh23

Tusker

Mwaka huu, tufifaulu katika mauzo na kampeni ya baadhi ya bidhaa zetu kama vile, Tusker, Pilsner, Guinness, Senator na bidhaa zetu kama vile, Tusker, Pilsner, Guinness, Senator Keg, Alvaro, Malta Guinness na Smirnoff. Mashindano ya kitalanta, spoti na zawadi za papo kwa hapo, zilisaidia kupata masoko na kuhakikisha bidhaa hizi zimekuwa maarufu miongoni mwa wateja. Hali ngumu ya kiuchumi na ongezeko la ushuru hata hivyo ilithiri mashindano ya baadhi ya bidhaa zetu. Hata hivyo, kampeni kabambe zilizowalenga wateja wenye mapato ya chini, ziliimarisha uzaji wa vinywaji kama Senator na Kane Extra.

MAUZO

Mshindi wa shindano la Tusker Bambika akipokea zawadi yake



milioni kwa timu ya taifa ya kandanda, Harambee Stars, ili kuwapa wachezaji motisha ya kushiriki katika mashindano ya mchujo wa fainali za 2010 FIFA World Cup finals na 2010 Africa Cup of Nations. Mashindano ya michezo, "Tusker Milili Na Marafiki," pia yalisaidia kuwaleta pamoja marafiki wanywaji wa Tusker, ilhali shoo ya "Bambika Na Tusker" iliwapa zawadi watumizi wa njia za teknolojia, nafasi ya kushinda Ksh5 milioni. Kwa miaka 14, Tusker ilidhamini mashindano ya raga ya Tusker Safari Sevens, Nairobi. Mwisho, Taasisi ya Tusker Academy iliwapa matunzo wauzaji. Tusker Lager pia ilianzishwa katika masoko nchini Uganda na ilipokelewa vyema. Bidhaa hii inaonyesha kuimarika katika masoko.

Pilsner

Mashindano ya Ma-DJ ya Pilsner Mfalme yaliwaleta pamoja Ma-DJ kutoka Kenya na Uganda katika mashindano ya mabaa yaliyosaidia kuimarisha umaarufu wa kinywaji hicho. Mashindano hayo yalitangazwa katika mojawapo ya gazeti moja la kila siku. Kampeni ya Pilsner IMARA pia yalisahamiri kukiwa na wanywaji wa kinywaji hicho, wakionyesha katika televisheni, magazeti, radio, na mabango ya matangazo. Bidhaa hii pia ilidhamini mashindano ya densi maarufu kama 'Passa Passa' nchini Uganda, ambapo watu wazima kadha walishiriki.

Kama mdhamini wa mashindano ya kandanda ya Uingereza, English Premier League, Guinness imekuwamaarufumiongoni mwa wateja nchini Kenya na Uganda. Kinywaji hiki kilisherehekea miaka 250 tangu kuanzishwa kupitia kampeni mpya, ili kuhakikisha kinabaki na umuhimu wake. Chupa ya Guinness ilibadilishwa kuambatana na kiwango cha kimataifa na cha kisasa huku pombe ya 300mL na Guinness 500mL, pia zitakuwa na sura mpya, kuthihirisha mahitaji ya wateja na masoko

Senator

Umaarufu wake pia uliongezeka. Mnamo Novemba 2008, ongezeko la bei kwa asilimia 33 lilisababisha mauzo kushuka kwa asilimia 40. Ili kukabiliana na suala hili, EABL ilianzisha kampeni murwa ya kuwapa motisha wauzaji Senator Keg ili kuza zaidi katika maduka yao. Maduka hayo yako katika masoko yasiyokuwa na muundo-msingi bora, haii duni ya usafi na uwekezaji wa kiwango cha chini, na masuala hayo yanaeleza jinsi mabaa yaliyoko yanawauzia wateja Senator Keg. Kutokana na hayo, Senator Keg ilizindua mpango wa ufanyakazi wao na kuboresha maeneo hayo. Senator Keg pia

Licha ya Senator kukumbwa na mashindano makali, bidhaa hiyo ilirekodi ukuaji wa asilimia 9 nchini Uganda mwaka huu. Shughuli zilizusha hafa za masoko kama vile washindi kupewa baiskeli na taa. Maduka zaidi ya Senator Keg yalifunguliwa kote nchini huku mabango yakikweka katika maeneo husika kuwajulisha wananchi na wateja kuhusu kinywaji hicho.

BELL LAGER

Bell Lager, ilikuwa vizuri licha ya changamoto zilizotokana na hali ngumu ya kiuchumi. Bell Lager ilimaliza mwaka ikimiliki asilimia 23 ya masoko na mauzo ya asilimia 4 katika mwaka uliotangulia. Kinywaji hiki kilibaki kuwa mashuhuri kwa wateja kupitia hafa kama vile Eklide Consumer promotion, ambapo wateja walikabidhiwa zawadi kama petroli, mboga na matunda. Kinywaji hiki aidha kilidhamini hafa maarufu ya kijamii, PAM awards, iliyowapa wateja fursa ya kunywa bia yao maarufu huku wakicheza densi kupitia muziki wa wasanii wao maarufu. Hafa ya kila mwaka ya Mfalme wa Buganda, Enkuka, iliyoshirikisha wateja, pia ilidhaminiwa na bia ya Bell Lager, na kuhudhuriwa na karibu watu 20,000. Kinywaji hiki pia kilitangazwa kupitia mabango barabarani na kampeni wakati wa kipindi cha pili cha mwisho wa mwaka. Ili kuhakikisha wateja wamefahamu ubora wa kinywaji hiki, bango maalum aina ya "4 senses" lililwekwa katika kipindi cha robo tatu na nne za mwaka. Maeneo 40 pia yalitambuliwa kila wiki kwa kampeni aina ya "Bell theme nights".

Smirnoff

Kampeni maarufu ya kinywaji hiki ilitekelezwa kupitia vyombo vya habari mnamo Agosti 22, 2008. Washiriki 5,000 walishiriki katika hafa ya kimuziki na kiteknolojia ya kisasa ya sauti murwa na taa, iliyoshirikisha Ma-DJ wa kimataifa.



Ofisi ya UBL Kampala





Malta Guinness na Alvaro

Malta Guinness ilizindua kampeni yake katika mwaka, iliyowaleta pamoja watatu wa kinywaji hiki kusaidia kueneza umuhimu wa vitamini na madini ya iron katika kinywaji cha Malta Guinness na suala kwamba kinywaji hicho hakina pombe. Kampeni hiyo ilisaidia katika mauzo.

Alvaro ilizinduliwa katika mwaka jijini Nairobi, Kenya na Kampala, Uganda. Kinywaji hiki kisicho na pombe, kinauzwa kwa ladha za nanasi na pea, na kimepokelewa vizuri na wateja.

Uzinduzi

Mvivyo ndiyo imepata ushindani mkubwa katika masoko huku bidhaa hizi zikiwalenga wateja wenye mapato ya chini watakaojumisha asilimia 70 ya bidhaa zinazouzwa. Hata hivyo, ongezeko la ushuru mnamo Desemba 1, 2008, ilisababisha bei ya kinywaji maarufu cha Kane Extra Golden, kuongezeka kutoka ksh80 hadi ksh135. Kutokana na hayo, Kane Extra ilipoteza idadi kubwa ya wateja katika masoko, lakini EABL mara moja ilikabiliana na suala hili kwa kuzindua vinywaji vya bei rahisi, Kane Extra Special na Kane Extra Classic, vyote vinavyouzwa kwa ksh95.

EABL pia ilianzisha kinywaji cha President Lager katika mwaka ili kusherehekea ushindi wa Barack Obama kama Rais wa Marekani. Kinywaji cha Senator kilipewa jina "President" hatua iliyosaidia kuinua mauzo na umaarufu wake.



Washindi wa Malta
Street Dance

Kampuni moja, Utamaduni Moja

Kama biashara inayohusisha taasisi mbalimbali za kibishara, umoja na mwelekeo wetu ni muhimu. Katika mwaka uliopoita wa matumizi ya kifedha, tuliweka mikakati ya kubadilisha sura yetu iliyoimarisha kazi yetu kwa jumla kama biashara. Tutazidi kufanya kazi kwa pamoja tunapoelekea mwezi mwingine wa matumizi ya kifedha, ili wafanyakazi wote wahisi kwamba wako katika kampuni moja, EABL. Tutahakikisha kufaulu kwa dhana ya kuwa wananchi halisi wa EABL, ili kufaulu kama watu binafsi na biashara kwa jumla.

Uongози

Ubora katika uongози wetu ndio utazidi kutupa kipaumbele na kuwa mbele dhidi ya washirika wengine katika biashara hii na kukua talanta. Mwaka uliopoita, tulisisitiza kutoa mafunzo kwa viongozi wetu katika ngazi za juu na kuwaleta wakufunzi kutoka nje ili kuwapa ujuzi wa uongози. Shughuli hii itazidi katika mwaka ujao, tukitambua kwamba kila mfunyakazi anahitaji mwenja mzuri na kitovu kikuu chetu ni uongози bora unaonyesha jinsi kampuni yetu ni imara na itazidi kuboresha kazi na huduma zake.

Talanta

Talanta katika kampuni hii itazidi kusaidia na ndio thamani yetu kubwa. Tunazidi kuwekeza katika maendeleo, tukitambua kwamba ujuzi wetu wa uongози na kifedha uko mbele kushinda wapinzani wetu, basi hakuna anayeweza kutupa changamoto. Tutazidi kukua na kuendeleza vipawa katika biashara yetu, kama mojawapo ya mipango ya Diageo Africa Early Career programme. Kwa wakati huu, tunapanua mpango huu kuambatana na misingi ya Kiafrika, inayoahidi kuboresha maendeleo ya makurutu wetu wanaofuzu kutoka vyuo. Mpango wetu wa uridhi wa afisi za ngazi za juu, utaweka kipaumbele masuala ya talanta na ujuzi kama mojawapo ya ajenda yetu kuu. Masomo na ukuaji wa talanta yatazidi kukuzwa katika Taasisi ya Tusker Academy pamoja na njia zingine za masomo kupitia mtandao katika kampuni.

Huduma bora na haraka katika kampuni

Katika mwaka wa matumizi ya kifedha 2009, tulifanya mabadiliko katika mwaka wa matumizi ya kifedha 2009, tulifanya mabadiliko katika kampuni ili kuboresha huduma kwa njia bora na kwa haraka katika shughuli zetu zote na taasisi-shirika zetu zote. Hatupangi kufanya mabadiliko ya haraka katika mwaka ujao, lakini tutazidi kuimarisha kazi zetu ili kubaki mbele ilhali uongози bora, maadili na utendaji- kazi zikitwa maanani. Njia yetu ya



Wafanyakazi wa EABL wakiwa katika warsha ya kupanga mikakati

Wafanyakazi wa EABL wakiwa katika kikao cha hamasisi kuhusu usalama kazini



Uongozi bora

Kufanya kazi, 'tahi, haraka, bora zaidi' itatuwezesha kufikia masoko yetu haraka na njia inayotakikana. Kuao dhiriho ya dhana kwamba njia yetu ya kufanya biashara huenda iliwaathiri wafanyakazi wetu haswa kuhusu masuala ya kutosheka kikazi, suala ambalo tutahakikisha limeshughulikiwa ipasavyo katika mwaka ujao. Huduma zetu za haraka na bora pia zitatusaidia kuimarisha biashara na kutuwezesha tubaki mbele.

Maslahi ya Wafanyakazi

Kampuni yetu inazidi kuamini katika uongozi mzuri na kuambua kama msingi thabiti katika biashara. Mfumo wa maadili ya kikazi uliofanywa marekebishi majuzi, unasitiza kuwa kila mfunyaka anapaswa kuelewa bayana maadili ya kazi na anayotarajiwa kufanya kazi.

Usalama

Usalama kazini ni jambo limepewa umuhimu mkubwa na EABL na mwaka uliopita wa kifedha hali iliimarika invodhihishwa na uchache wa visa vya ajali. Tuliota mafunzo kote katika biashara yetu kwa kuwahamasisha wafanyakazi wote kuhusu mbinu na sera za kuhakikisha usalama. Pia tulishughulika usalama wa wanakandarasi ambao tumewahusisha katika sera zetu za usalama. Kutokana na kanuni zetu thabiti kuhusu usalama, tulipata matokeo bora sana na hasa Uganda ambako muda haukupotezwa kutokana na ajali (LTA) mwaka uliopita.

Kampuni hii inazidi kushiriki katika maslahi ya wafanyakazi wake kupitia njia mbalimbali na huduma. Kwa mfano, Club 2010 imeanzishwa kama ukumbi wa kijamii katika Kituo cha Kijamii utakaohudumu kando ya Lyfestyle Bar, katika kiwanda chaTusker Brewery, kama eneo la wafanyakazi kukaa pamoja kila Juma



Wanachama wa kikundi cha mazingira cha E-Green baada ya upanzi mti uliofana kule Ndakaini - Kenya

WAKFU WA EABL

Maji ya Maisha

Wakfu wa EABL ulizidi kushiriki katika miradi ya usafi katika mwaka na kusaidia karibu watu zaidi ya 700,000 maeneo husika.

Nchini Uganda, Wakfu huo ulimaliza ujenzi wa tenki ya kusetiri maji ya mvua katikati mwa jiji kuu la Kampala. Mradi huo ulizinduliwa na msanii maarufu, Shaggy, wakati wa ziara yake Kampala. Miradi mingine ni pamoja na ujenzi wa tenki kama hiyo Tarafa ya Nakawa pamoja na kituo cha afya cha kiswa na masoko ya Kitintale na Luzita.

Wakfu wa EABL pia ulidhamini ujenzi wa tenki ya kusetiri maji ya mvua katika zahanati ya Kampala. Vidimbwi kadha vya maji pia vilijengwa pia kaskazini mwa Uganda. Mradi huo ulitekelezwa na kundi la Africare na unafidisha zaidi ya watu 90,000 maeneo ya Teso, Uganda.

Ujuzi wa Maisha

Wakfu huo uliendelea kudhamini Mpango wa Masomo wa EABL katika mwaka uliopita wa matumizi ya kifedha. Wanafunzi 20 walipata udhamini wa masomo ya juu, hivyo kuifikisha 120, idadi ya wale waliofaidika na udhamini huo tangu uanzishwe. Wanafunzi wengi wamefuzu huku baadhi yao wakifanya kazi katika mashirika mashuhuri. Mfano, Lilian Sifael alifuzu kutoka Chuo kikuu cha Mzumbe, Tanzania, akiwa na Shahada ya Digri!

Mazingira

Naye Edward Kyomuhendo, alifuzu kutoka Chuo kikuu cha Kyambogo, Uganda kwa Shahada ya Sayansi, Uhasibu na katika Uhasibu na Masuala ya Kifedha. Anafanya kazi sasa katika Halmashauri ya kukusanya Kodi na Ushuru ya Tanzania.

EABL inazidi kushiriki katika utunzaji wa mazingira eneo hili. Kupitia mradi wa wafanyakazi wake, 'EGT' (EGreen Team), zaidi ya miti 100,000 ilipandwa maeneo mbalimbali. Maeneo hayo ni pamoja na Mpiigi, Kasubi na Nabitalo nchini Uganda. Nchini Kenya, wafanyakazi hao walipanda miti Nakuru, vidimbwi vya maji vya Sasumua na Ndakaini pamoja na maeneo ya Aberdares. Agenda ya Green Goals imezidi kupewa kipaumbele katika lengo letu la kutimiza matakwa ya '3Rs' - Reduce, Reuse na Recycle.

Matumizi baadaye ya bidhaa kuu kuu

Mradi maalum umo ambapo vibandiko vya bia vinatumika kuzalisha kawi. Mabaki hayo yanatumika kama mafuta ya kuendesha mabomba na maeneo ya uchomaji ili kuzalisha kawi kwa njia ya mvuke. Mradi huu unanunua kutumia mabaki yanayotokea kiwandani ili kutumika tena kuzalisha kawi. Matumizi tena ya mikebe aina ya aluminium ili kuteengeza vyombo vya jikoni, pia ni mradi unaotekelezwa. Shughuli zote za EABL zinahitaji kwamba mikebe yote iliyotumika, inakusanywa, kuhifadhiwa na kutayarishwa tena kwa matumizi ya baadaye.

Upunguzaji

Mradi wa upanzi wa miti wa 'Mazingira' unasaidia EABL kupunguza moshaji ya sumu aina ya carbon, kukiwa na zaidi ya miti 10,000 iliyopandwa katika kiwanda cha kugema pombe. Katika shughuli zake zote za kibidha, EABL inajitititi kupunguza mabaki ya vifaa vyake.



'We ID' ni mpango wa kitaifa unaokabiliana na suala la unywaji wa pombe miongoni mwa watu wasiofikisha umri rasmi wa miaka 18. Mpango huu unajumuisha uwekaji wa mabango katika maduka ya kuza pombe, yanayokumbusha wenye maduka kwamba "hatuzi pombe kwa watu walioko chini ya umri 18". Zaidi, mpango huu unahusisha upaanaji wa mafunzo kwa wauzaji maeneo hayo, kuthibitisha umri wa watu wanaoonekana kuwa wachanga katika maeneo hayo. Kufuatia mafunzo katika maeneo 500 jijini Nairobi mwaka uliopita, mafunzo ya maeneo mengine 700 magharibi mwa Kenya,

Mpango wa We-ID

Katika msimu huo, EABL pia ilianzisha mabango Nairobi na Mombasa kuwakumbusha watumizi wa pombe kwamba njia pekee ya kupunguza ajali na kuhudumiwa na dereva asiye kunywa. Taarifa kama 'Designate yourself. Be the hero, be someone for the road' yalikuwa baadhi ya mabango yaliyowekwa katika sehemu za barabara kwenye miji hiyo.

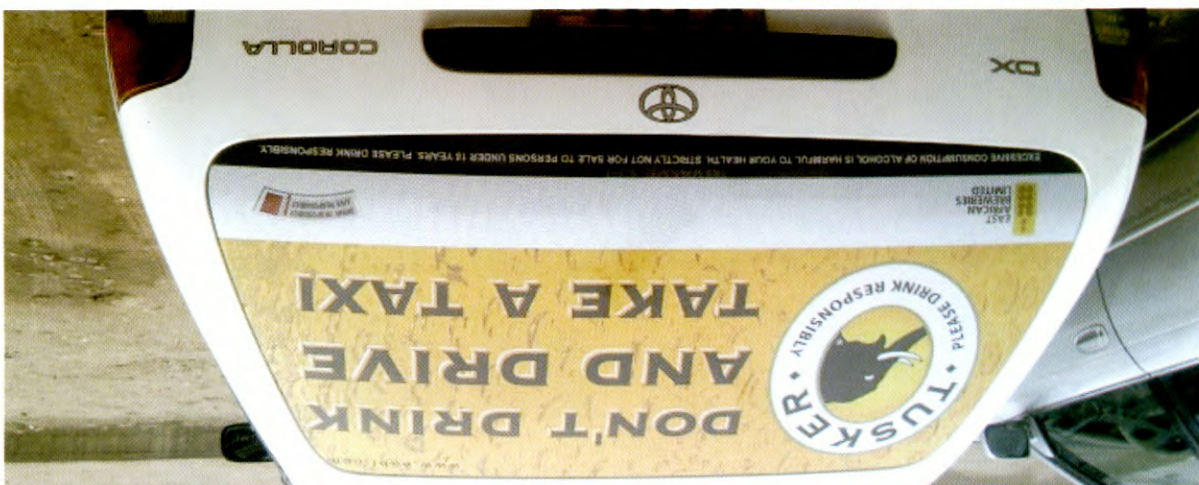
mitaa ya Nairobi West na Westlands. pombe kwa wingi hususan katikati mwa jiji la Nairobi, Jumla ya teks 133 zilishiriki katika maeneo ya unywaji cab'and 'Party Tonight? ... Do the right thing: Take a Taxi; kuwajibika 'One too many... Do the right thing... Get a teks vifaa vya kuhamasisha watu kuhusu unywaji wa Wakati wa msimu wa likizo, EABL iliwapa waendeshaji

wenye umri wa miaka ya chini ya 18. Mojawapo ya masuala yanayopewa kipambule ni kupunguza unywaji wa pombe miongoni mwa vijana kuwapa wateja wake mafunzo kuhusu suala hili.

EABL imefanya mikakati ya kuhamasisha umma kuhusu umuhimu wa unywaji wa kuwajibika. Kampuni hii imetumia mamilioni ya pesa katika miaka iliyopita,

Unywaji wa kuwajibika

Teks iliyo bandikwa ujumbe unaotahadharisha dhidi ya kuedesha gari baada ya kunywa



mikoa wa Kati na Pwani, yanaendelea kwa wakati huu. Nchini Uganda, mpango wa 'We ID' ulizinduliwa jijini Kampala kabla ya shamrashtara za msimu wa Pasaka. Kampuni hiyo ilifaulu kwa kuwashirikisha washika-dau kama polisi, walioisitiza ni makosa kuza pombe kwa watu walio katika umri wa chini kuambata na kifungu cha 21 katika Sheria ya Leseni ya Pombe, Sehemu ya 30. Serikali ya Uganda ilishuruku UBL kwa kuanzisha kampeni hiyo ikisema itasaidia kupunguza visa hivyo.



Kampeni katika vituo vya petroli

Kama thibitisho ya kujitolea kwake kuwepo kwa unywaji wa kuwajibika, EABL imetumia ksh10 milioni kwa ushirikiano na kampuni ya Caltex, kuzindua mpango wa "Don't Drink & Drive" katika vituo vya petroli vya Caltex. Vituo vingi kama hivyo vimekuwa maeneo mazuri ya kupitisha ujumbe huo kuhusu unywaji wa kuwajibika. Jumla ya vituo 70 vya Caltex vimewekwa ujumbe huo kote nchini. Mikakati mbalimbali kuhusu kampeni hii imekuwa ikiendesha nchini Kenya na Uganda tangu Septemba 2004. EABL imetumia zaidi ya ksh120 milioni kufikia leo ili kutekeleza kampeni hii.

DIRECTORS

JG Kiereini	
N Blazquez*	
S Adetu**	
R Kemoli	
A Ndegwa	
EK Mwaniki	
W Kiboro	
P Ndegwa	
GK Mahinda	
A.Shonubi ***	Appointed 16 July 2009
C.Gakonyo	Appointed 16 July 2009
WS Kalema***	Resigned 27 May 2009
W Mugane	Resigned 27 May 2009
*British	*** Ugandan
** Nigerian	

SECRETARY

Agnes Murgor (Mrs)
Corporate Centre
Ruataka
PO Box 30161
00100 Nairobi, GPO

AUDITOR

KPMG Kenya
16th Floor, Lornho House
Standard Street
PO Box 40612
00100 Nairobi, GPO

ADVOCATES

Kaplan and Stratton Advocates
Williamson House
4th Ngong Avenue
PO Box 40111
00100 Nairobi, GPO

SHARE REGISTRARS

Custody & Registrar Services Limited
6th Floor, Bruce House
Standard Street
PO Box 8484
00100 Nairobi, GPO

PRINCIPAL BANKERS

Standard Chartered Bank Kenya Limited
Kenyatta Avenue Branch
PO Box 30001
00100 Nairobi, GPO

Commercial Bank of Africa Limited
CBA Building
Wabera/Standard Street
PO Box 30437
00100 Nairobi, GPO

Citibank NA
Citibank House
Upper Hill Road
PO Box 30711
00100 Nairobi, GPO

Barclays Bank of Kenya Limited
Barclays Plaza
Loita Street
PO Box 30120
00100 Nairobi, GPO

REGISTERED OFFICE

East African Breweries Limited
Corporate Centre
Ruataka
PO Box 30161
00100 Nairobi, GPO



Jeremiah G. Kiereini EGH, EBS, SS - Group Chairman (80)

Mr. Kiereini was appointed Chairman of the Board 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, the main ones being Unga Group Limited, CMC Holdings group of companies, CFC Stanbic Bank Limited, Heritage Insurance Company and CFC Life Insurance Company.



Wilfred Kiboro
— Non Executive Director (65)

Mr Kiboro serves on the boards of Nation Media Group, Standard Chartered Bank, Greening Kenya Trust and is the Chairman of Wilfly Investments Limited. He has worked with Rank Xerox and in various capacities within Shell and Esso He holds a Bachelor of Science degree in Civil Engineering from the University College of Nairobi.



Evanson Mwaniki
— Non Executive Director (71)

Mr. Mwaniki joined the Board in 2000. He is a reputable business leader in Kenya and has had extensive experience both locally and internationally. He is the chairman of British American Tobacco (Kenya) Limited, Kenya Airways and a director of Lion of Kenya Insurance Company and East African Packaging Industries Limited. He holds a Bachelor of Arts Degree from the University of London.



Andrew S. Ndegwa
— Non Executive Director (41)

Mr. Ndegwa joined the Board 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 Limited (FCS), 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 NLC Bank Limited and Unga Group Limited.



Agnes Murgor
— Legal Counsel/Company Secretary (46)

Mrs Murgor is a lawyer by profession and holds a Bachelor of Laws Degree from the University of Buckingham. She was admitted to the Roll of Advocates in 1987, and began her career at Hamilton Harrison and Matthews Advocates after which she served as a State Counsel in the Attorney General's Chambers in the treaties and Agreements Department. At the time of her appointment, she was a partner in the firm of Murgor and Murgor Advocates. She is an Advocate of the High Court of Kenya and a member of the Law Society of Kenya and the Institute of Certified Public Secretaries of Kenya.



Richard Kemoli HSC
MBE - Non Executive Director (74)

Mr. Kemoli has been a member of the Board since 1996. He has over 36 years of experience both locally and internationally. He had a long and successful career with Commonwealth Development Corporation where he worked for 33 years before retiring. In recognition of the contributions he has made over the years, he was made a Member of the Order of the British Empire (MBE) in 1995. He has held directorships several private and public sector institutions and is currently Chairman of Lafarge Bamburi Cement Limited, Unga Group Ltd., and is a director of CMC Holdings Limited, Kakuzi Limited and Johnson Wax (EA) Limited, among others.



Seni Aдетu (Nigerian) – Group Managing Director (46)

Mr. Seni Aдетu was appointed Group Managing Director, July 1, 2009. Prior to this appointment, Mr. Aдетu worked as Managing Director/Vice Chairman, Guinness Ghana Breweries Limited (GGBL); a Diageo subsidiary. Mr. Aдетu joined Diageo in 2006, after a highly successful 14-year career at Coca-Cola, where he held a number of senior positions including General Manager, Marketing Director and Commercial Director, and worked in Nigeria, Ghana and Kenya. Mr. Aдетu, who was a non-executive director on the Board before his appointment as Group Managing Director, is a Chemical Engineering graduate of the University of Lagos (Nigeria), and holds a post-graduate degree, M.B.A (with specialization in marketing) from the same University.



Dr. Nick Blazquez (British) -Group Deputy Chairman (48)

Dr. Blazquez was appointed as a director and Deputy Chairman of the University of Aberdeen and a Ph. D from the University of Bristol. He is company in August 2005. He holds a Bachelor of Science from the University of Aberdeen and a Ph. D from the University of Bristol. He is the Managing Director of Diageo Africa, and has recently been appointed Chairman of the Private Investors for Africa.



Gerald K. Mahinda MBS
— Non Executive Director (50)

Mr. Gerald Mahinda moved to South Africa as Managing Director of brandhouse, a joint venture between Diageo, Heineken and Namibia Breweries Ltd with effect from 1 August 2009 after successfully leading East Africa Breweries (EABL) for over ten years. He joined EABL as the Group Finance and Strategy Director in 1999. He became Group MD in 2004, following a short tenure as Strategy and Change Director of Guinness Nigeria Plc. Before joining EABL he worked for Standard Chartered Bank as Executive Director, Finance with responsibilities for Kenya, Uganda and Tanzania. He has served as Head of Finance for AIG (General) covering Kenya, Uganda and Zimbabwe. He holds a Bachelor of Commerce Degree from the University of Nairobi and is a Certified Public Accountant (Kenya).



Peter Ndegwa –
Group Finance Director (40)

Mr. Ndegwa's experience span sales, strategy, business advisory and finance in a variety of sectors including retail, manufacturing, banking and insurance and general services. He joined EABL as Head of Group Strategy in January 2004 and was later appointed Change Director Sales, to head a radical change programme within the sales and commercial area. He then became EABL Sales Director, Kenya before being appointed Group Finance Director. Before joining EABL, he worked with PricewaterhouseCoopers in Eastern Africa and in the UK. He holds an MBA (Strategy and finance) from the London Business School, and an Economics degree from the University of Nairobi. He is also a Certified Public Accountant (Kenya).



Dr. Alan Shonubi (Ugandan)
— Non Executive Director (50)

Dr. Shonubi holds a postgraduate diploma in legal practice from the Law Development Centre (LDC) and is a Commissioner of Oaths and Notary Public. In 1986 he was enrolled as an advocate of the High Court of Uganda and all subordinate courts thereto. Mr. Shonubi was the founding partner of the firm of Shonubi, Musoke Advocates and named one of the leading lawyers in Uganda. Dr. Shonubi has worked with Uganda Co-operative Bank as Senior Legal Officer and Sun International Insurance. He has attended an International Development Law Institute. He is currently the President of the East Africa Law Society and Chairman of the National Library of Uganda.



Constance Gakonyo
— Non Executive Director (44)

Ms. Gakonyo has held a variety of positions including Legal Consultant for the Performance Management portfolio for the Africa/Asia SABMiller Strategic Resources Director of Nile Breweries, Director HR and Legal Affairs Castle Brewing Kenya Limited and Group Legal and HR Manager of Standard Newspapers Group Limited. She holds an LLB, Diploma in Law, MBA (Strategic Management) and is a member of the LSK, CPs and the Chartered Institute of Arbitrators. She is currently the Group Executive Director of REAL Insurance Co. Ltd (Kenya, Malawi and Tanzania).

DIRECTORS' SHAREHOLDING AS AT 30TH JUNE 2009

Director's Names	Shareholding
1 Evanson Mwaniki	1,800
2 Gakonyo Constance Wangu!	840
3 Gerald Kanyi Mahinda	45,456*
4 Jeremiah Kiereini	1,451,520
5 Nicholas Blazquez	6,000
6 Richard Kemoli	42,480
7 Wilfred David Kiboro	3,720
* excludes entitlement of 387,744 units and available options of 160,087 under the EABL Employee Share Option Program.	

The Committee is charged with overseeing financial reporting and is responsible for oversight of the Company's internal controls and risk management. Its members are Mr. Richard Kemoli (Chairman), Dr. Nick Blazquez, Mr. Andrew Ndegwa and Mr. Wilfred Kiboro. The Committee over the year continued to review internal risk assessments, safety management, business continuity planning and technical compliance programs.

Board Audit and Risk Management Committee

Business Ethics

This year saw the review of the Company's Code of Business Conduct. The Code provides information on the key area of business and outlines the individual responsibilities that all staff at EABL must adhere to. All staff of EABL are committed to applying the Code together with the policies and procedures, all relevant laws and regulations as they undertake their day to day duties and responsibilities.

The Committee reviews the Group's compliance with corporate governance issues. Its members are Mr. Evanson Mwaniki (Chairperson), Mr. Richard Kemoli, and Ms. Constance Gakonyo. During the year the committee was responsible for overseeing the participation by the members of the Board in a self-evaluation exercise to determine the Board's performance and effectiveness.

Board Corporate Governance Committee

The following standing committees of the Board meet quarterly or as required.

The Board of Directors consists of the Chairman, who has non-executive responsibilities, eight non-executive directors and two executive directors. The Board meets at least four times a year and continues to maintain effective control over strategic, financial operational and policy issues.

Board of Directors

At East African Breweries Limited, we are committed to the highest standards of corporate governance and business ethics, where priority is attached to the interests of our shareholders, business partners and the community. Our corporate values and standards ensure that our strategic and business objectives are understood and realized for the benefit of all our stakeholders.

The Committee's main responsibility is the review and approval of remuneration for Directors and senior management and staff incentive schemes. Its members are Dr. Nick Blazquez (Chairman), Mr. Evanson Mwaniki, Mr. Andrew Ndegwa and Ms. Constance Gakonyo. The Committee oversaw the staff-restructuring program that was conducted across the EABL group and the implementation of staff reward and incentive schemes.

Board Remuneration Committee

Board Nominations Committee

The Committee is mandated to review succession planning within the Board and to identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise. Its membership comprises Dr. Nick Blazquez (Chairman), Mr. Evanson Mwaniki, Mr. Richard Kemoli and Dr. Alan Shonubi.

Katika East African Breweries Limited, tumejitolea kuwepo kwa uongozi bora wa hali ya juu na kutambua maadili ya kibiashara, ambapo kipauumbele kinapewa washika-dau wetu, washirika wetu wa kibiashara na jamii kwa jumla. Thamani na malengo yetu kama kampuni ni kuhakikisha kwamba biashara yetu imefauli na kuwafaidi washika-dau wetu wote

Bodi ya Wakurugenzi

Bodi ya wakurugenzi inashirikisha Mwenyekiti, ambaye hana mamlika makuu, wakurugenzi wanane ambao hawana mamlika makuu na wengine wawili wenye mamlika makuu. Bodi hii hukutana karibu mara nne kwa mwaka na inazidi kuhakikisha utibiti wa masuala ya opresheni, sera na kifedha katika kampuni hii.

Kamati zifuatazo ya Bodi hukutana kila baada ya miezi minne ama jinsi inavyoitajika.

Bodi ya Kamati kuhusu Uongozi

Kamati hii huchunguza iwapo kampuni inatekeleza wajibu wake kuambata na masuala ya uongozi. Wanachama wake ni Bw. Evanson Mwaniki (Mwenyekiti), Bw. Richard Kemoli, na Bt Constance Gakonyo. Katika mwaka, kamati hii ilitwikwa jukumu la kusimamia kushiriki kwa wanachama wa Bodi, katika shughuli za kujichunguza katika utendaji-kazi wao ili kujua kazi ya Bodi na ubora wake.

Bodi ya Kamati ya Ukaguzi na Usimamizi wa Kukabiliana na Masuala Hatari

Kamati hii inashughulikia usimamizi wa masuala ya kifedha, kudhibiti na kusimamia masuala yoyote yanayoweza kuwa hatari katika huduma za kampuni. Wanachama wake ni Bw. Richard Kemoli (Mwenyekiti), Dkt. Nick Blazquez, Bw. Andrew Ndegwa na Bw. Wilfred Kiboro. Kamati hiyo katika mwaka huu, ilizidi kuchunguza masuala ya ndani kuhusu hatari inayoweza kuikabili kampuni, usimamizi wa masuala ya kiusalama, mipango ya ustawishaji wa kibiashara na ile ya kiteknolojia.

Bodi ya Kamati ya Kushughulikia Mishahara

Jukumu la Kamati hii ni kuchunguza na kuidhinisha mishahara ya Wakurugenzi na maafisa wa ngazi za juu pamoja na wafanyakazi wengine. Wanachama wake ni Dkt. Nick Blazquez (Mwenyekiti), Bw. Evanson Mwaniki, Bw. Andrew Ndegwa na Bt. Constance Gakonyo. Kamati hii ndiyo iliyoshughulikia mipango wa kupunguzwa kwa wafanyakazi kote katika EABL na kuidhinishwa kwa mpango mpya wa marupurupu na mishahara kwa wafanyakazi.

Bodi ya Kamati ya Uteuzi

Lengo la Kamati hii ni kusimamia masuala ya urithi katika Bodi na kutambua na kutua watu wanaopasa kuchukua kazi katika Bodi, iwapo nafasi hizo zitakuwa wazi na lazima uteuzi wao uidhinishwe na wanachama wa Bodi. Wanachama wake ni Dkt. Nick Blazquez (Mwenyekiti), Bw. Evanson Mwaniki, Bw. Richard Kemoli na Dkt. Alan Shonubi.

Maadili ya Kibiashara

Mwaka huu, tuliweza kufanya mabadiliko katika maadili yetu ya kibiashara. Maadili hayo yanaweka sheria ambazo wafanyakazi wote wa EABL lazima watii na wafuate. Wafanyakazi wote katika EABL wanapasa kutumia maadili hayo pamoja na sera, taratibu na sheria zilizo wanaopotekeleza kazi zao.

VIWANGO VYA HISA ZA WAKURUNGEZI WAKU KUFIKIA JUNI 30, 2009

Director's Names

1	Evanson Mwaniki	1,800
2	Gakonyo Constance Wangui	840
3	Gerald Kanyi Mahinda	45,456*
4	Jeremiah Kiereini	1,451,520
5	Nicholas Blazquez	6,000
6	Richard Kemoli	42,480
7	Wilfred David Kiboro	3,720

* ni kando na hisa 387,744 anazostahili kupewa na nyingine 160,087 ambazo ameruhusiwa akitaka chini ya mpango wa Chaguo la Hisa kwa Wafanyakazi wa EABL.

1. FINANCIAL STATEMENTS

- To receive and adopt the consolidated audited financial statements for the financial year ended 30th June 2009 together with the report of the Directors and the Auditors' report thereon **(Resolution 1).**
- To confirm the interim dividend of KShs 2.50 per ordinary share of KShs 2.00 paid on 15 April 2009, and to declare a final dividend of KShs 5.55 per ordinary share of KShs 2.00 payable on or about 26 October 2009 to shareholders on the Register of Members at the close of business on 29 September 2009 **(Resolution 2).**

2. DIRECTORS

Elections

To elect Directors:

- Dr. Alan Shonubi, who was appointed as a director by the Board on 16th July 2009 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).**
- Ms. Constance Gakonyo, who was appointed as a director by the Board on 16th July 2009 to fill a casual vacancy, who retires under Article 108 and, being eligible, offers herself for re-election as a director of the company **(Resolution 4).**

- Mr. Gerald Mahinda who retires by rotation under Article 109 and, being eligible, offers himself for re-election as a director of the company **(Resolution 5).**

- Mr. Jeremiah Kiereini, who retires by rotation under Article 109 and who offers himself as a director of the company and in respect of whom special notice has been received pursuant to section 186(5) of the Companies Act (Cap 486 Laws of Kenya) of the intention to propose the following resolution as an ordinary resolution: "THAT Mr. Jeremiah Kiereini, who is over the age of 70 years, be and is hereby re-elected a director of the company;" **(Resolution 6).**

- Mr. Richard Kemoli, who retires by rotation under Article 109 and who offers himself as a director of the company and in respect of whom special notice has been received pursuant to section 186(5) of the Companies Act (Cap 486 Laws of Kenya) of the intention to propose the following resolution as an ordinary resolution:

By Order of the Board

A. Murgor (Mrs)

Company Secretary

27th August 2009

- To transact any other business that may legally be transacted at the meeting.
- Remuneration**
To note that the Directors are not seeking any increase in their remuneration, which accordingly, remains as stated in the financial statements.
- AUDITORS**
To appoint KPMG Kenya, 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).**

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 83 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 11 a.m. on Monday 19th October 2009, 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.

1. TAARIFA ZA KIFEDHA

a) Kupokea na kuidhinisha mkusanyiko wa ukaguzi kifedha uliomalizika Juni 30, 2009 pamoja na ripoti ya

Wakurugenzi (Azimio la 1).

b) Kuthibitisha mgao wa faida wa KShs 2.50 dhidi ya kila hisa ya kawaida ya KShs 2.00 iliyolipwa mnamo Aprili 15, 2009, na kutangaza mgao wa hisa wa KShs 5.55 dhidi ya kila hisa ya kawaida ya KShs 2.00 itakayolipwa mnamo au kufika Oktoba, 26, 2009 kwa wenye hisa walioko katika orodha ya wanachama waliosajiliwa kufika Septemba 29, 2009

(Azimio la 2).

2. WAKURUGENZI

Uchaguzi

Kuchagua Wakurugenzi:

a) Dkt. Alan Shonubi, aliyeteuliwa na Bodi kama mkurugenzi mnamo Julai 16, 2009 ili kuchukua wadhifa wa muda, na anayestaafu chini ya kifungu cha 108 na, kulingana na sheria, anajitolea tena kuchaguliwa, kama mkurugenzi wa kampuni

(Azimio la 3).

b) Bt. Constance Gakonyo, aliyeteuliwa na Bodi kama mkurugenzi mnamo Julai 16, 2009 kuchukua nafasi ya muda, na anayestaafu chini ya kifungu cha 108 na, kulingana na sheria, anajitolea tena kuchaguliwa, kama mkurugenzi wa kampuni

(Azimio la 4).

c) Bw. Gerald Mahinda, anayestaafu chini ya kifungu 109 na, kulingana na sheria, anajitolea tena kuchaguliwa, kama mkurugenzi wa kampuni

(Azimio la 5).

d) Bw. Jeremiah Kiereini, anayestaafu chini ya kifungu cha 109 na anayefiwasilisha tena kama mkurugenzi wa kampuni kuambata na notisi maalum iliyotolewa kumhusu kuambata na kifungu cha 186(5) cha Sheria za Mashirika (Ibara 486 Sheria za Kenya), kuhusu mapendekezo ya kuwasilisha azimio: "KWAMBA Bw. Jeremiah Kiereini, aliyefikisha zaidi ya umri wa miaka 70, achaguliwe tena kama mkurugenzi wa kampuni."

(Azimio la 6).

e) Bw. Richard Kemoli, anayestaafu chini ya kifungu 109 na anayefitolea tena kama mkurugenzi wa kampuni kuambata na notisi maalum iliyotolewa kumhusu na kupokelewa kuambata na kifungu cha 186(5) cha Sheria za Mashirika (Ibara 486 Sheria za Kenya) kuhusu mpango wa



mapendekezo ya kawaida: "KWAMBA Bw. Richard Kemoli, aliyefikisha umri wa zaidi ya miaka 70, achaguliwe tena kama mkurugenzi wa kampuni;"

(Azimio la 7).

Marupurupu

Ijulikane kwamba Wakurugenzi hawataki ongezeko lolote katika marupurupu yao, itakayobaki jinsi ilivyo katika taarifa za kifedha.

3. WAKAGUZI

Kutea shirika la KPMG Kenya, ambalo ndilo la kukagua

taarifa za kifedha za kampuni, hadi katika muda unaomalizika wakati wa mkutano ujao mkuu wa mwaka na kuwapa wakurugenzi idhini ya kuamua marupurupu yao.

(Azimio la 8).

4. Kujadili suala lolote ambalo linaweza kushughulikiwa mkutanoni kuambata na sheria.

Kwa Agizo la Bodi

A. Murgor (Bi)

Katibu wa Kampuni

Agosti 27, 2009

Mwanachama yeyote anayekubaliwa kupiga kura mkutanoni anaruhusiwa kuchagua mtu mmoja au zaidi kuhudhuria na kupiga kura kwa namba yake. Mwakilishi kama huyo hapasi kuwa mwanachama.

Fomu maalum ya upigaji kura kutoka kwa mtu kama huyo inatolewa katika ukurasa 83 kwa matumizi ya wanachama wanaopendekeza wasiwe katika mkutano. Fomu kama hiyo lazima irudishwe kwa katibu wa kampuni kufika saa Tano kamili asubuhi na siyo baada ya Jumane Oktoba 19, 2009, muda usiopungua saa 48 kabla ya mkutano kuanza.

Kuambata na kifungu cha 107 cha Sheria za Usajili wa Mashirika, mwanachama yeyote anaweza, kutoa notisi iliyotwa sahihi yake, na kuwasilishwa kwa katibu wa kampuni, kwa muda usiopungua siku saba na usozidi siku 28 kabla ya mkutano huu kuanza, anaweza kupendekeza mtu kuchaguliwa katika Bodi. Notisi kama hiyo lazima iambatane na notisi nyingine iliyotwa sahihi na mtu anayependekeza, akionyesha kujitolea kwake kuchaguliwa.

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 30 June 2009, which disclose the state of affairs of the group and company.

1. Principal activities

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

2. Results

The results for the year are set out on page 44.

3. Dividends

The directors recommend a final dividend of KShs 5.55 per ordinary share to be paid on or about 26 October 2009 to those members on the register at the close of business on 29 September 2009. During the year an interim dividend of KShs 2.50 per share, amounting to a total of KShs 1,976,936,000 was paid. The total dividend for the year is therefore KShs 8.05 per share (2008: KShs 8.05), amounting to a total of KShs 6,365,733,566 (2008: KShs 6,365,731,554).

4. Directors

The directors who served in the year and to the date of the report are set out on page 31.

5. Auditor

The auditor, KPMG Kenya, have expressed their willingness to continue in office in accordance with Section 159 (2) of the Kenyan Companies Act (Cap. 486).

6. Employees

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

7. Approval of Financial Statements

The financial statements were approved at a meeting of the directors held on 27 August 2009.

BY ORDER OF THE BOARD

A. Murgor (Mrs)

Company Secretary

Date: 27 August 2009

Wakurugenzi wana furaha ya kuwasilisha ripoti yao pamoja na matokeo ya ukaguzi wa kifedha mwaka unaomalizika Juni 30, 2009, inayoeleza hali ya kibiashara katika kampuni.

1. Shughuli Kuu

East African Breweries Limited ni shirika linaloshirikisha kampuni kadha zinaoztoa huduma za mauzo, utengenezaji wa pombe na uzaji wa vinyaji, makontena ya glasi, kimea cha pombe na shayiri.

2. Matokeo

Matokeo ya mwaka yako katika ukurasa wa arobaini na nne (44).

3. Mgao wa Hisa

Wakurugenzi wanapendekeza mgao wa hisa wa KSh 5.55 dhidi ya kila hisa ya kawaida itakayolipwa mnamo au kufikia Oktoba 26, 2009 kwa wanachama walioko katika orodha kufikia Septemba 29, 2009. Katika mwaka huu, mgao wa muda wa hisa wa KSh 2.50 dhidi ya kila hisa, zilizofikisha jumla ya KShs 1,976,936,000 zililipwa. Jumla ya mgao wa hisa wa mwaka, basi imekuwa KShs 8.05 dhidi ya kila hisa (2008: KShs 8.05), kufikisha jumla ya KShs 6,365,733,566 (2008: KShs 6,365,731,554).

4. Wakurugenzi

Wakurugenzi kwenye ripoti hiyo waliohudumu katika mwaka na hadi sasa wako katika ukurasa wa Thelathini na moja (31).

5. Mkaguzi

Shirika la ukaguzi, KPMG Kenya, limeelezea mapendekezo yake ya kuendelea kuhudumu afisini kuambatana na kifungu cha 159 (2) cha Sheria za Mashirika (ibara. 486).

6. Wafanyakazi

Wakurugenzi kwa mara nyingine, wako na furaha kutambua kazi ya wafanyakazi wote katika kampuni hii na taasisi-washirika wake.

7. Udhinishaji wa Taarifa za Kifedha

Taarifa za Kifedha zilidhinishwa kwenye mkutano wa wakurugenzi ulioandaliwa mnamo Agosti 27, 2009.

KWA AGIZO LA BODI

A. Murgor (Bi)

Company Secretary

Tarehe: Agosti 27, 2009

Wakurugenzi wanatwika jukumu la kutayarisha na kuwasilisha Taarifa za Kifedha za East African Breweries Limited jinsi ilivyo kuanzia kuras za 44 hadi 81, zinazojumuishia ripoti kuhusu matumizi ya fedha katika kampuni kufikia Juni 30, 2009, na ripoti ya akaunti ya faida na hasara ya kampuni, taarifa kuhusu mabadiliko katika matumizi ya kifedha katika mwaka uliomalizika, na taarifa maalum kuhusu sera ya matumizi ya kifedha na masuala mengine ibuka.

Wajibu wa wakurugenzi ni pamoja na: kutambua kwamba msingi wa kutayarisha hesabu za kifedha jinsi ulioko katika Note 2, unakubaliwa kama njia ya kutayarisha taarifa; uidhinishaji na kuhakikisha kwamba kuna uhabiti kamili wa ndani, kuhakikisha kuwa taarifa zote zilizotolewa na kutayarishwa ni za ukweli kamili, iwe ni wizi au makosa; na kutoa taarifa za kifedha za maana kwa wakati ulioko.

Chini ya Sheria za Mashirika, Wakurugenzi wanahitaji kutayarisha taarifa za kifedha za kila mwaka na kutoa hali kamili ya masuala katika kampuni kufikia muda wa mwisho wa matumizi ya kifedha katika mwaka husika. Inahitaji wakurugenzi kuhakikisha kuna rekodi kamili za matumizi ya fedha zinazoeleza ukweli kamili kuhusu hali ya kifedha katika kampuni.

Wakurugenzi wanakubali kuwajibika kuhusu taarifa za kifedha za mwaka, ambazo zimetayarishwa kwa sera hitaji za uhasibu na kuungwa mkono na ukaguzi unaotokana na Taratibu za Kimataifa za Ukaguzi wa Kifedha, kwa njia inayohitaji kulingana na Sheria za Mashirika. Wakurugenzi wanaonelea kwamba taarifa za kifedha zinaoonyesha hali kamili ya ukweli kuhusu hesabu katika kampuni. Wakurugenzi pia wanakubali uwajibikaji katika uhifadhi wa rekodi zote za uhasibu, ambazo zinaweza kutumiwa wakati wa utayarishaji wa taarifa za kifedha, pamoja na njia bora na zifaazo za kuthibiti masuala ya ndani ya kifedha katika kampuni.

Wakurugenzi wamefanya uchunguzi kuhusu uwezo wa kampuni kuendelea, na wako na sababu zote za kuamini kwamba kampuni itaendelea mbele kwa muda wa miezi 12 ilayo kutokoa siku ya kutolewa kwa taarifa hii.

Udhinishaji wa taarifa za kifedha

Taarifa za Kifedha, jinsi ilivyoelezwa hapa juu, ziliidhinishwa na Wakurugenzi wa Bodi mnamo Agosti 27, 2009 na zilitiwa sahihi kwa niaba yake na:

Seni Adetu
Mkurugenzi

Peter Ndegwa
Mkurugenzi

We have audited the group financial statements of East African Breweries Limited set out on pages 44 to 81 which comprise the balance sheets of the group and the company at 30 June 2009, and the group's profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As stated on page 40, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the company at 30 June 2009, and the group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act.

Report on other legal requirements

As required by the Kenyan Companies Act we report to you, based on our audit, that:

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and

The balance sheet of the company is in agreement with the books of account.

KPMG Kenya
Certified Public Accountants
P. O. Box 40612 - 00100
Nairobi, GPO

Date: 27 August 2009

Tumekagua taarifa za kifedha za East African Breweries Limited jinsi ilivyoelezwa kwa kurasa za 44 hadi 81, zinazojumuisha ripoti kuhusu matumizi ya fedha katika kampuni kufikia Juni 30, 2009, na ripoti ya hesabu ya faida na hasara ya kampuni, taarifa kuhusu mabadiliko katika matumizi ya kifedha katika maalum kuhusu sera ya matumizi ya kifedha na masuala mengine ibuka.

Wajibu wa Wakurugenzi katika taarifa za kifedha

Jinsi ilivyoelezwa katika ukurasa wa arabaini na moja (41), wakurugenzi wanahitajika kutayarisha taarifa za kifedha za kila mwaka kuambatanana na matakwa na Taratibu za Kimataifa za Ukaguzi wa Kifedha. Wajibu huu unajumuisha: kutayarisha, kuidhinisha na kuhifadhi uthabiti wa ndani na utayarishaji wa hali kamili ya masuala katika kampuni kufikia muda wa mwisho wa matumizi ya kifedha katika mwaka husika na kuwepo rekodi kamili za matumizi ya kifedha zinazoeleza ukweli kuhusu hali ya kifedha katika kampuni isiyopotosha na kutumia sera kamili za ukaguzi za hesabu zilizo bora.

Wajibu wa wakaguzi

Wajibu wetu ni kutoa maoni yetu kuhusu taarifa hizi za kifedha kuambatanana na ukaguzi wetu. Tuliifanya ukaguzi wetu kuambatanana na Taratibu na Njia za Kimataifa za Ukaguzi wa Kifedha. Njia hizo zinahitaji kwamba tuuate maadili na mipango ya kutekeleza ukaguzi ili kuhakikisha kuwa taarifa za kifedha ni za ukweli na hazipotoshi hata kidogo. Ukaguzi unajumuisha kufanya taratibu na kupata thibitisho kuhusu hesabu na taarifa zilizoko katika taarifa za kifedha. Taratibu zilizochoaguliwa zinategemea uamuzi wetu, ukivemo uchunguzi wa hatar yoyote inayoweza kutokea kutokana na taarifa inayopotosha, iwe kwa njia ya wizi au makosa. Wakati wa kutayarisha ukaguzi kama huo, tulichunguza njia zote zinazoweza kuleta uwiano na ukweli kamili katika taarifa hizo. Ukaguzi pia unahusu matumizi ya sera bora za uhasibu pamoja na njia bora kwa usimamizi, pamoja na utoaji wa jumla wa taarifa hizo.

Tunaamini kwamba thibitisho za ukaguzi wetu ni bora na nzuri kama msingi wa uamuzi na maoni yetu.

Maoni

Kwa maoni yetu, taarifa za kifedha zinaeleza hali kamili ya kifedha katika kampuni kufikia Juni 30, 2009, pamoja na matumizi ya kifedha na njia ya uhasibu katika mwaka kuambatanana na Taratibu na Njia za Kimataifa za Kifedha na Sheria ya Mashirika nchini Kenya.

Ripoti kuhusu matarajio mengine ya kisheria

Jinsi inayotakikana kulingana na Sheria ya Mashirika nchini Kenya, tunawaeleza, kuambatanana na ukaguzi wetu, kwamba:

- (i) Tumepokea maoni na taarifa zote, ambazo tunaamini kwamba zililhitajika kutusaidia katika ukaguzi wetu.
- (iii) Kwa maoni yetu, kampuni hii ilitunza na kuhifadhi vyema vitabu vyake vya hesabu, jinsi tulivyopata katika uchunguzi wetu wa vitabu hivyo; na
- (iiii) Taarifa ya Matumizi ya Kifedha katika kampuni inawiana kamili na vitabu hivyo vya hesabu.

Tarehe: Agosti, 27, 2009

KPMG Kenya
Certified Public Accountants
P.O. Box 40612 -00100
Nairobi, GPO

The notes set out on pages 51 to 81 form an integral part of these financial statements.

Notes	2009 Kshs'000	2008 Kshs'000		
Revenue	34,407,715	32,488,112	6	Cost of sales
	(17,079,179)	(15,007,009)		
Gross profit	17,328,536	17,481,103	7	Other operating expenses
	(336,378)	(599,354)		Selling costs
	(2,115,356)	(2,163,860)		Administrative expenses
	(3,837,964)	(3,834,055)		
Operating profit	11,038,838	10,883,834	8	
	(558,181)	-	10	Reorganisation costs
	493,050	624,077		Net finance income
	1,015,551	808,421		Share of associate's profit after tax
Profit before income tax	11,989,258	12,316,332	8	
	(3,380,073)	(3,131,947)	11	Income tax expense
Profit for the year (of which Kshs 1,231,101,241 has been dealt with in the accounts of the company) (2008: Kshs 950,786,506)	8,609,185	9,184,385		
Attributable to:				
Equity holders of the company	7,188,526	7,553,794		
Minority interest	1,420,659	1,630,591		
Profit for the year	8,609,185	9,184,385		
Earnings per share for profit attributable to the equity holders of the Company				
- basic and diluted (Kshs per share)	9.09	9.55	12	
Dividends:				
Interim dividends – paid in the year	1,976,936	1,897,858	13	
Proposed final dividend for the year	4,388,798	4,467,873	13	
	6,365,734	6,365,731		

The notes set out on pages 51 to 81 form an integral part of these financial statements.

Director : Seni Adetu

Director: Peter Ndegwa

The financial statements on pages 44 to 81 were approved by the Board of Directors on 27 August 2009 and were signed on their behalf by:

Notes	2009 Kshs'000	2008 Kshs'000
Capital and reserves attributable to the Company's equity holders		
Share capital	1,581,547	1,581,547
Share premium	1,691,151	1,691,151
Revaluation surplus	1,473,289	1,473,289
Retained earnings	11,332,702	10,509,910
Proposed dividends	4,388,798	4,467,873
Translation reserve	154,316	257,010
Minority interest	20,621,803	19,980,780
	2,746,441	2,136,063
Total equity	23,368,244	22,116,843
Non-current liabilities		
Deferred income tax	3,031,849	2,269,487
Total equity and non-current liabilities	26,400,093	24,386,330
Non-current assets		
Property, plant and equipment	17(a)	12,494,040
Intangible asset - software	18(a)	682,426
Goodwill	18(b)	648,664
Prepaid operating lease rentals	19(a)	30,814
Investment in associate company	21(a)	1,680,387
Other investments	21 (c)	10,400
Deferred income tax	16	148,842
Current assets		
Inventories	23	6,946,357
Receivables and prepayments	24(a)	4,160,834
Current income tax recoverable	28(b)	1,248,076
Term deposits	28(b)	5,363,298
Cash and bank balances	28(b)	1,222,572
Current liabilities		
Payables and accrued expenses	25 (a)	9,034,829
Current income tax payable		62,939
Dividends payable		334,528
Net current assets		
		9,508,841
Net assets		
		26,400,093
		24,386,330

The notes set out on pages 51 to 81 form an integral part of these financial statements.

Director : Seni Adetu

Director : Peter Ndegwa

The financial statements on pages 44 to 81 were approved by the Board of Directors on 27 August 2009 and were signed on their behalf by:

CAPITAL & RESERVES	Notes	2009	2008
		Kshs'000	Kshs'000
Share capital	14	1,581,547	1,581,547
Share premium	14	1,691,151	1,691,151
Revaluation surplus	15	109,693	109,693
Retained earnings		4,073,561	6,467,941
Proposed dividends	13	4,388,798	4,467,873
Total equity		11,844,750	14,318,205
Non-current liabilities			
Deferred income tax	16(b)	170,094	156,812
Total equity and non-current liabilities		12,014,844	14,475,017
Non-current assets			
Property, plant and equipment	17(b)	186,953	315,008
Intangible asset – software	18(a)	682,426	901,750
Prepaid operating lease rentals	19(b)	1,688	1,758
Investment in subsidiaries	20	4,324,783	4,324,783
Investment in associate company	21(b)	4,479,204	3,971,232
Other investments	21(c)	10,400	10,400
Current assets			
Receivables and prepayments	24(b)	2,335,019	2,561,358
Current income tax recoverable		206,133	209,840
Term deposits	28(b)	647,002	3,650,000
Cash and bank balances	28(b)	447,166	124,148
Current liabilities			
Payables and accrued expenses	25(b)	971,402	1,316,932
Dividends payable		334,528	278,328
Net current assets		2,329,390	4,950,086
Net assets		12,014,844	14,475,017

	Share capital Kshs'000	Share premium Kshs'000	Revaluation reserves Kshs'000	Translation reserves Kshs'000	Retained earnings Kshs'000	Proposed dividends Kshs'000	Total Kshs'000	Minority interest Kshs'000	Total equity Kshs'000
2008:									
At 1 July 2007	1,317,957	1,959,100	1,500,350	341,677	9,294,786	4,388,798	18,802,668	2,048,108	20,850,776
Exchange differences on translation of foreign subsidiaries and associate	-	-	-	(84,667)	-	-	(84,667)	(867)	(85,534)
Net profit for the year	-	-	-	-	7,553,794	-	7,553,794	1,630,591	9,184,385
Impairment of property, plant and equipment	-	-	(14,287)	-	14,287	-	-	-	-
Revaluation reserve realized on disposal of property, plant and equipment	-	-	(12,774)	-	12,774	-	-	-	-
Total recognized income and expense for the year	-	-	(27,061)	(84,667)	7,580,855	-	7,469,127	1,629,724	9,098,851
Bonus issue of shares	263,590	(263,590)	-	-	-	-	-	-	-
Bonus issue of shares - costs	-	(4,359)	-	-	-	-	(4,359)	-	(4,359)
Dividends:									
- 2007 final paid	-	-	-	-	-	(4,388,798)	(4,388,798)	(901,328)	(5,290,126)
- 2008 interim declared and paid	-	-	-	-	(1,897,858)	-	(1,897,858)	(640,441)	(2,538,299)
- 2008 final proposed	-	-	-	-	(4,467,873)	4,467,873	-	-	-
At 30 June 2008	1,581,547	1,691,151	1,473,289	257,010	10,509,910	4,467,873	19,980,780	2,136,063	22,116,843

The translation reserve comprises the transfer of the cumulative foreign exchange differences arising from the translation of financial statements of foreign operations.
The notes set out on pages 51 to 81 form an integral part of these financial statements.

	Share capital Kshs'000	Share premium Kshs'000	Revaluation reserves Kshs'000	Translation reserves Kshs'000	Retained earnings Kshs'000	Proposed dividends Kshs'000	Total Kshs'000	Minority interest Kshs'000	Total equity Kshs'000
2009:									
At 1 July 2008	1,581,547	1,691,151	1,473,289	257,010	10,509,910	4,467,873	19,980,780	2,136,063	22,116,843
Exchange differences on translation of foreign subsidiaries and associate	-	-	-	(102,694)	-	-	(102,694)	(4,193)	(106,887)
Net profit for the year	-	-	-	-	7,188,526	-	7,188,526	1,420,659	8,609,185
Total recognized income and expense for the year	-	-	-	(102,694)	7,188,526	-	7,085,832	1,416,466	8,502,298
Dividends:									
- 2008 final paid	-	-	-	-	-	(4,467,873)	(4,467,873)	(806,088)	(5,273,961)
- 2009 interim paid	-	-	-	-	(1,976,936)	-	(1,976,936)	-	(1,976,936)
- 2009 final proposed	-	-	-	-	(4,388,798)	4,388,798	-	-	-
At 30 June 2009	1,581,547	1,691,151	1,473,289	154,316	11,332,702	4,388,798	20,621,803	2,746,441	23,368,244

The translation reserve comprises the transfer of the cumulative foreign exchange differences arising from the translation of financial statements of foreign operations. The notes set out on pages 51 to 81 form an integral part of these financial statements.

	Share	Share premium	Revaluation reserves	Retained earnings	Proposed dividends	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 July 2007	1,317,957	1,959,100	109,693	6,596,533	4,388,798	14,372,081
Profit for the year	-	-	-	6,237,139	-	6,237,139
Bonus issue of shares	263,590	(263,590)	-	-	-	-
Bonus issue of shares - costs	-	(4,359)	-	-	-	(4,359)
Dividends:						
- Final for 2007 paid	-	-	-	-	(4,388,798)	(4,388,798)
- Interim for 2008 declared and paid	-	-	-	(1,897,858)	-	(1,897,858)
- Proposed final for 2008	-	-	-	(4,467,873)	4,467,873	-
At 30 June 2008	1,581,547	1,691,151	109,693	6,467,941	4,467,873	14,318,205
At 1 July 2008	1,581,547	1,691,151	109,693	6,467,941	4,467,873	14,318,205
Profit for the year	-	-	-	3,971,354	-	3,971,354
Dividends:						
- Final for 2008 paid	-	-	-	-	(4,467,873)	(4,467,873)
- Interim for 2009 paid	-	-	-	(1,976,936)	-	(1,976,936)
- Proposed final for 2009	-	-	-	(4,388,798)	4,388,798	-
At 30 June 2009	1,581,547	1,691,151	109,693	4,073,561	4,388,798	11,844,750

The notes set out on pages 51 to 81 form an integral part of these financial statements.

Operating activities		Notes	2009 Kshs'000	2008 Kshs'000
Cash generated from operations	28(a)	11,699,181	12,552,696	
Net finance income	10	493,050	624,077	
Income tax paid		(3,531,531)	(3,868,138)	
Net cash generated from operating activities		8,660,700	9,308,635	
Investing activities				
Purchase of property, plant and equipment	17(a)	(2,556,823)	(3,027,936)	
Purchase of intangibles – software	18(a)	–	(18,159)	
Proceeds from disposal of property, plant and equipment and prepaid operating lease rental		–	18,006	
Dividends received from associate	21(a)	507,576	587,157	
Net cash used in investing activities		(2,049,247)	(2,440,932)	
Financing activities				
Dividends paid to shareholders		(6,388,609)	(6,180,822)	
Dividends paid to minority interest		(806,088)	(1,541,769)	
Bonus shares issue costs		–	(4,359)	
Net cash used in financing activities		(7,194,697)	(7,726,950)	
Decrease in cash and cash equivalents		(583,244)	(859,247)	
Movement in cash and cash equivalents				
At 1 July		7,169,114	8,028,361	
Decrease		(583,244)	(859,247)	
At 30 June	28(b)	6,585,870	7,169,114	

The notes set out on pages 51 to 81 form an integral part of these financial statements.

General Information

The company is incorporated as a limited company in Kenya under the Kenyan Companies Act and is domiciled in Kenya. The address of its registered office is as follows:

East African Breweries Limited
Corporate Centre, Ruaraka
PO Box 30161
00100 Nairobi GPO

The consolidated financial statements of the company as at 30 June 2009 and for the year ended 30 June 2009 comprise the company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Groups' interest in associates. The Group is primarily involved in marketing, brewing/ manufacturing and selling of drinks, glass containers, malt and barley.

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Kenya Shillings (Kshs), rounded to the nearest thousand. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Groups' accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations effective in 2009

In the year, the following new interpretations became effective for the first time but have not had an impact on the company's financial statements:

- IFRIC 11 – IFRS 2 - Group and treasury share transactions
- IFRIC 12 – Service Concession Arrangements
- IFRIC 14 – IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

Standards, interpretations and amendments to published standards that are not yet effective

One new standard (IFRS 8 – Operating Segments) and numerous amendments to existing standards and new interpretations have been published and will be effective for the company's accounting periods beginning on or after 1 January 2009, but the company has not early adopted any of them

The Directors have assessed the relevance of these amendments and interpretations with respect to the Group's operations and concluded that they are not relevant to the Group, other than IFRS 8, which will result in changes to the reportable segments and the information disclosed in respect of those segments and the amendments to IAS 1 - Presentation of Financial Statements, which will require non-owner changes in equity to be presented in a Comprehensive Statement of Income;

Basis of consolidation**Subsidiaries**

Subsidiaries are those entities controlled by the Group. Control exists when the Group 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. In assessing control, potential voting rights that currently are exercisable are taken into account. 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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates

An associated company is that in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. Consolidation adjustments are also made to ensure consistency with the group's accounting policies. Associates are accounted for using the equity method and are initially recognised at cost.

Revenue recognition**Goods sold and services**

Revenue represents the fair value of the consideration receivable for sales of goods and services, and is stated net of rebates and discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Sales of goods are recognised in the period in which the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Dividends

Dividend income is recognised as income in the period in which the right to receive payment is established.

Finance income and expenses

Finance income comprises interest income and is recognised in profit or loss on a time proportion basis using the effective interest method in the profit and loss account, finance income is included in the other income. Finance expenses comprise interest expense and are recognised in profit or loss using the effective interest method.

Foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Kenya Shillings, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement in the year in which they arise. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

Consolidation of group entities

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. Property, plant and equipment is subsequently shown at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Periodic valuations are performed by external independent valuers.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the income statement.

Key barrels in circulation are recorded within plant, property and equipment at cost net of accumulated depreciation less any impairment loss.

Depreciation is recognised in profit or loss account on a straight-line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life as follows:

buildings	25 years or the unexpired period of the lease
plant and machinery	5 – 33 years
equipment and motor vehicles	4 – 5 years

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values, if not insignificant, is reassessed annually at each reporting date.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the

Receivables

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Returnable containers in trade are held as inventories with an equivalent deposit as a liability in line with group policies.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs.

Inventories

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and, except for investment property, the leased assets are not recognised on the Group's balance sheet.

Payments made under operating leases are recognised in profit or loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Leased assets

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.

Loans and receivables which include term deposits and receivables arising from day to day sale of goods and services, are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method.

Financial instruments are measured initially at cost, including transaction costs.

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.

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 and receivables arising from day to day sale of goods and services and cash and bank balances.

Financial instruments

Buildings, or part of a building, (freehold or held under a finance lease) and land (freehold or held under an operating lease) held for long term rental yields and/or capital appreciation and which are not occupied by the company are classified as investment property under non-current assets. Investment property is carried at fair value, representing open market value determined periodically by external valuers. Changes in fair values are included in other operating income in the income statement.

Investment property

Goodwill arising on acquisition of subsidiaries and associates is stated at cost less accumulated impairment losses (Note (s)). At the balance sheet date, the group assesses the goodwill carried in the books for impairment.

Goodwill

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of intangible asset from the date that they are available for use. The estimated useful life is three to five years.

Computer software

Intangible assets

Property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

effective interest method. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Employee benefits

Retirement benefit obligations

The group operates defined contribution retirement benefit schemes for some of its employees. The assets of all schemes are held in separate trustee administered funds, which are funded by contributions from both the group and employees. The group and all its employees also contribute to the National Social Security Fund, which is a defined contribution scheme.

The group's contributions to the defined contribution schemes are charged to the income statement in the year to which they relate. The company has no further obligation once the contributions have been paid.

Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met. The group acquired shares from the market and recognised the expense in the profit and loss upfront.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

Share-based payment arrangements in which the group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the group.

The trading price of EABL share as at 30 June 2009 on the Nairobi Stock Exchange was KShs 146.

Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

Income tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in profit or loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred income tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred income tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

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.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported on the balance sheet when there is a legally enforceable right to set-off the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment

The carrying amounts of the group's assets other than inventories (Note (k)) and deferred income tax (Note (n)) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's 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.

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.

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.

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.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for

the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

Comparatives

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

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(g). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The carrying amount of the goodwill and the key assumptions made are set out in Note 18(b).

Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made judgements in determining:

the classification of financial assets and leases

whether land and buildings meet the criteria to be classified as investment property

whether assets are impaired.

Overview

The Group's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, liquidity, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

This note presents information about the Group's exposure to financial risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board has established a risk management committee made up of senior management which is responsible for developing and monitoring the Group's risk management policies which are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has established an internal audit function, which carries out regular and ad hoc reviews of risk management controls and procedures. The results of this are reported to senior management.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, where available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. These limits are reviewed quarterly.

In monitoring customer credit risk, customers are classified according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, maturity and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

4. Financial risk management objectives and policies (continued)

(a) Credit risk (Continued)

Investments

The Group limits its exposure to credit risk by only investing in liquid securities. The group's main investment is in term deposits with local financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

Group:

Trade and other receivables	4,160,834	6,585,870	7,169,114
Cash and cash equivalents	10,746,704		11,281,583
2009	Kshs'000	2008	Kshs'000

The ageing of trade and other receivables at the reporting date was:

	Gross Impairment 2009	Kshs'000	Net Impairment 2009	Gross Impairment 2008	Kshs'000	Net Impairment 2008
Current	2,072,563	-	2,072,563	2,315,655	-	2,315,655
0-30 days	741,750	(8,804)	732,946	1,208,985	-	1,208,985
31-120 days	1,265,770	(167,773)	1,097,997	905,058	(317,375)	587,683
120 days and above	558,623	(301,295)	257,328	136,415	(136,269)	146
Note 24(a)	4,638,706	(477,872)	4,160,834	4,566,113	(453,644)	4,112,469

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Kshs'000	2009	Kshs'000	2008
Balance at 1 July 2008 and 2007	(453,644)	(334,924)	
Provision in the year	(193,473)	(118,720)	
Write-off	169,245	-	
Balance at 30 June	(477,872)	(453,644)	

The impairment loss recognised relates to the specific customer debtors provision. During the year the Group did not renegotiate the terms of a trade receivable from any long-standing customer.

Company:

Kshs'000	2009	Kshs'000	2008
Trade and other receivables	2,335,019	2,561,358	
Cash and cash equivalents	1,094,168	3,774,148	
	3,429,187	6,335,506	

(a) Credit risk (Continued)

Foreign currency risk arises on sales, purchases and borrowings denominated in currencies other than Kenya Shillings. Repayments of foreign currency denominated borrowings are financed by receipts of foreign currency debtors, thereby managing the risk.

4. Financial risk management objectives and policies (continued)

(c) Market risk (Continued)

(i) Foreign currency risk - continued

The table below summarises the Group's exposure to foreign currency risks:

Group:		2009					
		EUR	GBP	TZS	UGX	USD	ZAR
		'000	'000	'000	'000	'000	'000
Monetary assets		2,036	2,614	-	-	23,275	-
Cash and bank balances		7,706	8,600	2,352,258	628,061	1,586,334	1,438
Trade and other receivables		(119,534)	(126,229)	(772,957)	(4,515,054)	(686,968)	(715)
Monetary liabilities							
Trade and other payables		(109,792)	(115,015)	1,579,301	(3,886,993)	922,641	723
Net open position							
2008:		EUR	GBP	TZS	UGX	USD	ZAR
		'000	'000	'000	'000	'000	'000
Monetary assets		51	7	-	-	1,427	-
Cash and bank balances		10,184	1,024	2,346,845	26	4,366	2,559
Trade and other receivables		(1,543)	(3,123)	(44,224)	(4,989,480)	(6,082)	(988)
Monetary liabilities							
Trade and other payables		8,692	(2,092)	2,302,621	(4,989,454)	(289)	1,571
Net open position							
Company:		2009:					
		EUR	GBP	TZS	UGX	USD	ZAR
		'000	'000	'000	'000	'000	'000
Monetary assets		1,420	578	2,352,258	-	2,306	-
Cash and bank balances		-	15	-	-	262	-
Trade and other receivables		-	(302)	(772,957)	(98,238)	(6)	(95)
Monetary liabilities							
Trade and other payables		1,420	291	1,579,301	(98,238)	2,562	(95)
Net open position							
2008:		EUR	GBP	TZS	UGX	USD	ZAR
		'000	'000	'000	'000	'000	'000
Monetary assets		32	7	-	-	575	-
Cash and bank balances		12	18	2,346,845	-	76	27
Trade and other receivables		(33)	(241)	-	(214,887)	(3,621)	(5)
Monetary liabilities							
Trade and other payables		11	(216)	2,346,845	(214,887)	(2,970)	22
Net open position							

A 5 percent weakening of the Kenya shilling against the above currencies at 30 June 2009 would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

4.

Financial risk management objectives and policies (continued)

Group:

	Effective interest rate %	Total Kshs'000	On demand Kshs'000	Due between three and twelve months Kshs'000
2009:				
Deposit	4.929%	5,363,298	5,266,296	97,002
2008:				
Deposit	8.640%	6,503,024	4,478,024	2,025,000
2009:				
Deposit	8.962%	647,002	550,000	97,002
2008:				
Deposit	9.005%	3,650,000	2,490,000	1,160,000

Sensitivity analysis on interest rates

An increase/(decrease) of 1 percentage point in interest rates at the reporting date would have increased profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2008.

Group:

Effect in Shillings thousands

	2009	2008
As at 30 June		
Deposits	Kshs'000	Kshs'000
	53,633	65,030
Income statement		

Company:

	2009	2008
As at 30 June		
Deposits	Kshs'000	Kshs'000
	6,470	36,500
Income statement		

Equity price risk

The investments are unquoted and there is no readily available market for valuation.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements

Fair value

The fair values of significant financial assets and liabilities is the same as the carrying amounts as shown in the balance sheet.

Segmental reporting	Kenya		Uganda		Tanzania		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
External sales	27,642,366	25,873,574	6,765,349	6,614,538	-	-	-	-	34,407,715	32,488,112
Inter segment sales	4,758,788	3,253,556	-	-	-	-	(4,758,788)	(3,253,556)	-	-
Total sales	32,401,154	29,127,130	6,765,349	6,614,538	-	-	(4,758,788)	(3,253,556)	34,407,715	32,488,112
Segment profit from operations	10,246,670	9,689,881	792,168	1,193,953	-	-	-	-	11,038,838	10,883,834
Net finance income/costs	404,383	527,710	88,667	96,367	-	-	-	-	493,050	624,077
Reorganisation costs	(513,095)	-	(45,086)	-	-	-	-	-	(558,181)	-
Share of associate profits	-	-	-	-	1,015,551	808,421	-	-	1,015,551	808,421
Profit before income tax	10,137,958	10,217,591	835,749	1,290,320	1,015,551	808,421	-	-	11,989,258	12,316,332
Income tax expense	(3,141,998)	(2,651,604)	(238,075)	(480,343)	-	-	-	-	(3,380,073)	(3,131,947)
Segment results	6,995,960	7,565,987	597,674	809,977	1,015,551	808,421	-	-	8,609,185	9,184,385
Minority results									(1,420,659)	(1,630,591)
Net profit for the year									7,188,526	7,553,794
OTHER INFORMATION										
Segment assets	28,540,833	26,513,783	5,294,504	4,909,832	-	-	-	-	33,835,337	31,423,615
Segment liabilities	12,653,905	8,076,016	2,252,215	1,708,285	-	-	-	-	14,906,120	9,784,301
Capital expenditure	2,344,852	2,742,959	211,971	284,977	-	-	-	-	2,556,823	3,027,936
Depreciation expense and amortisation	1,156,710	1,081,065	189,841	178,698	-	-	-	-	1,346,551	1,259,763

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.

Analysis of revenue		2009	2008
Other operating (expenses)/income		Kshs'000	Kshs'000
Gross sales		58,724,175	54,606,503
Indirect taxes		(24,316,460)	(22,118,391)
34,407,715		32,488,112	
Rental income		11,872	18,862
Transactional foreign exchange gains		159,571	215,346
Transactional foreign exchange losses		(6,943)	(53,250)
Loss on property, plant and equipment impairment		(83,316)	(107,891)
Stock obsolescence		(141,440)	(290,321)
Research and development costs		-	(89,579)
Impairment losses movement – bad debts		(193,473)	(118,720)
Sale of scrap items		-	14,618
Profit on asset disposal		-	828
Sundry other income/ (expenses)		(82,649)	(189,247)
(336,378)		(599,354)	
Operating profit/Profit before income tax			
The following items have been charged/ (credited) in arriving at the profit before income tax:			
Depreciation on property, plant and equipment (Note 17(a))		1,127,227	1,039,847
Amortisation of intangible asset – software (Note 18(a))		219,324	219,916
Impairment of property, plant and equipment		83,316	107,368
Impairment of prepaid operating lease rentals		-	523
Provision for impairment of trade receivables (Note 24(a))		193,473	118,720
Operating lease rentals (Note 19(a))		544	502
Staff costs (Note 9)		2,962,727	3,101,107
Reorganisation costs		558,181	-
Auditors' remuneration		19,699	19,351
Staff costs		2,962,727	3,101,107
The following items are included within staff costs:			
Salaries and wages		2,416,325	2,619,967
Defined contribution scheme		57,210	20,015
Defined benefit scheme		-	399
National Social Security Funds		69,291	32,054
Other staff costs		419,901	428,672
2,962,727		3,101,107	

Dividends per share

Proposed dividends are accounted for as a separate component of equity until they have been ratified at an annual general meeting. A final dividend in respect of the year ended 30 June 2009 of KShs 5.55 per share (2008: KShs 5.65) amounting to a total of 4,388,797,676 (2008: KShs 4,467,873,100) has been proposed. During the year an interim dividend of KShs 2.50 per share, amounting to a total of KShs 1,976,935,890 was paid. The total dividend for the year is therefore KShs 8.05 per share (2008: KShs 8.05), amounting to a total of KShs 6,365,733,566 (2008: KShs 6,365,731,554).

Payment of dividends is subject to withholding tax at a rate of 0%, 5% or 10% depending on the residence and percentage shareholding of the respective shareholders.

Earnings per share

The calculation of basic earnings per share at 30 June 2009 was based on profit attributable to ordinary shareholders of KShs 7,188,526,348 (2008 – KShs 7,553,794,297) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2009 of 790,774,356 (2008 – 790,774,356).

Income tax expense		3,380,073	3,131,947
Tax effect of:			
Expenses not deductible for tax purposes		305,522	181,228
Tax losses in subsidiary not previously recognised	(26,097)	(26,097)	(456,576)
Effect of share of associate profit	(304,665)	(304,665)	(236,593)
Deferred income tax not recognised	3,980	3,980	-
Under/ (over) provision in prior year – income tax	5,836	5,836	(70,443)
Overprovision in prior year – deferred tax	(201,280)	(201,280)	19,431
Profit before income tax			
		11,989,258	12,316,332
Tax calculated at domestic statutory income tax rates of 30% (2008 - 30%)			
		3,596,777	3,694,900
The tax on the group's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:			
Net finance income			
Net finance income		KShs'000	2009
Finance income:			
Interest income		555,008	652,323
Finance cost:			
Interest expense	(61,958)	(61,958)	(28,246)
Net finance income		493,050	624,077
Income tax			
Income tax			
Current income tax		2,278,570	3,335,886
Deferred income tax (Note 16(a))	1,101,503	1,101,503	(203,939)
Income tax expense		3,380,073	3,131,947

Deferred income tax liabilities

Deferred income tax assets and liabilities and deferred income tax charges (credit) in the profit and loss account are attributed to the following:

(a) Group

Deferred income tax is calculated using the enacted income tax rate of 30% (2008 – 30%). The movement in the deferred

Deferred income tax

The revaluation surplus represents the surplus on the revaluation of plant, property and equipment net of deferred income

Revaluation surplus

The total authorised number of ordinary shares is 1,000,000,000 with a par value of KShs 2 per share. All issued shares are

Share capital	Number of shares (Thousands)	Ordinary shares Kshs'000	Share premium Kshs'000
	790,774	1,581,547	1,691,151
	Balance at 1 July 2007, 30 June 2008 and 30 June 2009		

[illegible]

(b)

Company

2008	2009	At start of year	At end of year
Kshs'000	Kshs'000	At start of year	At end of year
60,350	156,812	Credit to profit and loss account	
96,462	170,094		
156,812	156,812		
Company			
Year ended 30 June 2009:			
Charged/ to income (credited)	Charged/ to income statement	Deferred income tax liabilities	Deferred income tax assets
135,345	135,345	Property, plant and equipment	Provisions
162,763	162,763	Unrealised exchange gains	Unrealised exchange gains
		9,884	9,884
		11,583	11,583
		21,467	21,467
		156,812	156,812
		13,282	13,282
		170,094	170,094
Net deferred income tax liabilities			
Year ended 30 June 2008:			
Charged/ to income (credited)	Charged/ to income statement	Deferred income tax liabilities	Deferred income tax assets
135,345	135,345	Property, plant and equipment	Provisions
11,583	11,583	Unrealised exchange gains	Unrealised exchange gains
9,884	9,884	86,687	86,687
135,345	135,345	17,369	17,369
11,583	11,583	(8,968)	(8,968)
9,884	9,884	(26,337)	(26,337)
		60,350	60,350
		96,462	96,462
		156,812	156,812
Net deferred income tax liabilities			

Year ended 30 June 2009:



**EAST
AFRICAN
BREWERIES
LIMITED**

Management reviewed the useful lives of some of the group's operating assets during the year resulting in minor adjustments in depreciation rates in line with Diageo Plc group depreciation policies.

(b) Company

	2009:			
	Leasehold buildings	Plant and equipment	Capital work in progress	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost or valuation				
At 1 July 2008	154,500	97,880	149,383	401,763
Assets written off	-	-	(123,760)	(123,760)
Additions	-	11,239	2,590	13,829
At 30 June 2009	154,500	109,119	28,213	291,832
Depreciation				
At 1 July 2008	18,818	67,937	-	86,755
Charge for the year	5,826	12,298	-	18,124
At 30 June 2009	24,644	80,235	-	104,879
Net book amount				
At 30 June 2009	129,856	28,884	28,213	186,953
2008:				
Cost or valuation				
At 1 July 2007	154,500	90,511	162,957	407,968
Reclassified to intangibles	-	-	(159,054)	(159,054)
- software (Note 18(a))	-	-	-	-
Impairment	-	(1,867)	-	(1,867)
Additions	-	9,236	145,480	154,716
At 30 June 2008	154,500	97,880	149,383	401,763
Depreciation				
At 1 July 2007	13,019	63,090	-	76,109
Impairment	-	(1,814)	-	(1,814)
Charge for the year	5,799	6,661	-	12,460
At 30 June 2008	18,818	67,937	-	86,755
Net book amount				
At 30 June 2008	135,682	29,943	149,383	315,008

17. Properties, plant and equipment (continued)

(c) In 2004, Knight Frank (Kenya) Limited professionally valued the group's land and buildings in Kenya on the 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 and Masika Limited on the basis of open market value for existing use as at 30 June 1996.

As at 30 June 2009, there were no assets pledged by the group to secure liabilities.

If the buildings and freehold land were stated on the historical cost basis, the amounts would be as follows:

Group	Freehold	Leasehold	Plant and	Vehicles	Motor	Total
	properties	buildings	equipment			
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost	968,089	164,368	8,263,060	9,930	9,405,447	
Accumulated depreciation	(239,580)	(31,319)	(2,946,757)	(9,924)	(3,227,580)	
Net book amount	728,509	133,049	5,316,303	6	6,177,861	
At 30 June 2009						
At 30 June 2008	1,525,157	918,479	6,238,309	6	8,681,951	

Company	Leasehold	Plant and	equipment	Total
	buildings			
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost	154,500	97,882	252,382	
Accumulated depreciation	(24,645)	(80,236)	(104,881)	
Net book amount	129,855	17,646	147,501	
At 30 June 2009				
At 30 June 2008	135,681	29,944	165,625	

18. Intangible asset

Software – Group and Company

2009	2008
Kshs'000	Kshs'000
Cost	
At 1 July	1,264,415
Additions	–
Reclassified from property, plant and equipment	–
	159,054
	1,087,202
Amortisation	
At 1 July 2008	362,665
Amortisation during the year	219,324
	142,749
	219,916
Net carrying value	581,989
At 30 June	682,426
	901,750

Goodwill – Group

Cost	UBL	EABLI	TBL	UDV(K)	IDU	Total
Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At start and end of year	116,415	334,249	2,129,421	461,662	260,324	3,302,071
Impairment						
At start and end of year	116,415	334,249	2,129,421	46,166	27,156	2,653,407
Net book amount						
At start and end of year	-	-	-	415,496	233,168	648,664

The goodwill represents the excess of cost of acquisitions over the fair value of identifiable assets and liabilities of the respective companies.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Leases of land have been classified as operating leases.

Group	Cost	At start of year	Impairment	Reclassification to property, plant and equipment (Note 17 (a))	At end of year	Amortisation	At start of year	Amortisation for the year	At end of year	Net book value	At end of year
Leases of land have been classified as operating leases.											
2009	Kshs'000	37,925	-	-	37,925	(6,567)	(6,218)	-	(502)	(7,111)	(6,567)
2008	Kshs'000	38,671	(676)	-	37,925	(6,567)	(6,218)	153	(502)	(6,567)	(6,567)
2009	Kshs'000	37,925	-	-	37,925	(6,567)	(6,218)	-	(502)	(7,111)	(6,567)
2008	Kshs'000	37,925	(676)	-	37,925	(6,567)	(6,218)	153	(502)	(6,567)	(6,567)
2009	Kshs'000	30,814			30,814						
2008	Kshs'000	31,358			31,358						
Company	Cost	At start and end of year									
Amortisation	At start of year	At start of year									
Amortisation for the year	At end of year	At end of year									
Net book value	At end of year	At end of year									
2009	Kshs'000	1,688			1,688						
2008	Kshs'000	1,758			1,758						

21. Investments in associates

Group		Effective interest		2009		2008	
Tanzania Breweries Limited		20%		1,680,387		1,170,516	
At start of year				1,170,516		1,030,765	
Group's share of profit after tax				1,015,551		808,421	
Currency translation adjustment				1,896		(81,513)	
Dividend received by the group				(507,576)		(587,157)	
At 30 June				1,680,387		1,170,516	

The above represents the Group share of net assets of the associated company incorporated in the Republic of Tanzania.

Company

Tanzania Breweries Limited		(58,985,693 ordinary shares of Tshs 100 each)		2009		2008	
				Kshs'000		Kshs'000	
				4,479,204		3,971,232	

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.

Other investments (group and company)

Unquoted: at cost		4,000 ordinary shares (representing 20%) in Sen-Tech Limited		2009		2008	
		20% investment in Challenge Fund Limited who in turn have subscribed to 50% in Central Depository and Settlement Corporation Limited		Kshs'000		Kshs'000	
				400		400	
				10,000		10,000	
				10,400		10,400	

There are no material differences between fair value and cost for these investments.

Kshs 11,512,508,172 (2008: Kshs 10,613,771,665).

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to

Group	2009	2008
	Kshs'000	Kshs'000
Raw materials	2,891,250	2,125,214
Consumables	2,121,349	2,715,504
Finished goods	1,863,765	1,093,434
Goods in transit	69,993	-
	6,946,357	5,934,152

23. Inventories

As at 30 June 2009, the Trust's obligation to members under the employee share save scheme stood at 549,045 shares (2008 – 624,443). During the year, 75,149 (2008 – 207,428) shares were exercised by employees. The exercise price per share is Kshs 12.13 (2008 – Kshs 12.13).

Employee Share save Scheme

Options may be exercised at prices ranging between Kshs. 87.72 and KShs.148.6 (2008 – KShs 24.04 and KShs 165).

Outstanding at end of year	Exercise price per share – Kshs
2009	2008
1,258,730	129.40
1,114,159	102.88
Granted during the year	
212,377	
Lapsed	
(32,781)	
Exercised	
(35,025)	
Outstanding at start of year	
1,114,159	
Bonus issue of shares	
-	
85,894	
Number of shares	Number of shares
2009	2008
1,114,159	963,766
85,894	

follows:

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

Executive share option scheme

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.

Equity compensation benefits

Employees benefit

Group	Company
Trade payables	Trade payables
3,441,790	3,441,790
Other creditors	Other creditors
4,566,345	4,566,345
Payable to related parties (Note 29 (c))	Payable to related parties (Note 29 (c))
1,026,694	1,026,694
9,034,829	9,034,829
Other payables	Other payables
307,368	307,368
Payable to related parties (Note 29 (c))	Payable to related parties (Note 29 (c))
1,009,564	1,009,564
1,316,932	1,316,932

25. Payables and accrued expenses

Group	Company
At start of year	At start of year
453,644	453,644
Provision in the year	Provision in the year
193,473	193,473
Write-off	Write-off
(169,245)	(169,245)
477,872	477,872
Other receivables	Other receivables
377,270	377,270
Receivable from related parties (Note 29(c))	Receivable from related parties (Note 29(c))
1,957,749	1,957,749
2,335,019	2,335,019
Barley advances	Barley advances
20,362	20,362
Other receivables	Other receivables
1,183,499	1,183,499
Receivable from related parties (Note 29(c))	Receivable from related parties (Note 29(c))
39,072	39,072
4,160,834	4,160,834

Movements on provision for impairment of trade receivables are as follows:

Group	Company
Trade receivables	Trade receivables
3,378,663	3,378,663
Less: Provision for impairment loss	Less: Provision for impairment loss
(477,872)	(477,872)
2,900,791	2,900,791
Barley advances	Barley advances
10,826	10,826
Other receivables	Other receivables
1,210,145	1,210,145
Receivable from related parties (Note 29(c))	Receivable from related parties (Note 29(c))
39,072	39,072
4,160,834	4,160,834

24. Receivables and prepayments

Contingent liabilities incurred in the ordinary course of business:

i) Capital commitments – Group

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

(ii) Operating lease commitments

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 and point-of-sale refrigerators. Lease payments cover principal rentals, maintenance fees, fleet management costs and insurance costs.

Future minimum lease payments under these operating leases are as follows:

Group leases as lessor

The group has entered into operating lease agreements for leasing part of its properties.

Future minimum lease receipts under these operating leases are as follows:

Not later than 1 year	14,115	10,770
Later than 1 year and not later than 5 years	21,173	18,981
	35,288	29,751

Reconciliation of profit before income tax to cash generated from operations		Cash generated from operations	
2009	Kshs'000	2008	Kshs'000
Profit before income tax	11,989,258	12,316,332	
Adjustments for:			
Net finance income	(493,050)	(624,077)	
Income from associates	(1,015,551)	(808,421)	
Depreciation (Note 17 (a))	1,127,227	1,039,847	
Amortisation of intangible asset – software (Note 18(a))	219,324	219,916	
Amortisation of prepaid operating lease rentals	544	502	
Profit on sale of property, plant and equipment	-	(828)	
Exchange differences	16,841	106,641	
Loss/reversal on impairment of property, plant and equipment and prepaid operating lease rentals	83,316	107,891	
Changes in working capital:			
– receivables and prepayments	(48,365)	314,850	
– inventories	(1,012,205)	(495,572)	
– inventories reclassified to property, plant and equipment	-	(547,051)	
– payables and accrued expenses	831,842	922,666	
Cash generated from operations	11,669,181	12,552,696	
Cash and cash equivalents		Group	
	2009	2008	Kshs'000
Term deposits	5,363,298	6,503,024	
Cash and bank balances	1,222,572	666,090	
6,585,870	7,169,114		
Company		Company	
Term deposits	647,002	3,650,000	
Cash and bank balances	447,166	124,148	
1,094,168	3,774,148		

29. Related party transactions

The company is controlled by Diageo plc incorporated in the United Kingdom which is the ultimate holding company. There are other companies that are related to East African Breweries Limited through common shareholdings or common directorships.

The following transactions were carried out with related parties:

	2009	2008
Sale of goods and services	Kshs'000	Kshs'000
Other related parties	68,094	145,041
Purchase of goods and services		
Parent company	2,148,057	2,805,256
Other related parties	2,420,137	1,432,247
	4,568,194	4,237,503

Sales and purchases to/from related parties were made at terms and conditions similar to those offered to major customers.

Outstanding balances arising from sale and purchase of goods/services

	2009	2008
Group	Kshs'000	Kshs'000
Receivables from related parties	39,072	81,295
Payable to related parties	1,026,694	1,097,073
Company		
Receivables from subsidiaries	1,939,295	2,107,046
Receivables from related parties	18,454	58,996
	1,957,749	2,166,042
Payables to subsidiaries	483,055	783,952
Payables to related parties	168,038	225,612
	651,093	1,009,564

Directors' remuneration

Group		Company	
Fees for services as a director		Fees for services as a director	
Other emoluments included in key management compensation in (e) below		Other emoluments included in key management compensation in (e) below	
2009	2008	2009	2008
Kshs'000	Kshs'000	Kshs'000	Kshs'000
3,840	13,170	224,359	211,718
220,519	198,548	84,676	83,990
81,316	71,626		
Key management compensation		Salaries and other short-term employment benefits	
Termination benefits		Post-employment benefits	
Other long-term benefits			
2009	2008	2009	2008
Kshs'000	Kshs'000	Kshs'000	Kshs'000
404,013	340,222	421,376	351,597
-	-	13,719	11,046
3,644	329		

DISTRIBUTION OF SHAREHOLDERS

Total	790,774,356	28,075	100.00%
Less than 500 shares	2,581,798	12,510	0.33%
500 – 5,000 shares	19,810,289	12,269	2.51%
5,001 – 10,000 shares	8,879,386	1,249	1.12%
10,001 – 100,000 shares	47,880,452	1,692	6.05%
100,001 – 1,000,000 shares	83,039,153	292	10.50%
Over 1,000,000 shares	628,583,278	63	79.49%
Number of shares		Number of shareholders	Shareholding %

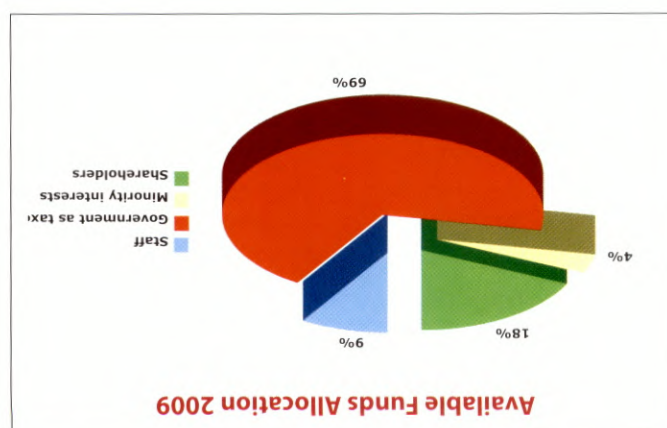
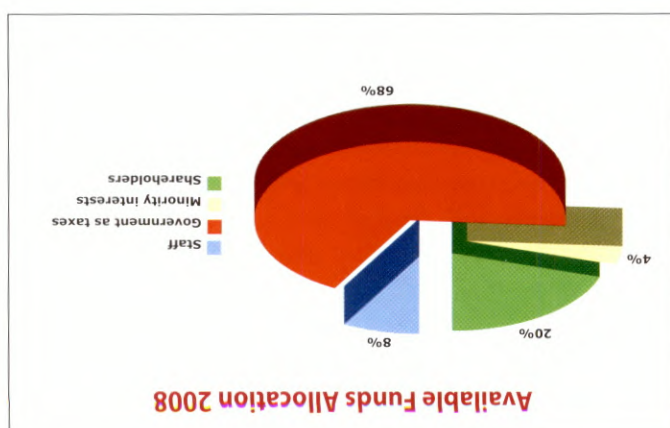
TOTAL NO. OF SHAREHOLDERS

Rank	Name	No. of shares	%
1	Diageo Kenya Limited	338,618,340	42.82%
2	Board of Trustees NSSF Board	36,948,720	4.67%
3	Diageo Holdings Netherlands B.V.	35,952,396	4.55%
4	Guinness Overseas Ltd	20,628,804	2.61%
5	Barclays Bank Kenya Nominee Ltd. A/c 9011	20,072,532	2.54%
6	Stanbic Nominees Kenya Ltd - A/c NR 70001	18,708,138	2.37%
7	Barclays (K) Nominees Ltd A/c 9326	12,648,354	1.60%
8	Barclays (K) Nominees Ltd Non Resident A/c 9002	10,375,318	1.31%
9	Kenya Reinsurance Corporation Ltd	8,832,088	1.12%
10	Barclays Bank Kenya Nominee A/c 9300	6,843,040	0.87%
TOTAL NUMBER OF SHARES			
		509,627,730	64.45%
OTHER SHAREHOLDERS : 28,065			
		281,146,626	35.55%
SHARES ISSUED			
		790,774,356	100.00%

LARGEST 10 SHAREHOLDERS AS AT 30TH JUNE 2009

The ten largest shareholdings in the company and the respective number of shares held at 30 June 2009 are as follows:

Shareholding



I/We

Share A/c No.

of (address)

being a member(s) of East African Breweries Limited, hereby appoint

or failing him the duly appointed Chairman of the meeting to be my/

our proxy, to vote on my/our behalf at the 87th Annual General Meeting of the Company to be held on 22 October 2009 at 1.00 a.m. or at any

adjournment thereof.

As witness to my/our hands

This _____ day of October 2009

Signature(s)

Notes:

1. This proxy is to be delivered to the Company Secretary not later than 10.00 a.m. on 19 October 2009 failing which it will be invalid.

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

Admission card

PLEASE ADMIT

To the Annual General Meeting of East African Breweries Limited which will be held at Safari Park Hotel, Ruara, Nairobi on 22 October 2009 at 11.00 a.m.

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

A Murgor (Mrs.)
Company Secretary

Mimi/Sisi

Nambari ya akaunti ya hisa

anwani

kama mwanahisa/wanahisa wa East African Breweries namteua/

tunamteua

wa (anwani)

na akikosa yeye, namteua/tutamteu Mwenyekiti wa mkutano kama mwakilishi wangu/wetu, kupiga kura kwa niaba yangu/ yetu kwenye Mkutano Mkuu wa mwaka wa Themanini na Saba wa Kampuni utakaofanyika tarehe 22 Oktoba 2009 saa tano za asubuhi ama siku yoyote ile endapo mkutano huo utaahirishwa.

Sahihi

Sahihi hii/hizi imewekwa/zimewekwa tarehe _____ Oktoba 2009

Maelezo muhimu:

Iwapo hutaweza kuhudhuria mkutano huu uwe 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 2009 na isipofika wakati huo, utuzi wako/wenu wa uwakilishi hautafaa.

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

Fold 2

Pili Kunja Hapa

Company Secretary

East African Breweries Limited

P. O. Box 30161, 00100

Nairobi

Kenya

Fold 3

Halafu Kunja Hapa