

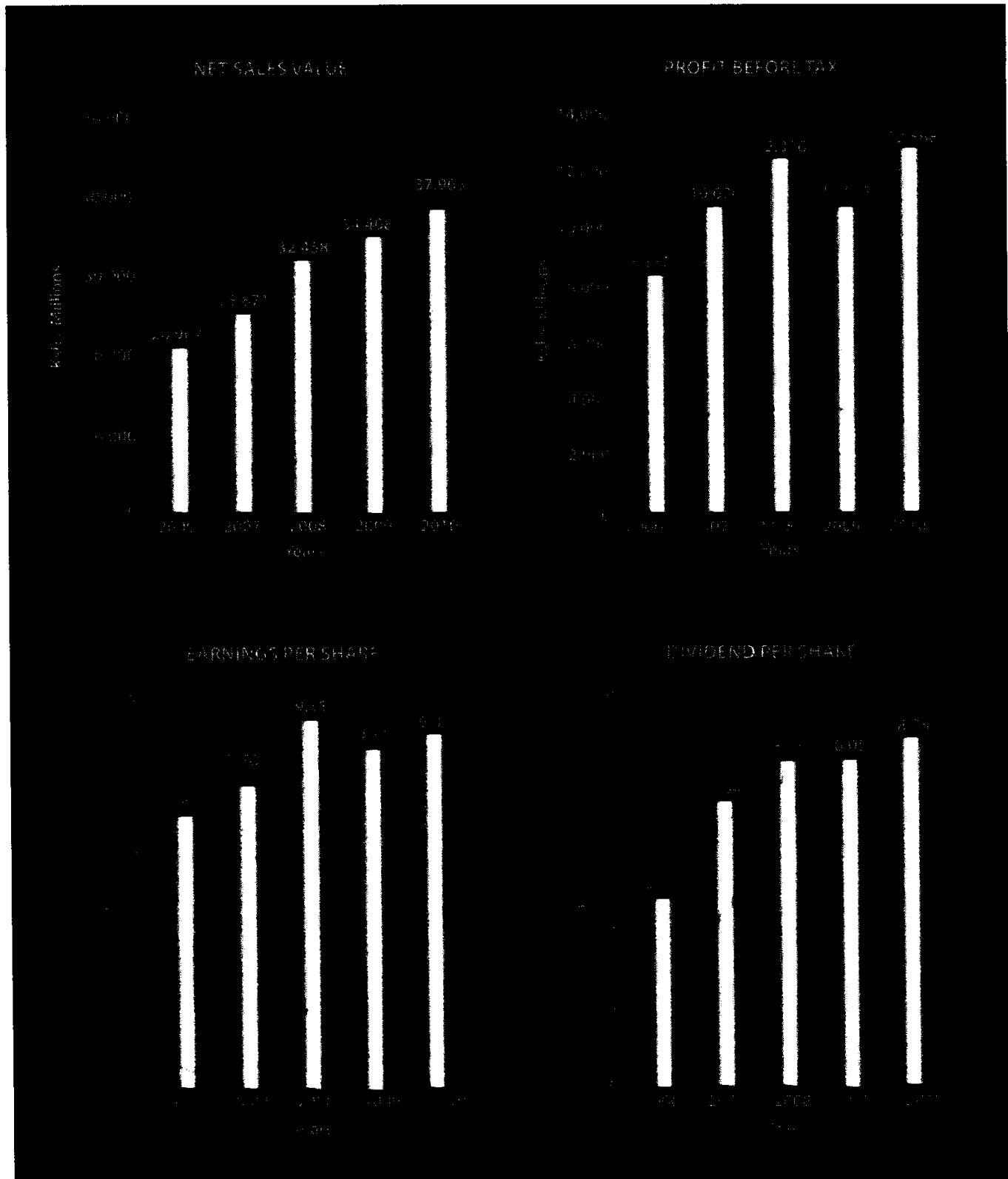
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FINANCIAL HIGHLIGHTS





CHAIRMAN'S STATEMENT



Jeremiah G. Kiereini
Group Chairman

What a difference a year makes! At this time last year our business was facing immense challenges from the global economic downturn, post-election violence in Kenya and severe drought in the East African region. This year has seen our business perform exceptionally well, particularly in the second half of the 2010 financial year. The World Cup in South Africa created a reason to celebrate across the globe, and here in Kenya the celebration was greatly enhanced with the enjoyment by our consumers of our renowned brands.

This year in February, we were honoured with the presence of the H.E President of the Republic of Kenya Mwai Kibaki, for the official opening of EABL's new ultra modern brew house and bottling line at the Tusker Brewery in Nairobi, with a production capacity of 80,000 bottles per hour. Additionally, the installation of a new 480 barrels per hour keg line is instrumental to our growth and delivery strategy, whilst a new 250 ml packaging stream is set to expand our spirits business.

Our goal is flawless product supply aided by supply chain optimisation, coupled with a competitive, world-class Cost of Goods Sold agenda.

One of our proudest achievements for the year was the arrangement to acquire a majority interest in Serengeti Breweries Limited (SBL). As Tanzania's second-largest brewer, SBL produces the popular Premium Serengeti Lager. We look forward to combining our mutual resources and expertise to ensure the delivery of greater service to our customers and contributing positively to communities. We also continue to expand our frontiers, and now have strong presence into Southern Sudan, Rwanda and Burundi, and many of our Brands are now available in these markets.

Improved rainfall in Kenya and Uganda helped boost barley production in the second half of the year for our malt business. We are currently carrying out research to develop more successful varieties. The Malting plant is undergoing a refurbishment to improve efficiency and guarantee malt quality. A sorghum growing programme was launched in August in Kenya and Uganda. The growing relationship we have with sorghum farmers is intended to be of mutual benefit in these two markets. Central Glass performed exceptionally well during the year, both financially and in plant productivity.

Demand in the past year was quite encouraging, driven by our marketing strategies which were innovative, and provided visibility of our brands. The year saw the hosting of the third season of Tusker Project Fame, which attracted 8.5 million viewers every week. Instant wins through Tusker 50 Milli Ya Ma-fans enjoyed enormous popularity. Johnnie

Walker posted 24% gains above our annual plan target and 51% over last year's performance, in large part due to effective marketing and iconic visibility. Many other marketing efforts focused on building brand recognition and brand identity. It was a highly successful year all around for the marketing of our brands.

Innovation remains central to our overall strategy of exceeding our consumers' expectations. The launch of Blossom Hill Wine in Red and White in Kenya, Alvaro Passion Fruit in Kenya and Uganda and Premium Serengeti Lager in Uganda helped set the pace for the year.

These exciting events gave rise to the good performance of the Company this financial year, where Profit before tax increased by an impressive 9 % above last year. Net Sales Value rose 11% largely due to price, mix and the success of our premium and mainstream brands. Guinness and Tusker reported NSV growth of 23% and 25%, respectively. Cost of Goods Sold rose 9%, attributed again to premium and mainstream brands' production costs and adverse foreign exchange. Marketing, administrative and other operating expenses also rose during the year. Volumes however were flat compared to last year.

As always, EABL remains committed to a sustainable and responsible business model. As a corporate citizen, the business focuses on engaging with communities through environmental conservation activities, water and sanitation programmes and university scholarships. We celebrated five successful years of promoting responsible drinking and the well being of our consumers, in particular through the appointment of a responsible drinking ambassador and a new Space-



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*His Excellency The President Mwai Kibaki cuts a ribbon to officially open the new
brewhouse and bottling line at EABL plant Ruaraka.*

it-Out campaign focusing on alternating water with alcohol. Meanwhile, in line with our Green Goals environmental agenda, Central Glass is now in the last stages of commissioning an effluent treatment plant which will funnel treated water back into the process.

The year has not however been without its challenges. Within the region the regulatory environment increased its focus on our industry. We have just witnessed an Excise tax increase in Kenya that has led to price increases for key brands in our portfolio. The rising costs of raw materials for production, and the utilities supply inconsistencies have created additional obstacles to our operations. The Board and Management continue to identify ways in which to address these matters to sustain the profitability of the Company.

This report would not be complete without a tribute to our esteemed consumers right across the region whose steadfast loyalty towards our great brands, is the motivating factor behind our continued quest to make available a bouquet of high quality adult beverages.

Finally, we remain indebted to our highly talented and passionate staff who are the cornerstone of our business. The Company's Code of Business Conduct emphasises work ethics and regulatory standards that all staff are required to adhere to. As always, we stay committed to a consistent, coherent corporate culture across all of our businesses and markets. We strive to build a zero-harm culture, provide ongoing training and support active engagement with all stakeholders to ensure success every day, in everything that we do.

On behalf of the Board, I extend my sincere appreciation to our 900 staff and management across the region, and to my fellow directors who have invested their knowledge, effort and time for the benefit of our shareholders.

Please join me in celebrating a successful and prosperous year.

Jeremiah Kiireini
Chairman



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PRODUCTION

The Tusker Plant delivered 4.421 million HL of beer and 0.754 million 9lcs of spirits in F10, earning a record peak season delivery without a lost sale. Uganda Breweries in turn produced 0.815 million HL of beer and 0.392 million 9lcs of spirits.

The drive for strategic and operational excellence has been the cornerstone to ensuring success in delivery given the challenges of the past financial year. To ensure water supply security during the drought, we swiftly sunk boreholes, which currently contribute very positively to reducing our water bills. Our Cost of Goods Sold (COGS) agenda across the group has realised great results as part of our manufacturing excellence focus. Specific Brand Value Enhancement (BVE) projects within the process have seen our

production units maintain the highest quality standards while delivering at very competitive world-class costs.

During the year His Excellency the President of the Republic of Kenya, Mwai Kibaki officially opened the new ultra modern brewhouse and bottling line at the Tusker Plant, comprising of a production capacity of 80,000 bottles per hour.

We have installed and currently use a new 480 barrels per hour keg line as part of our growth and delivery strategy. Investment has also been directed towards a new 250ml-packaging stream at our Spirits plant to expand our stock keeping unit portfolio, not to mention expansion of our Line 2 for yet another year.

Supply Chain Optimization was another key pillar to ensure flawless product supply even during the peak seasons. We have expanded our warehouse yard to accommodate the increased production, in addition to closely monitoring our distribution costs.

Perfect Plant programmes across the Group continue to inject manufacturing excellence techniques that ensure uninterrupted supply for optimal value realisations.



Mtambo wetu mpya wa Keg wenye uwezo wa kutoa mapipa 480 kwa saa



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PRODUCTION



Alvaro bottles go through quality checks before packing

Central Glass Industries performed exceptionally well financially and in plant productivity during the year. Demand far outstripped installed capacity.

The pricing of our products continues to be central to our performance. Cost containment through efficient production, substitution of raw materials and optimising mix ensured the stability and quality necessary to continue exceeding our customers' expectations.

Our effort to invest in the quality of our products is ongoing. Both production lines have been equipped with Digital Super-scan machines that detect defects in finished glass. We also earned recertification

to Quality Management Systems ISO 9001 – 2008.

Regarding the environment, we are in the last stages of commissioning our effluent treatment plant. The treated water from this plant will be pumped back into production, especially for sand and cullet cleaning. This principle of recycle and reuse is important as it assisted in the conservation of our water resources. Along these lines, we have also been certified to the Environmental Management System ISO 14001.

Safety is always a matter of concern and we continue to embed a zero harm culture to staff and all persons accessing our plants through training and active engagement

with all our stakeholders. We are hence certified to Occupation Health and ISO 18001, and will shortly also acquire the Food Safety ISO 22000.

For Central Glass Industries this was “the best year ever for the glass business in all ways”.



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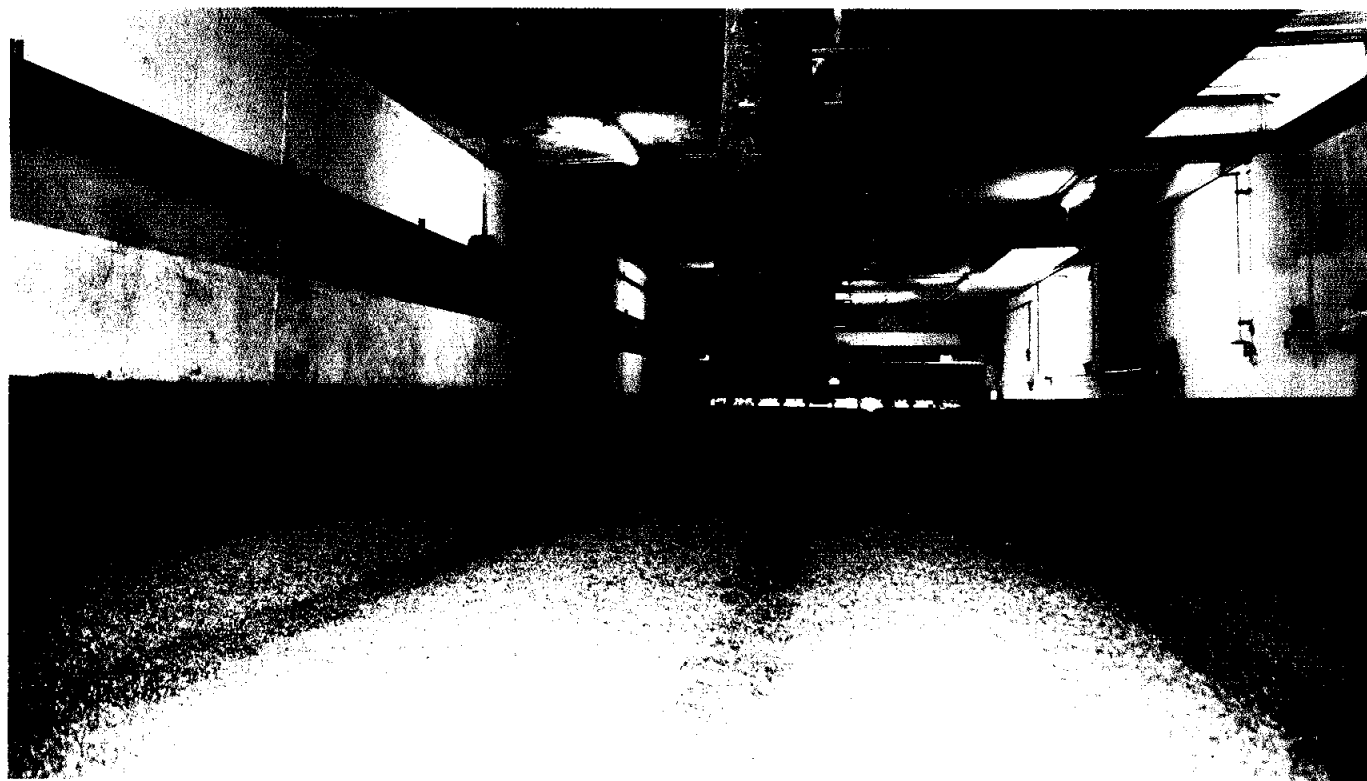
PRODUCTION

The year saw East African Malting Ltd (EAML) realise a turn around in barley output after years of decline due to drought conditions across the region. The first half of the year was adversely impacted by drought while the second half performed well. Overall barley output in East Africa improved to 49,000 tons up from 32,000 tons in the last financial year as a result of overall improved rainfall and an increasing number of farmers engaging in barley

remission that was granted in the year to select cereals.

As part of our brewing cereals diversification strategy, EAML launched a sorghum growing program in August 2009 and mobilized several stakeholders to popularize sorghum farming across East Africa. In Kenya's Eastern province, over 3,000 small-scale farmers enrolled into sorghum farming with huge economic

The Malting plant on Kampala road Nairobi, is undergoing refurbishment through the installation of six new turner strippers to improve efficiencies, guarantee good malt quality, and reduce cost of maintenance as well as enhance safety. The upgrading commenced in April 2010 and will be completed in the next few months. The year has seen EAML focus on improving Malt quality which in the turn will enhance the quality of production of our brands.



New Turner strippers at the malting plant

farming. The total acreage under barley increased to 23,000 ha this year compared to 16,000 ha in the previous year. To help improve barley farm yield, research work on new varieties is ongoing. In the year under review, we imported 15,500 tons of barley from the international market to help meet production demand, taking advantage of the government of Kenya's import duty

impact. Similar sorghum farmer activities were started in Northern Uganda's Lira district with over 2,000 farmers being enrolled. We believe that with EAML's full involvement in cereals production, the value chain will be fully developed to sustain the region's business requirements in the next two to three years.

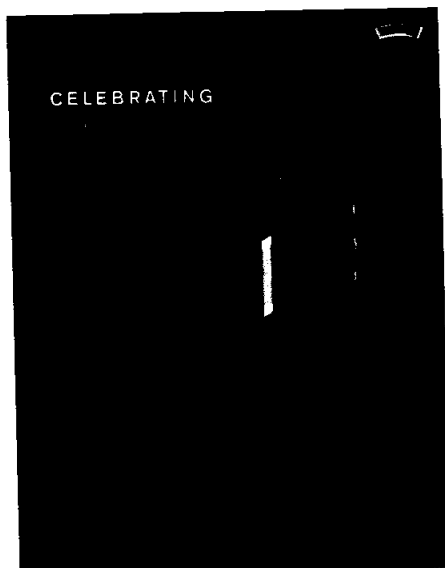
EAML focuses on safety as a top priority area and strives to achieve a zero harm culture. The business continues to operate under stringent international standards and is certified under ISO 18001 and ISO 22000, ISO 14001 and ISO 9001.



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JOHNNIE WALKER

Johnnie Walker had a stellar year across East Africa closing at 109% above the previous year's performance.

During the year, Johnnie Walker Black Label, one of the world's most iconic brands, turned 100 years old. The centenary was communicated through executions on key outdoor sites as well as several prestigious publications.

The Johnnie Walker Striding Man was a landmark in a number of strategically placed buildings within Nairobi's Central Business District.

The year saw Johnnie Walker at the consumer level hold 'Bottle on the Table' activations across the country and Johnnie Walker Mentorship sessions for the benefit of consumers in Kenya and Uganda.

The mentored guests had positive remarks to make about the brand, one of which was:

"I would never imagine such a premium event in Africa. I love Johnnie Walker!"

SMIRNOFF VODKA

Smirnoff Vodka had a solid year, with positive growth compared to the previous year.

At the consumer level, the brand enjoyed an exciting year. The key activity held was the Smirnoff "Win Some" consumer promotion.

The concept was grounded in the brand characteristics of Originality, Savvy and Intelligence. Consumers who participated had an opportunity to win exciting prizes such as laptops, Hi-Fi theatre systems and iPods.

In addition, Smirnoff held the first ever Snow Party in Nairobi. This unique event provided participants with an entertaining evening complete with the best of Kenya's DJs and snow - the first ever to be witnessed in Nairobi!

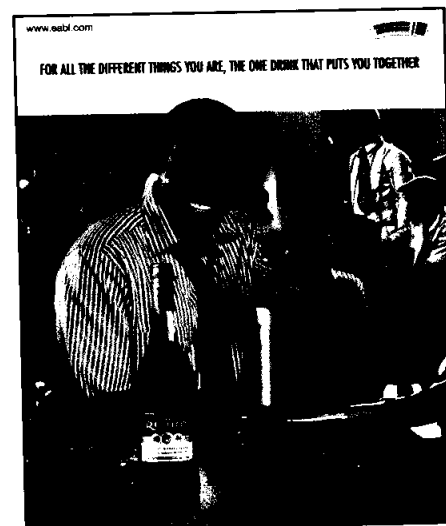
An equally electric Smirnoff event was held in Kampala, with participants being entertained by East Africa's finest DJs.

During the Christmas season, Smirnoff reinforced its brand association as the ideal spirit for mixed drinks. This was communicated through the Outdoor Festive Spirit Campaign.

In November 2009, Smirnoff Vodka and other brands were launched in Tanzania. The response was positive and this is in line with EABL's strategy to build the World's Number 1 Vodka footprint in the East African market.

RICHOT

In order to build Richot brand value and generate growth of the brand among consumers, the brand developed a successful new advertising communication



rolled out in October 2009. Television, billboards and radio were the media channels through which the new Richot Campaign was launched.

The brand ran a consumer promotion dubbed 'Richot Get Richa'. The promotion's objective was to reward consumers who purchased Richot.

In November 2009, Richot Brandy also increased its footprint within the East Africa region following a successful launch into the Tanzania market.

UGANDA WARAGI

During the year, Uganda Waragi launched the "UG mix a million" promotion which was well received by consumers. The 100ml sachet was found to be popular and convenient with consumers, and delivered close to 60% of the spirits volumes in EABL Uganda. In response, the 100ml PET was launched in a convenient, trendy and unique pack to deliver the same convenience to consumers.

TUSKER

The Tusker brand which includes Tusker Lager and Tusker Malt Lager registered





BRANDS

double-digit growth in the 2009/2010 financial year. This sterling performance can be attributed to delivering world-class marketing programmes for brand Tusker.

TUSKER Project Fame season 3

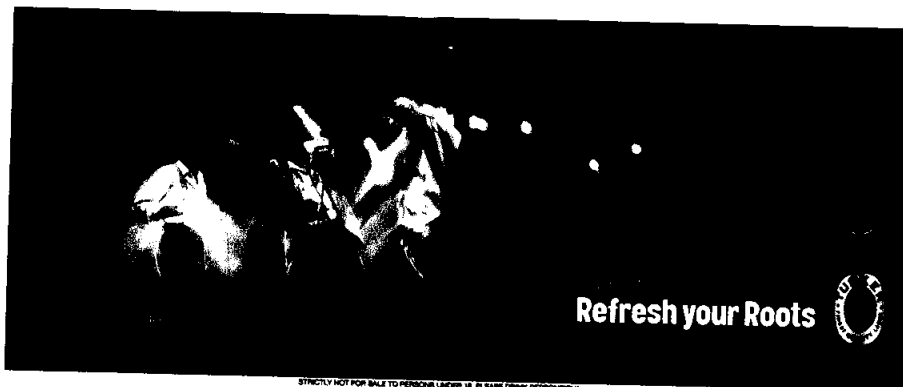
Tusker Project Fame 3 was broadcasted in Kenya, Uganda, Tanzania and Rwanda, where participants from the four East African countries took part. The show delivered the highest consumer awareness levels ever. There was a phenomenal increase in popularity for the Tusker-sponsored show, demonstrated by the high viewership rating. Approximately 8.5 million adult viewers tuned in every week to watch the programme resulting in a positive impact on Tusker's brand equity and relevance. Alpha from Rwanda was winner of Tusker Project Fame Season 3.

TUSKER "Refresh Your Roots"

Tusker Lager launched a new advertising campaign called "Refresh Your Roots" in November 2009. The advertising campaign ran on television, radio, print and billboard. The campaign sought to acknowledge the consumer's enthusiasm for life and optimism for the future that can only be defined as the African Spirit.

In order to deliver the Tusker advertising campaign on a platform that is relevant to our target consumers, Tusker brand took over broadcast sponsorship of the International Rugby Board 7's World Series, which was broadcast live on Super Sport® for the 2009/2010 season.

A "Refresh Your Roots" music extravaganza took place with the objective of supporting the new Tusker Lager advertising campaign and bring it to life to consumers in bars. Consumers were given an opportunity countrywide to experience quality live



music entertainment by Nameless (EABL's Responsible Drinking ambassador) with special appearances by Tusker Project Fame 3 finalists Alpha and Ng'ang'alito.

TUSKER Anchor Beer Belt Programme

The Tusker Anchor Beer Belt programme began in January 2010 with the objective of delivering the true Tusker experience to consumers by upgrading the bar environment in various beer belts country wide.

Tusker 50 Milli Ya Ma-fans National Consumer Promotion

Tusker 50 Milli Ya Ma-fans was an exciting National Consumer Promotion aimed at rewarding consumers' loyalty.

TUSKER MALT LAGER

The Tusker Malt Lager new bottle was simultaneously launched in Kenya and Uganda at the end of January 2010. The introduction of the new-look 330 ml green



A participant at a Tusker Malt golf tournament

bottle was supported by an advertising campaign which led to a tremendously positive change in consumer perception towards the brand.

TUSKER MALT Golf Carnival

The Tusker Malt Lager Golf Carnival was launched in November 2009. The six-month golf series drew participants from across East Africa. The winners were a team from Nandi Bears Golf Club in Nandi Hills Kenya. Over 3,000 golfers from 37 different golf clubs participated. Over 10,000 club members attended the Tusker Malt Golf Carnival which is widely considered to be the number one golf extravaganza in East Africa.

PILSNER "Imara" Thematic Communication

To further reinforce the brand proposition which is hinged on masculinity, the Pilsner "Imara" thematic advertising was broadcasted in key TV stations across the region. The communication really worked well for the brand as it resonated with our target consumers who buy into the bold, unpretentious and vivacious spirit embodied by the brand.

PILSNER New Pack Launch In Uganda Market

The biggest success for Pilsner Lager in Uganda during the year was the successful pack renovation launched to consumers in



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June 2010. Pilsner moved from the euro pack to a stylish longneck new pack. The new look will strengthen Pilsner's connection and appeal with its contemporary trendy adult male consumer.

PILSNER DJ search contest

The year saw the launch of, Pilsner Lager DJ search contest. The three month-long campaign sought to identify the best DJ in Uganda and Kenya. In Uganda the winner, of Pilsner Spin Master II walked away with state of the art DJ equipment.

In Kenya, the DJ competition was complemented by a scratch-card based consumer promotion that was executed in key Pilsner outlets. Consumers were able to win exciting prizes such as instant airtime during the 8-week promotion.

BELL LAGER

Bell Lager is the number-one mainstream beer in the market and the flagship brand for EABL Uganda. Bell Lager has a 60-year legacy in Uganda and it continues to be much adored by consumers. The brand has enjoyed market-leader status over the years. Bell Lager launched a thematic

campaign dubbed 'Live Life Confidently'. To amplify the Bell Lager consumer's confident approach to life, as well as reflecting the zest, energy, courage and passion of its consumers.

GUINNESS 250 Years Celebration

During the first quarter of the year, Guinness celebrated its 250th anniversary across the globe. The brand held activities aimed at getting consumers to join the world wide celebration. The 250 campaign had the entire business buzzing with excitement as it rolled out the first of a kind EABL staff/ consumer engagement campaign through the "G250" Fast Start day where 300 EABL staff took to the city streets for sales and consumer engagements activities. The celebrations reached a climax on Sept 24th when Kenya joined the rest of the world at 17:59 hrs via satellite communication in toasting Arthur Guinness.

GUINNESS Mobile Viewing Unit

In January, Guinness took Football on the road. As a continuation of Guinness's third year as the official broadcast sponsor of the English Premier League, Guinness launched a brand new consumer experience through

a first of a kind mobile viewing unit. This allowed for a live screening of all football matches.

GUINNESS New Thematic & Product Advertising

In October for the third year running, Guinness launched a new thematic campaign simultaneously across East Africa. The campaign was led by a powerful TV commercial dubbed "Scout" that communicated the Greatness idea.

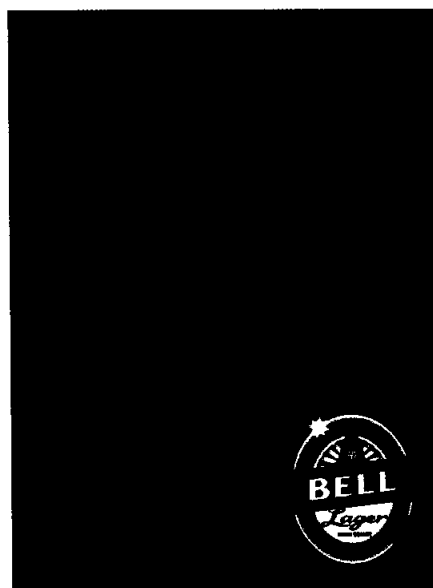
SENATOR LAGER

Senator Lager reflects consumer optimism for a brighter future. In Uganda, the brand unveiled a new label that showcased visual pictures of cultural festivities. The objective was to ultimately connect consumers to their culture through their favourite brand. The new labels improved brand perception and led to enhanced brand performance.

In addition, the brand sponsored the hugely popular cultural galas, market day activations and in-bar promotions by awarding consumers with functional items like bicycles, torches, lamps, blankets and promotional t-shirts.

SENATOR KEG Base Poa's

In 2009, Senator Keg introduced the quality program dubbed Base Poa to assist 1,000 bars through training staff and bar upgrading and enabling them to present the brand in a way that exceeds consumer expectations. Sales in Base Poa's grew by between 23-30% as a result of increased consumer interaction with brand.





HUMAN RESOURCES

GOOD CORPORATE GOVERNANCE

The Company continues to believe in good corporate governance in order for it to achieve its business objectives. During the year, our compliance agenda was greatly enhanced across the Group. Our efforts to create a heightened awareness of compliance standards at every level of our business have been visible. EABL staff went through a programme called 'Pathway of Pride' which highlighted all the key policies that are specified in our Code of Business Conduct. Through this programme, all employees are provided with an opportunity to fully understand the work ethics and the regulatory expectations.

ORGANISATION EFFECTIVENESS AND EFFICIENCY

Following the restructuring of the organisation, our processes have been streamlined, which has resulted in staff cost efficiencies in many areas of the

business. We have continued to review our organization's structure to facilitate delivery of our business objectives. With a regional expansion agenda, these reviews have taken into account our commercialisation needs in the new territories in which we operate. As the environment becomes increasingly competitive, we will continue to provide strong integrated business teams in each of their territories. During the year, we launched our new HR Operating model to allow for more effective HR support to all business units.

LEADERSHIP

Effective leadership of our business will continue to give us a competitive edge in driving our business to achieve and deliver exceptional results and shareholder value. Recognising this, we have continued to invest our resources in developing leaders in our business through formal training and on-the-job coaching. Our leadership

development strategies have assisted with driving our employee retention strategies within the business.

TALENT

As the war for talent remains apparent in our environment, EABL has continued to attract, develop and retain staff who are equipped with a superior skills base. Staff provided with opportunities to enhance their skills through various development interventions, and to keep abreast with the latest technological advancements in their areas of expertise. Through our Diageo Africa Early Career Programme, supplemented by a mid-career programme, we maintain an adequately experienced talent pipeline at all levels and functions. Learning and Development continues to be the pinnacle of our talent employee advancement through the Diageo Academy, which was recently relaunched in our market.



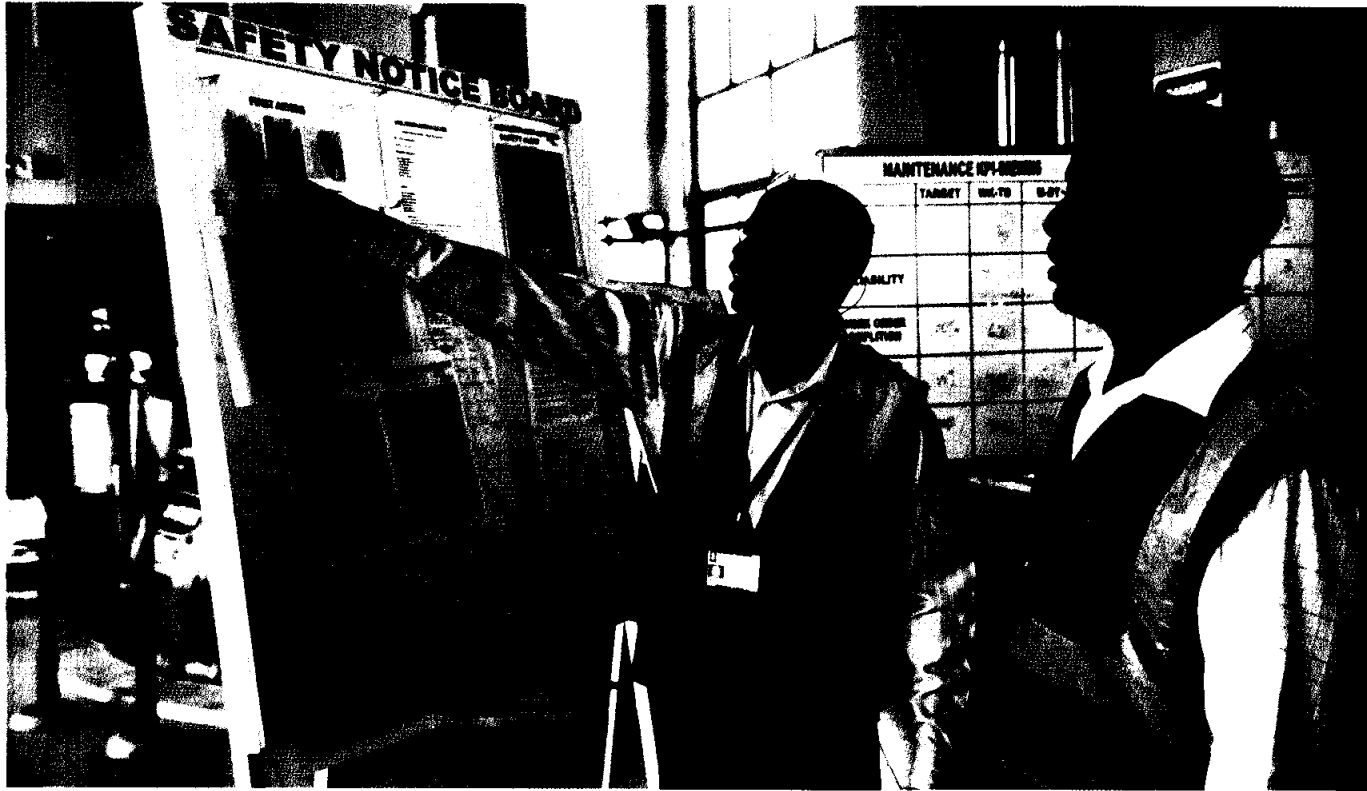
Staff in Uganda enjoy a meal at the staff canteen



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Staff review safety guidelines and procedures

OUR CULTURE

As a multi-faceted business operating in very different places, we need to continuously focus on operating as a single business entity. We recognise that there are many synergies we derive from this approach. During the year, we had our first-ever All Staff Conference that brought together all our staff from the different business units across the Group to discuss the driving of a common culture aimed at delivering our business objectives and living the Diageo purpose of **"celebrating life, every day, everywhere"**. Our improved interrelationships and increased super-engagement levels, both individually and collectively, will assure the success of the business into the future.

STAFF WELFARE

The wellbeing of our staff continues to

take prominence in our HR agenda. We provided medication to staff in the event of an outbreak of pandemic flu, which fortunately did not escalate to critical alert levels. We have streamlined our access to medical services at our various service providers around the country by providing biometric medical cards.

We have continued to enhance staff recreational facilities and extended satellite television in specific locations across the Group. Staff had the opportunity to watch the FIFA world cup in these relaxed environments.

SAFETY

Focus on safety awareness across the Group has been heightened as we strive to achieve a 'Zero Harm' environment. This is aimed at ensuring that our employees

return to their families safely at the end of every working day. Our suppliers have also benefited from safety training. With dedicated safety managers at all of our sites, we will continue to 'raise the bar' as far as safety standards are concerned and ensure 100% compliance with the required standards.





ENRICHING COMMUNITIES

COMMUNITY INVESTMENT

The EABL Foundation has increasingly made great strides through projects aimed at reaching over 600,000 people annually.

WATER OF LIFE

The Foundation's efforts to expand its reach in water and sanitation programmes are ongoing. In a bid to cover more markets and towns, the Foundation, working closely with NGOs such as Ecotact and Maji na Ufanisi has unveiled the second phase of the Water and Sanitation programme. The phase received a boost of **25 million** Kenya shillings that will see more towns receive much-needed facilities.

Already some of the ablution blocks dubbed Blocks of H2ope have been commissioned. The areas include Embu, Kawangware and Wote among others. The programme will also be expanded within the region to countries like Uganda and Tanzania. Other facilities commissioned include the Kangemi Water and Sanitation block that was commissioned by Diageo Chairman Dr. Franz Humer. There are currently 40 facilities in the blocks of hope programme.

EABL Foundation plans to sponsor additional projects in the region as we



EABL Foundation Scholars graduate with honours

focus on newer markets.

SKILLS FOR LIFE (Kenya Uganda Tanzania)

The Foundation has continued to sponsor the Scholarship programme. Twenty students received scholarships to join public and private universities. To date, the programme has provided **140** students with scholarships. Recently, a number of the sponsored students from Strathmore University graduated with first class honours and some of them have already been short listed for jobs by leading firms.

E-GREEN TEAM

Over 230,000 trees seedlings Planted

The E-Green Team has continued to care for the environment and planted **230,000** tree seedlings in Ndakaini, Sasumua, Mau

Naisoya, Marsabit and Uganda. A major reason for this success is the focus on community relations where participation of communities living around project areas remains key to achieving environmental goals. Working with Ndeka Community in Ndakaini, Kenya, is one of the partnership success stories that has emerged over the past 6 years and our efforts have yielded the sustainable growth of a large expanse of trees in the area.

EABL, in partnership with other Corporates, has embarked on an ambitious program to rehabilitate the Mau Forest Complex which is the largest water tower in Kenya. The three-year programme has a goal of 1 million tree seedlings planted. To help us realize that goal, we are working with communities living around the forest. The Trust has adopted Eburru Forest within the complex to carry out this work for a period of 30 months.

GREEN GOALS 2010

Our Green Goals strategy continued to be ingrained in the business over the year. Every unit looks into options of managing and disposing of waste with 3 "R"s in mind: **"Reduce", "Reuse", "Recycle"**. Waste generated is either recycled or disposed of in an environmentally friendly manner. Waste labels are turned into usable energy, cans recycled into aluminium cookware and waste paper generated from the offices collected and sold to persons who recycle it into useable products such as toilet paper.

MEDIA RELATIONS

Our media message is to project a strong culture of good corporate citizenship. Throughout the year, this message has been clear and consistent through stakeholder engagement, investor relations and social investment initiatives.



Group MD Seni Adetu and Diageo Chairman Dr. Franz Humer commission a water project

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ENRICHING COMMUNITIES

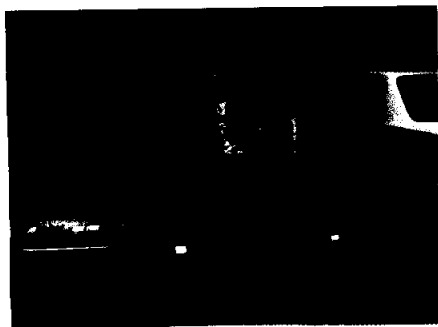


E-green team members celebrate after a tree planting session in Ndakaini, Thika (Kenya)

EABL media coverage was consistent and often accurate on issues pertinent to the business, helping to further propel the company's reputation to new heights. We view the media fraternity as partners of growth as they act as channels for our messages to shareholders, investors, consumers and the public.

RESPONSIBLE DRINKING

The Kenyan multi award winning musician, "Nameless" (David Mathenge) is the new Responsible Drinking campaign Ambassador. EABL has been running Responsible Drinking (RD) campaigns for five years with tremendous success. These RD campaigns are underpinned by our responsibility towards the well being of our consumers and the appointment of Nameless now serves to take the agenda a notch higher.



The engagement with Nameless gives us yet another platform to share RD messages.

EABL launches space-it-out campaign

EABL took its Responsible Drinking Campaign to new heights under the Space-it-out activation where consumers are given water as spacers. EABL-commissioned scouts stormed selected pubs and randomly handed out water. Scouts also provided responsible drinking tips and provided vouchers for taxis to take consumers home.

Most consumers have a positive, responsible attitude toward alcohol but EABL acknowledges that a few do not and as part of being a good corporate citizen, this activation was tailored to educate consumers to be aware of their tolerance levels and ensure they act responsibly when interacting with alcohol. Space-it-out is spearheaded by RD Ambassador, Nameless, and featured in Nairobi and Mombasa. The plan will soon be rolled out in other towns across the country.

INTERNAL COMMUNICATIONS

Taking employee engagement to the next level.

The EABL family of companies exists to achieve one singular purpose – "celebrating life every day, everywhere". By this we are intent on creating the "best place to be" in our operating units across the Group.

One way we achieve this goal is by ensuring that all the members of the EABL family are inspired every day to love their job and make the most of life. Employee engagement delivers just that; engaging employees on all activities in the business and putting together a platform for them to share their views and queries on a regular basis.

This year has seen great achievements with regard to communicating with staff. We have embraced technology to put forward a more efficient system through which to transmit staff communications, particularly – exemplified by our staff e-newsletter *Lyfestyle*. *Lyfestyle* is a weekly publication that provides for news and updates, and reaches as many as 1,000 EABL staff across our various markets in the region.



Responsible Drinking Ambassador Nameless demonstrates the role of a designated driver to Group MD Seni Adetu





TAARIFA YA MWENYEKITI



Jeremiah G. Kiereini
Mwenyekiti

Tofauti inayoweza kutokea katika kipindi cha mwaka mmoja ni kubwa! Wakati kama huu mwaka uliopita biashara yetu ilikuwa ikikabiliwa na changamoto kutokana na kuzorota kwa hali ya uchumi duniani, ghasia baada ya uchaguzi mkuu nchini Kenya na ukame mkali katika eneo la Afrika Mashariki. Mwaka huu tumeshuhudia biashara yetu ikifanya vyema sana, hasa katika nusu ya pili ya mwaka wa matumizi ya fedha wa 2010. Mashindano ya kombe la dunia ya kandanda nchini Afrika Kusini yalibuni sababu ya kusherehekea kote ulimwenguni, na hapa nchini Kenya sherehe hizo ziliimarishwa kwa wateja wetu kujiburudisha kwa bidhaa zetu maarufu.

Mwaka huu mnamo mwezi Februari, tulitunukiwa heshima kuu kwa kuwepo kwa Mheshimiwa Rais wa Jamhuri ya Kenya Mwai Kibaki wakati wa ufunguzi wa jumba la utengenezaji pombe la kisasa la EABL na mtambo wa uwekaji pombe kwenye chupa katika kiwanda cha utengenezaji pombe cha Tusker mjini Nairobi, chenye uwezo

wa utoaji chupa 80,000 kwa saa. Kadhalika, uwekaji wa mfumo mpya unaotoa mapipa 480 kwa saa umechangia pakubwa katika ukuaji na mkakati wa utoaji, ilhali mkondo mpya wa upakiaji wa 250ml unatarajiwa kupanua biashara yetu ya vinywaji vikali. Lengo letu ni utoaji bidhaa usiokuwa na dosari unaosaidiwa na mfumo bora wa ugawaji pamoja na ajenda yenye ushindani na ya kiwango cha kimataifa ya gharama ya bidhaa zinazouzwa.

Mojawapo ya mafanikio ya kujivunia katika kipindi cha mwaka huu yalikuwa makubaliano tuliyoafikia ya kupata kiasi kikubwa cha umiliki wa kampuni ya Serengeti Breweries Limited (SBL). Ikiwa kampuni ya pili kwa ukubwa katika sekta ya utengenezaji pombe nchini Tanzania, SBL hutoa pombe maarufu ya Premium Serengeti Lager. Tunatazamia kuunganisha rasilimali zetu na ujuzi kuhakikisha utoaji wa huduma kubwa zaidi kwa wateja wetu na kuchangia kwa njia mwafaka kwa jamii. Vile vile tunaendelea kupanua mipaka yetu, na sasa tumepenyeza Kusini mwa Sudan, Rwanda na Burundi, na aina nyingi za bidhaa zetu sasa zinapatikana katika masoko haya.

Kuimarika kwa mvua nchini Kenya na Uganda kulisaidia kuimarisha utoaji shayiri katika nusu ya pili ya mwaka kwa biashara yetu ya kimea. Kwa wakati huu tunafanya utafiti kustawisha aina zenye ufanisi zaidi. Kiwanda cha kimea kinafanyiwa ukarabati kuimarisha utendaji na kuhakikisha hali ya juu ya kimea. Mpango wa ukuzaji mtama ulizinduliwa mwezi Agosti nchini Kenya na Uganda. Uhusiano unaoendelea kuimarika baina yetu na wakulima wa mtama unanuiwa kunufaisha wote katika masoko haya mawili. Central Glass ilifanya vyema wakati wa kipindi cha mwaka, kifedha na pia katika utoaji kiwandani.

Mahitaji katika mwaka uliopita yalikuwa ya kutia moyo sana, kutokana na mikakati yetu ya uuzaji ambayo ilikuwa bunifu, na kudhihirisha wazi bidhaa zetu. Kipindi hiki cha mwaka pia kilishuhudia kuandaliwa kwa makala ya tatu ya kipindi cha Tusker Project Fame, ambacho kilivutia watazamaji milioni 8.5 kila wiki. Ushindaji wa papo hapo katika Tusker 50 Milli Ya Ma-fans ulivutia watu wengi. Johnnie Walker ilipata mapato ya kiasi cha asilimia 24% zaidi ya lengo la mwaka lililotarajiwa na 51% zaidi ya utendaji wa mwaka jana, kwa kiasi kikubwa kutokana na uuzaji mwafaka na taswira ya umaarufu. Juhudi nyingine za uuzaji zilizingatia kustawisha utambuzi wa bidhaa na kitambulisho cha bidhaa. Ulikuwa mwaka wa mafanikio makubwa kila upande katika uuzaji wa bidhaa zetu.

Uvumbuzi unabakia swala muhimu katika mkakati wetu wa ujumla wa kutimiza na kupita matarajio ya watumiaji wa bidhaa zetu. Kuzinduliwa kwa mvinyo wa Blossom Hill wa rangi nyekundu na nyeupe nchini Kenya, Alvaro Passion Fruit nchini Kenya na Uganda na Premium Serengeti Lager nchini Uganda ulisaidia kuweka mwendo kwa kipindi cha mwaka.

Shughuli hizi za kufana zilisababisha utendaji bora wa kampuni yetu mwaka huu wa matumizi ya fedha, ambapo faida kabla ya kutozwa ushuru iliongezeka kwa kiwango cha kupendeza cha asilimia 9 % zaidi ya mwaka uliopita. Thamani ya mauzo ilipanda kwa asilimia 11% kwa kiasi kikubwa kutokana na bei, mchanganyiko, na ufanisi wa bidhaa zetu za hali ya juu na zinazopendwa na wengi. Guinness na Tusker ziliripoti thamani ya mauzo ya asilimia 23% na 25%, mtawalia. Gharama ya bidhaa zilizouzwa ilipanda kwa asilimia 9%, kutokana na gharama ya utoaji wa bidhaa za hali ya juu na zinazopendwa na wengi





Mheshimiwa Rais Mwai Kibaki akata utepe kufungua rasmi jumba jipya la utengenezaji na uwekaji pombe kwenye chupa katika kiwanda cha EABL huko Ruaraka

na athari mbaya ya ubadilishanaji fedha za kigeni. Gharama za uuzaji, usimamizi na nyinginezo kadhalika ziliongezeka wakati wa kipindi cha mwaka. Hata hivyo kiasi cha bidhaa kilibakia vilevile ikilinganishwa na mwaka uliopita.

Daima, EABL inaendelea kujitolea kudumisha kielelezo cha biashara chenye uwajibikaji. Kama kampuni inayowajibikia raia, biashara hii inazingatia kujihusisha na jamii kupitia upanzi wa miti, mipango ya maji na usafi na misaada ya masomo ya vyuo vikuu. Tulisherehekea miaka mitano ya kuhamasisha unywaji wenye uwajibikaji na hali bora ya watumiaji wetu, hasa kupitia uteuzi wa balozi wa unywaji wenye uwajibikaji na kampeni mpya ya Space-it-Out inayozingatia kubadilisha maji na pombe. Wakati huo huo, kuambatana na ajenda yetu ya kuhifadhi mazingira, Central Glass sasa iko katika hatua za mwisho za kuanzisha kiwanda cha kusafisha maji taka ambacho kitarejesha maji yaliyosafishwa kwenye utaratibu wa uendeshaji. Hata hivyo mwaka huu haujakosa

changamoto zake. Katika kanda hii mazingira ya udhibiti yaliongeza uzingativu katika sekta yetu.. Tumeshuhudia ushuru ulioongezwa hivi punde nchini Kenya ambao umepelekea kupanda kwa bei kwa bidhaa zetu muhimu. Kupanda kwa gharama ya mali ghafi ya utoaji, na ukosefu wa utaratibu maalumu wa ugawaji wa bidhaa za matumizi umebuni vikwazo zaidi katika uendeshaji wetu. Halmashauri na wasimamizi wanaendelea kutambua njia za kushughulikia maswala haya ili kudumisha faida ya Kampuni.

Taarifa hii haiwezi kukamilika bila kutoa shukrani kwa wateja wetu watukufu kote katika kanda hii ambao uaminifu wao kwa bidhaa zetu maarufu ndio motisha kuu inayotufanya kuendelea kutoa vinywaji vya hali ya juu vya watu wazima.

Mwishowe, tunaendela kuwashukuru kwa dhati wafanyakazi wetu wenye ujuzi na ari ambao ndio nguzo ya biashara yetu. Kanuni za kampuni za Mwenendo wa Biashara zinazingatia maadili ya

kikazi na viwango vya udhibiti ambavyo wafanyakazi wote wanahitajika kutii. Kama kawaida, tunaendelea kujitolea kudumisha utamaduni wa kutegemewa na wenye mshikamano kote katika biashara zetu na masoko. Tunajizatiti kustawisha utamaduni usiokuwa na madhara, kutoa mafunzo kila mara na kuunga mkono mawasiliano na washikadau wote kuhakikisha ufanisi kila siku katika kila jambo tunalolifanya.

Kwa niaba ya Halmashauri, natoa shukrani kwa wafanyakazi wetu 900 na wasimamizi kote katika eneo hili, na kwa wakurugenzi wenzangu ambao wamewekeza maarifa yao, juhudi na wakati kwa manufaa ya wenyehisa wetu.

Tafadhali jiunge nami katika kusherehekea mwaka wenye ufanisi.

Jeremiah Kiereini
Mwenyekiti





UTOAJI

Kiwanda cha Tusker kilitoa HL milioni 4.421 za bia na 0.754 milioni 9lcs za vinywaji vikali katika mwaka wa matumizi ya fedha wa 2010, na kupata mapato ya juu zaidi ya msimu bila kupoteza mauzo yoyote. Uganda Breweries kwa upande wake ilitoa HL milioni 0.815 za bia na 0.392 milioni 9lcs za vinywaji vikali.

Msukumo wa ubora wa mikakati na uendeshaji umekuwa nguzo kuu ya kuhakikisha ufanisi katika utoaji ikizingatiwa changamoto za mwaka uliopita wa matumizi ya fedha za serikali. Ili kuhakikisha upatikanaji wa maji ya kutosha wakati wa ukame, tulichimba visima ambavyo kwa wakati huu vimechangia pakubwa katika kupungua malipo yetu ya maji. Ajenda yetu ya Gharama ya Bidhaa zinazouzwa (COGS) kote katika Kundi imeafikia matokeo bora kama sehemu ya uzingatiaji wetu katika

utengenezaji bidhaa bora. Miradi ya Bidhaa Maalumu za Kuimarisha Thamani (BVE) kwenye utaratibu huo imepelekea vitengo vyetu vya utoaji kudumisha viwango vya juu huku vikitoa bidhaa kwa gharama yenye ushindani wa hali ya kimataifa.

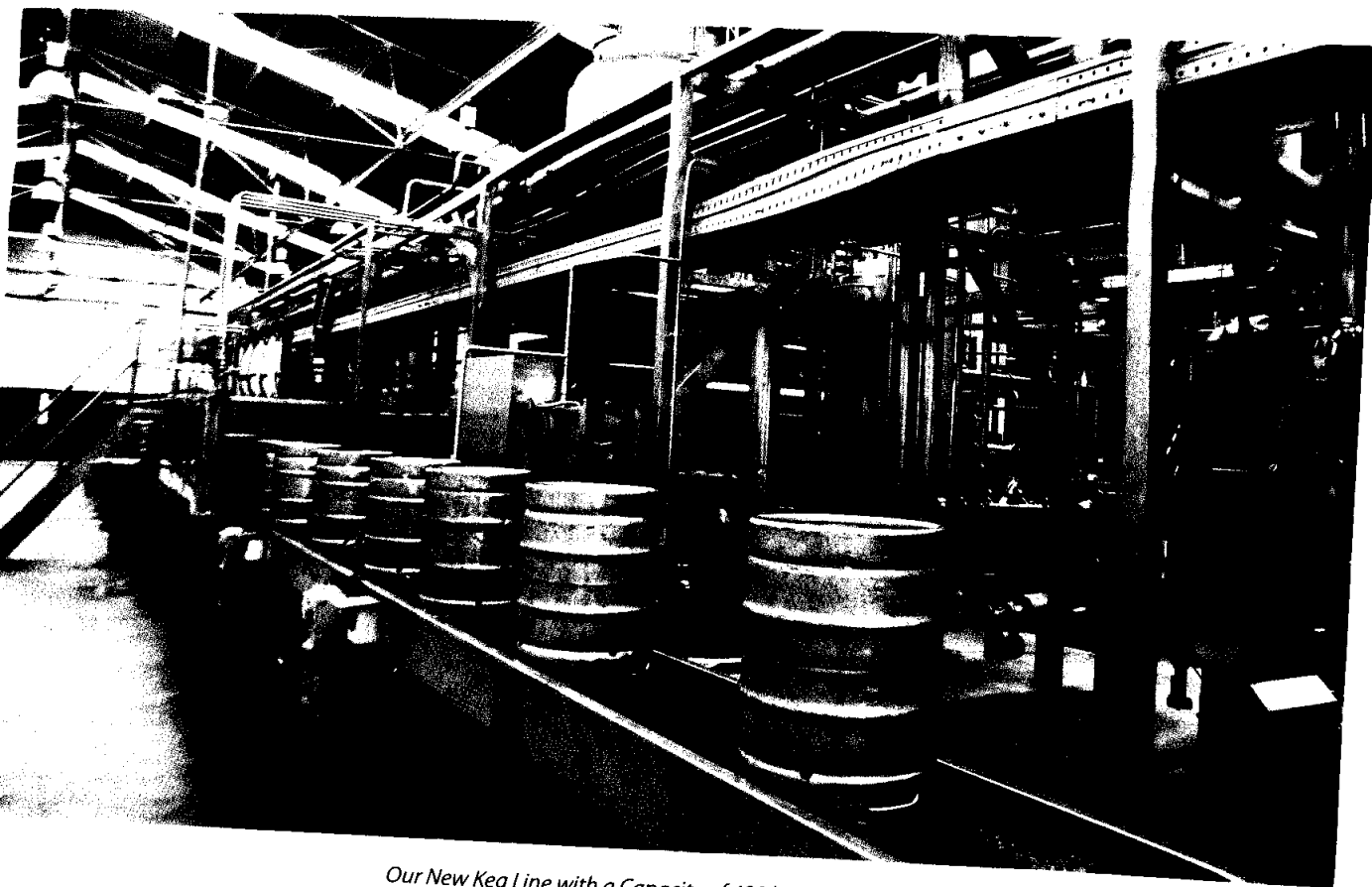
Wakati wa kipindi cha mwaka Mheshimiwa Rais wa Jamhuri ya Kenya, Mwai Kibaki alifungua rasmi Jumba jipya la kisasa la Utengenezaji pombe na mtambo wa uwekaji pombe kwenye chupa katika kiwanda cha Tusker wenye uwezo wa kutoa chupa 80,000 kwa saa.

Tumeweka na kwa wakati huu tunatumia mfumo mpya wa utoaji mapipa 480 kwa saa kama sehemu ya ukuaji wetu na mkakati wa utoaji. Uwekezaji pia umeelekezwa katika mkondo wa upakiaji wa 250ml katika kiwanda chetu cha vinywaji vikali ili

kupanua kitengo chetu cha uhifadhi bila kutaja upanuzi wa safu yetu ya pili kwa mwaka mwingine.

Kuimarishwa kwa mfumo wa Ugawaji kulikuwa nguzo nyingine muhimu ya kuhakikisha ugawaji usio na kasoro wakati wa kilele cha misimu. Tumepanua eneo la maghala ili kutosheleza ongezeko katika utoajiyetu, pamoja na kuchunguza kwa makini gharama za ugawaji.

Mipango kabambe ya Viwanda kote katika Kundi imeendelea kuleta ubora katika mbinu za utengenezaji ambazo zinahakikisha utoaji mfululizo kwa matokeo ya thamani ya hali ya juu zaidi.



Our New Keg Line with a Capacity of 480 barrels per hour



Celebrating life

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Chupa za Alvaro zinachungwa ubora kabla ya kupakiwa

Kampuni ya Central Glass Industries ilikuwa na utendaji bora kifedha na katika utoaji kiwandani wakati wa mwaka.

Uwekaji bei bidhaa zetu unaendelea kuwa muhimu kwa utendaji wetu. Udhibiti wa gharama kupitia utoaji ufaao, kubadilishwa kwa mali ghafi, na kuimarisha mchanganyiko kulihakikisha uthabiti na ubora unaohitajika kuendelea kutosheleza zaidi matarajio ya wateja wetu.

Juhudi zetu za kuwekeza katika ubora wa bidhaa zetu zinaendelea. Mifumo yote ya utoaji imewekwa mitambo ya kisasa ya Digital Super-scan ambayo inaweza kugundua kasoro kwenye vioo na pia tulijipatia tena cheti cha Usimamizi Bora

Quality Management Systems ISO 9001 – 2008.

Kuhusu mazingira tuko katika hatua za mwisho za kuanzisha kiwanda chetu cha kusafisha maji taka. Maji yaliyosafishwa kutoka kwa kiwanda hiki yatarejeshwa tena katika utoaji, hasa usafishaji mchanga na vipande vya vioo. Kanuni hii ya kurekebisha na kutumia upya ni muhimu kwani ilisaidia katika uhifadhi wa rasilimali zetu za maji. Kuhusiana na jambo hilo pia tumepewa cheti cha Usimamizi bora wa Mazingira Environmental Management System ISO 14001.

Usalama ni swala muhimu nyakati zote na tunaendelea kuhimiza utamaduni

usioruhusu kamwe madhara kwa wafanyakazi na watu wote wanaofika kwenye viwanda vyetu kupitia mafunzo na mawasiliano kabambe na washika dau wetu wote. Hivyo basi tumekabidhiwa cheti cha udumishaji afya bora kazini Occupation Health and ISO 18001, na hivi karibuni tutapata cheti cha Food Safety ISO 22000.

Kwa Central Glass Industries “Mwaka bora zaidi kuwahi kupatikana kwa biashara ya vioo kwa kila njia”.





UTOAJI

Katika mwaka wa 2010, kampuni ya East Africa Malting Ltd. (EAML) ilipata matokeo bora katika utoaji wa shayiri baada ya kupungua kwa zao hilo kwa miaka kadhaa kutoka na hali ya ukame katika eneo hili. Nusu ya kwanza ya mwaka bado iliathiriwa vibaya na ukame ilhali nusu ya pili ilipata matokeo bora, na utoaji shayiri katika eneo la Afrika Mashariki uliimarika na kufikia tani 49,000 kutoka tani 32,000 mwaka wa 2009 kutokana na kuimarika kwa ujumla kwa mvua na kuongezeka kwa idadi ya

ya kuondolewa na serikali ya Kenya kwa ushuru wa uagizaji mwaka huo kwa nafaka kadhaa.

Kama sehemu ya mkakati wa utuaji nafaka mbalimbali katika utengenezaji pombe, EAML ilizindua mpango wa ukuzaji mtama mwezi Agosti 2009 na kuandaa baadhi ya washikadau kuhamasisha ukuzaji mtama katika eneo la Afrika Mashariki. Katika Mkoa wa mashariki nchini Kenya zaidi wa wakulima wa mashamba madogo

Kiwanda cha Kimea kilichoko kwenye barabara ya Kampala mjini Nairobi, kinafanyiwa ukarabati kupitia uwekaji wa mitambo mipya sita (new turner strippers) kuimarisha utendaji, kuhakikisha ubora wa kimea na kupunguza gharama ya udumishaji pamoja na kuimarisha usalama. Uwekaji huo wa mitambo mipya ulianza Aprili 2010 na utamalizika katika muda wa miezi kadhaa ijayo. Katika kipindi cha mwaka EAML imezingatia uimarishaji wa ubora wa kimea ambao kwa upande wake



Mitambo mipya ya Turner strippers katika kiwanda cha kimea

wakulima wanaojihusisha na kilimo cha shayiri. Jumla ya ekari zilizokuzwa shayiri ziliongezeka na kufikia hekta 23,000 mwaka huu ikilinganishwa na hekta 16,000 mwaka uliotangulia. Kusaidia kuimarisha mavuno ya shayiri, kazi ya utafiti wa aina mpya unaendelea. Katika kipindi cha mwaka unaoangaziwa, tuliagiza tani 15,500 za shayiri kutoka kwa soko la kimataifa kusaidia kutosheleza mahitaji ya utoaji ya humu nchini kwa kuchukua fursa

3,000 walijiunga na kilimo cha mtama na kujinufaisha kiuchumi. Shughuli za kilimo cha mtama sawa na hizo zilianzishwa katika wilaya ya Lira kaskazini mwa Uganda huku wakulima zaidi ya 2,000 wakijiunga. Tunaamini kwamba kwa EAML kujihusisha kikamilifu, katika uzalishaji nafaka, mtiririko wa thamani utastawishwa kikamilifu kutosheleza mahitaji ya kibiashara ya eneo hili kwa muda wa miaka miwili au mitatu ijayo.

utaimarisha utoaji wa aina za bidhaa zetu.

EAML inazingatia usalama kama nyanja iliyopewa kipaumbele na inajitahidi kuafikia utamaduni usiokuwa na madhara yoyote. Biashara hii inaendelea kutekeleza wajibu wake kuambatana na viwango vya juu vya kimataifa na imepewa cheti cha ISO 18001 na ISO 22000, pia ISO 14001 na ISO 9001.

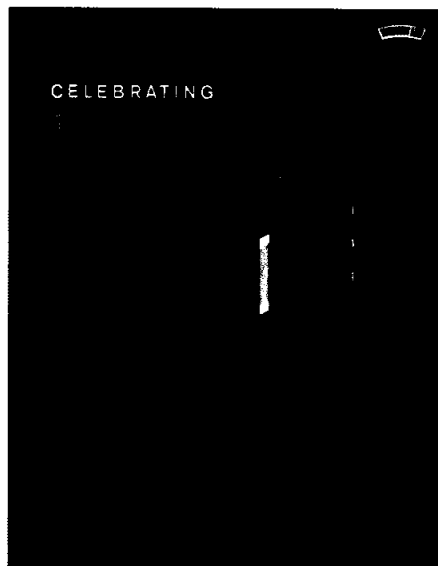


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AINA ZA BIDHAA



JOHNNIE WALKER

Johnnie Walker ilikuwa na mwaka wa kufana kote katika eneo la Afrika Mashariki ambapo ilifunga kwa asilimia 109% zaidi ya matokeo ya mwaka uliotangulia.

Katika kipindi cha mwaka, Johnnie Walker Black Label, mojawapo ya bidhaa maarufu zaidi ulimwenguni, ilikamilisha miaka 100. Nchini Kenya miaka hiyo 100 iliadhimishwa kupitia utekelezaji katika maeneo kadhaa muhimu na pia machapisho kadhaa ya kifahari.

Mtu anayetembea kwa hatua ndefu kwenye Johnnie Walker ilikuwa alama muhimu iliyowekwa katika baadhi ya majengo muhimu katika eneo la kibiashara jijini Nairobi.

Wakati wa kipindi cha mwaka katika kiwango cha matumizi, Johnnie Walker iliandaa sherehe 72 za 'Bottle on the Table' kote nchini na vikao 12 vya Ushauri wa Johnnie Walker kwa manufaa ya watumiaji nchini Kenya na Uganda.

Wageni waliopata ushauri walikuwa na

mambo mazuri ya kusema kuhusu aina hii ya pombe mojawapo likiwa:

"Sijawahi kufikiria kufanyika kwa shughuli ya thamani kuu kama hii Nyeri. Napenda Johnnie Walker!"

SMIRNOFF VODKA

Smirnoff Vodka ilikuwa na mwaka thabiti, wenye ukuaji madhubuti ikilinganishwa na mwaka uliotangulia.

Katika kiwango cha utumiaji, aina hii ya pombe ilikuwa na mwaka wa kufana. Shughuli muhimu iliyofanywa ilikuwa uhamasishaji kwa wateja wa Smirnoff Win Some.

Dhana yenyewe ilijikita katika sifa za bidhaa hii za ubunifu, ufahamu na maarifa ya juu. Watumiaji walioshiriki walikuwa na fursa ya kujishindia zawadi za kufana kama vile kompyuta aina ya laptop, mitambo ya muziki ya Hi-Fi theatre systems na iPod.

Kadhalika, Smirnoff iliandaa sherehe ya kwanza kuwahi kufanyika ya karamu ya theluji (Snow Party) mjini Nairobi. Sherehe hii ya kipekee iliwapatia washiriki burudani tosha ikiwa na maDJ bora zaidi wa Kenya na theluji - ya kwanza kabisa kuwahi kufanyika Nairobi!

Sherehe sawa na hiyo ya kusisimua ya Smirnoff ilifanywa Kampala, huku washiriki wakiburudishwa na maDJ bora zaidi katika Afrika Mashariki.

Wakati wa msimu wa krismasi, Smirnoff ilitilia nguvu umaarufu wake kama kinywaji kikali bora zaidi cha kuchanganya na vingine. Ujumbe huu uliwasilishwa kupitia Kampeni ya Outdoor Festive Spirit.

Mnamo Novemba 2009, Smirnoff Vodka na aina nyingine za pombe zilizinduliwa

nchini Tanzania. Uzinduzi huu ulipokelewa vyema na hii ni kuambatana na mkakati wa EABL wa kustawisha umaarufu wa Vodka Nambari Moja Duniani kwenye soko la Afrika Mashariki.

RICHOT

Ili kustawisha thamani ya aina ya pombe ya Richot na kuhimiza ukuaji miongoni mwa watumiaji, pombe hii ilitawisha kwa ufanisi tangazo jipya la mawasiliano Octoba 2009 kwenye televisheni nchini Kenya. Televisheni, mabango ya matangazo na redio zilikuwa baadhi ya vyombo vya habari ambavyo vilitumiwa kwa uzinduzi huo mpya wa Kampeni ya Richot.

Bidhaa hii iliandaa uhamasishaji uliofahamika kama 'Richot Get Richa'. Madhumini ya uhamasishaji huo yalikuwa kuwatuza wateja wanaonunua Richot 205ml.

Mnamo mwezi November 2009, Richot Brandy pia iliongeza umaarufu wake katika eneo la Afrika Mashariki kufuatia uzinduzi uliofanikiwa katika soko la Tanzania.

UGANDA WARAGI

Wakati wa kipindii cha mwaka, Uganda Waragi ilizindua kampeni ya "UG mix a million" ambayo ilipokelewa vyema na wateja. Pakiti ya 100ml ilipatikana kuwa maarufu na kufaa zaidi miongoni mwa watumiaji na ilitoa takriban asilimia 60% ya kiasi cha vinywaji vikali katika EABL-Uganda. Kujibu hatua hiyo, kundi hilo lilianzisha PET 100ml katika pakiti inayofaa, ya mtindo wa kisasa na ya kipekee kutoa hali sawa inayofaa kwa wateja.

TUSKER

Familia ya Tusker ambayo inajumuisha Tusker Lager na Tusker Malt Lager iliandikisha ukuaji mkubwa katika mwaka



AINA ZA BIDHAA

wa matumizi ya fedha wa 2010. Utendaji huu bora unatokana na utoaji mipango ya uuzaji ya kiwango cha kimataifa kwa aina ya pombe ya Tusker.

TUSKER Project Fame makala 3

Kipindi cha Tusker Project Fame 3 kilitangazwa Kenya, Uganda, Tanzania na Rwanda ambako washiriki kutoka nchi hizi nne za Afrika Mashariki walihusika. Kipindi hicho kilitoa kiwango cha juu zaidi cha uhamasishaji kuwahi kutokea. Kulikuwa na ongezeko kubwa katika umaarufu wa vipindi hivyo vinavyofadhiliwa na Tusker kama ilivyodhihirishwa na kiwango cha juu cha waliovitazama. Takriban watazamaji milioni 8.5 walifungua kutizama kipindi kila wiki na kuletea Tusker manufaa ya kibiashara pamoja na kutiliwa maanani zaidi. Tusker Project Fame makala 3 ilimtumuku Alpha kutoka Rwanda kama mshindi.

TUSKER "Refresh Your Roots"

Tusker Lager ilizindua kampeni mpya ya mtangazo inayofahamika kama "Refresh Your Roots" mnamo Novemba 2009. Kampeni hiyo ya mtangazo ilifanywa kwenye televisheni, radio, magazeti na mabango ya mtangazo ya kibiashara. Kampeni hiyo ilinuiwa kuthibitisha shauku kubwa ya maisha bora kwa wateja na matumaini kwa siku za baadaye ambayo yanaweza tu kuelezewa kama Moyo wa Kiafrika.

Ili kuwasilisha kampeni ya utangazaji wa Tusker kwa njia inayofaa kwa watumiaji walionuiwa, bidhaa ya Tusker ilichukua ufadhili wa utangazaji wa mchezo wa kimataifa wa raga International Rugby Board 7's World Series, ambao ulitangazwa moja kwa moja katika Super Sport™ kwa msimu wa 2009/2010.



Shughuli ya muziki ya "Refresh Your Roots" ilifanyika kwa madhumuni ya kuunga mkono kampeni mpya ya mtangazo ya Tusker Lager na kuipa uhai kwa watumiaji kwenye mabaa. Wateja walipewa fursa kote nchini kupokea burudani ya muziki wa hali ya juu kutoka kwa mwanamuziki Nameless (Balozi wa EABL kuhusu unywaji wa kuwajibika) huku washindi wa Tusker Project Fame 3 Alpha na Ng'ang'alito wakihudhuria kwa muda.

Mpango wa Tusker Anchor Beer Belt

Mpango wa Tusker Anchor Beer Belt ulianza Januari 2010 kwa lengo la kuwasilisha hali halisi ya Tusker kwa wateja kwa kuimarsha hali ya mabaa katika maeneo mbalimbali ya uuzaji bia kote nchini.

Uhamasishaji wa Kitaifa kwa Wateja wa Tusker 50 Milli Ya Ma-fans

Tusker 50 Milli Ya Ma-fans ulikuwa uhamasishaji wa kitaifa wa kufana kwa watumiaji ulionuiwa kuwazawadia watumiaji waaminifu.

TUSKER MALT LAGER

Chupa mpya ya Tusker Malt Lager ilizinduliwa kwa pamoja nchini Kenya na Uganda mwishoni mwa mwezi Januari 2010. Kuanzishwa kwa chupa yenye sura mpya ya 330 ml ya rangi ya kijani kuliungwa mkono na kampeni ya mtangazo ambayo ilileta mabadiliko makubwa katika fikira za watumiaji kuhusiana na bidhaa hii.

TUSKER MALT Golf Carnival

Kanivali ya Golf ya Tusker Malt Lager ilizinduliwa Novemba 2009. Shughuli hiyo ya miezi sita ya mchezo wa golf ilivutia washiriki kutoka kote kanda ya Afrika Mashariki. Nchini Kenya, uhamasishaji huo ulihusisha klabu zote za golf nchini. Washindi walikuwa kundi kutoka Nandi Bears Golf Club huko Nandi Hills Kenya. Michezo 17 iliandaliwa nchini Kenya na moja nchini Rwanda. Zaidi ya wachezaji golf 3,000 kutoka vilabu 37 mbalimbali vya golf walishiriki. Zaidi ya wanachama 10,000 wa vilabu walihudhuria mchuano huo wa Tusker Malt Golf Carnival ambao unachukuliwa na wengi kuwa maonyesho nambari moja ya golf kanda ya Afrika Mashariki.



Mshiriki katika shindano la Tusker Malt Golf





MAWASILIANO YA KIMAUDHUI YA PILSNER "IMARA"

Ili kutilia nguvu zaidi kauli ya bidhaa hii ambayo inaegemea zaidi upande wa wanaume, kiini cha maudhui ya Pilsner "Imara" kilitangazwa katika vituo vikuu vya televisheni kote katika eneo hili. Mawasiliano hayo yalifanya vyema kwa bidhaa hiyo kwani yalivuma miongoni mwa wateja waliolengwa ambao hujihusisha na moyo wa kinywaji hicho kikakamavu, kisicho laghai na kichangamfu.

PILSNER KUZINDULIWA KWA PAKITI MPYA KWENYE SOKO LA UGANDA

Ufanisi mkubwa zaidi kwa Pilsner Lager wakati wa kipindi cha mwaka nchini Uganda ulikuwa ufanisi wa kuanzindua pakiti mpya kwa wateja mnamo Juni 2010. Pilsner iliacha matumizi ya pakiti ya Euro na kuanza kutumia pakiti mpya yenye umbo na mtindo wa kuvutia. Umbo hilo jipya litawavutia vijana na wanaume chipukizi wa kisasa.

Shindano la kutafuta PILSNER DJ

Katika kipindi cha mwaka shindano la kutafuta Pilsner Lager DJ lilizinduliwa. Kampeni hiyo ya miezi mitatu ilinuiwa kutambua DJ bora zaidi nchini Kenya na Uganda. Nchini Uganda mshindi wa Pilsner Spin Master II alijishindia vifaa vya hali ya juu vya DJ.

Nchini Kenya shindano la DJ lilisaidiwa na hamasisho kwa wateja lililotumia kadi za kufuta ambalo lilitokeleza katika maeneo muhimu ya uuzaji Pilsner. Wateja waliweza kujishindia zawadi za kufana kama vile kuwekewa pesa za kupiga simu moja kwa moja wakati wa hamasisho hilo la wiki 8.

BELL LAGER

Bell Lager ndio bia nambari moja kulingana na kiasi cha utumiaji kwenye soko na bidhaa

maarufu zaidi kwa EABL Uganda. Bell Lager imekuwepo nchini Uganda kwa miaka 60 na inaendelea kupendwa na watumiaji. Bidhaa hiyo imefurahia hadhi ya kuwa kiongozi kwenye soko kwa miaka mingi. Bell Lager ilizindua kampeni inayofahamika kama 'Live Life Confidently'. Kusisitiza mtazamo wa imani ya maisha ya watumiaji wa Bell Lager pamoja na kudhihirisha shauku kubwa ya maisha, nguvu, ukakamavu na hisia kali za watumiaji wake.

MAADHIMISHO YA 250 YA GUINNESS

Katika kipindi cha robo mwaka, Guinness ilisherehekea maadhimisho ya miaka 250 kote duniani. Bidhaa hiyo iliandaa shughuli mbalimbali zilionuiwa kuwahimiza wateja kujiunga na sherehe hizo za kimataifa. Kampeni hiyo ya miaka 250 ilisisimua biashara yote nzima huku ikiandaa kampeni ya husiko la kwanza kuwahi kutokea kwa wafanyakazi kupitia kwa siku ya "G250" Fast Start ambapo wafanyakazi wapatao 300 wa EABL walijitokeza kwenye barabara kwa mauzo na shughuli za uhamasishaji wateja. Sherehe hizo zilifikia kilele chake Septemba 24 wakati Kenya ilipoungana na ulimwengu mzima saa 17:59 za kimatifa kupitia satellite kumpa hongera Aurther Guinness.

Mtambo wa GUINNESS Mobile Viewing Unit

Mnamo mwezi Januari Guinness ilipeleka kandanda barabarani. Kuendeleza mwaka wa tatu wa Guinness kama mfadhili wa kandanda nchini Uingereza, English Premier League, Guinness ilizindua hamasisho jipya kwa wateja kupitia kwa mtambo mpya wa aina yake wa kutizama mechi kwa njia ya gari. Hii iliweza kuonyesha mechi zote za kandanda.

Kauli Mpya ya GUINNESS na Utangazaji Bidhaa

Mnamo mwezi Oktoba kwa mwaka wa tatu mfululizo Guinness ilizindua kampeni mpya

ya kauli mwezi Oktoba kwa wakati moja kote katika masoko ya Afrika. Kampeni hiyo iliongozwa na tangazo thabiti la televisheni lililofahamika kama "Scout" ambalo liliwasilisha kauli ya hiyo ya ukakamavu.

SENATOR LAGER

Senator Lager inadhihirisha matumaini ya watumiaji kwa maisha bora ya baadaye. Nchini Uganda bidhaa hiyo ilizindua kibandiko kipya ambacho kilionyesha picha za sherehe za kitamaduni. Lengo lake lilikuwa hatimaye kuwahusisha watumiaji na tamaduni zao kupitia kwa bidhaa yao wanayoipenda. Vibandiko hivyo vipya viliimarishwa jinsi inavyochukuliwa na kusababisha kuongezeka kwa utumiaji wa bidhaa hiyo.

Zaidi ya hayo, bidhaa hiyo ilifadhili sherehe zinazovutia watu wengi za kitamaduni, maonyesho nyakati za siku za soko na katika uhamasishaji kwenye mabaa kwa kuwatuza wateja kwa vifaa vya matumizi kama vile baiskeli, tochi, taa, blanketi na t-shirt za uhamasishaji.

SENATOR KEG BASE POA

Mnamo 2009, Senator Keg ilianzisha mpango wa hali ya juu uliofahamika kama Base Poa kusaidea mabaa 1,000 kupitia kuwapa wafanyakazi mafunzo na kuimarisha mabaa na kuwawezesha kuwasilisha bidhaa hiyo kwa njia inayopita matarajio ya wateja.

Mauzo katika Base Poa yalikua kwa kati ya 23-30% kutokana na ongezeko la wakati wa uhusiano baina ya wateja na bidhaa hiyo.





WAFANYAKAZI

USIMAMIZI MWEMA WA KAMPUNI

Kampuni inaendelea kuamini usimamizi bora ili iweze kuafikia madhumuni yake ya kibiashara. Wakati wa kipindi cha mwaka, ajenda yetu ya maafikiano iliimarishwa pakubwa kote katika Kundi. Juhudi zetu za kubuni ufahamu zaidi wa viwango vya maafikiano katika kila kiwango cha biashara yetu pia zimedhihirika. Wafanyakazi wa EABL walipitia mpango unaofahamika kama 'Pathways of Pride' ambao uliangazia sera zote muhimu ambazo zimefafanuliwa katika Kanuni zetu mpya za Mwenendo wa kibiashara. Kupitia kwa mpango huu, wafanyakazi wote wanapewa fursa ya kuelewa kikamilifu maafikiano na maadili ya kikazi na matarajio ya udhibiti.

UTENDAJI BORA NA UFAAO WA KAMPUNI

Kutokana na taratibu zetu kufanyiwa marekebisho, zimelainishwa zaidi na kupelekea kuafikia upunguzaji gharama za wafanyakazi katika maeneo mengi ya biashara. Tumeendelea kuchunguza muundo wa kampuni yetu kurahisisha

utoaji wa malengo ya biashara yetu. Tukizingatia ajenda ya upanuzi wa kieneo, uchunguzi huu umezingatia mahitaji yetu yakibiashara katika maeneo mapya ambapo tunahudumu. Huku hali ikiendelea kuwa na ushindani, tutaendelea kutoa makundi thabiti ya kibiashara katika kila mojawapo ya maeneo haya. Katika kipindi cha mwaka, tulizindua kielelezo kipya cha mfumo wa wafanyakazi ili kuwezesha usaidizi zaidi wa idara ya wafanyakazi kwa vitengo vyote vya biashara.

UONGOZI

Uongozi ufao wa biashara yetu utaendelea kutupatia ushindani katika kuiendesha biashara yetu kuafikia na kutoa matokeo bora zaidi na thamani kwa wenyehisa. Kwa utambuzi huu tumeendelea kuwekeza rasilimali zetu katika kustawisha viongozi katika biashara yetu kupitia mafunzo rasmi na mafunzo kazini. Mikakati yetu ya kustawisha viongozi imetusaidia kuendesha mikakati ya udumishaji wafanyakazi katika biashara yetu.

VIPAWA

Huku mapambano ya vipawa yakisalia kuwa wazi katika mazingira yetu, EABL imeendelea kuvutia, kustawisha na kudumisha wafanyakazi wenye ujuzi wa hali ya juu. Wafanyakazi wanapewa nafasi ya kuimarisha ujuzi wao kupitia hatua mbalimbali za ustawishaji, na kwenda sambamba na maendeleo ya kitekinolojia ya hivi punde zaidi katika maeneo yao ya ujuzi. Kupitia kwa Mpango wa Mapema wa Kazi wa Diageo Africa, Diageo Africa Early Career Programme, ambao unasaidiwa na mpango wa kazi wa kiwango cha kati tunadumisha mfumo unaotosha wa watu walio na vipawa na ujuzi katika viwango na kazi zote. Mafunzo na Ustawishaji unaendelea kuwa upeo wa maendeleo ya wafanyakazi wetu wenye vipawa kupitia chuo cha Diageo Academy, ambacho hivi majuzi kilizinduliwa upya kwenye soko letu.

UTAMADUNI WETU

Kama biashara yenye vipengee mbalimbali inayoendeshwa katika sehemu tofauti sana, tunahitaji kila mara kuzingatia



Wafanyakazi nchini Uganda wafurahia chakula kwenye mkahawa wa wafanyakazi





Wafanyakazi wachunguza mwongozo wa usalama na taratibu

kuiendesha kama biashara moja kamili. Tunatambua kwamba kuna maswala mengi tunayopata kutokana na mtazamo huu. Wakati wa kipindi cha mwaka, tulikuwa na mkutano wa kwanza wa wafanyakazi wote kuwahi kufanyika ambao ulileta pamoja wafanyakazi wetu wote kutoka vitengo tofauti vya biashara kote katika Kundi kujadili kuhusu kuhimiza utamaduni wa pamoja unaonuiwa kuendelea malengo ya biashara yetu na kuishi kuambatana na nia ya Diageo ya **“kusherehekea maisha, kila siku, kila mahali”**. Uhusiano ulioimarika baina yetu na ongezeko katika viwango vya mahusiano, kibinafsi na kwa pamoja litahakikisha ufanisi wa biashara katika siku zijazo.

MASLAHI YA WAFANYAKAZI

Maslahi ya wafanyakazi wetu yanaendelea kuchukua nafasi muhimu katika ajenda ya maswala ya wafanyakazi. Tulitoa dawa kwa wafanyakazi wetu wakati kulipozuka

maradhi ya homa ya ndege, ambayo kwa bahati nzuri haikusambaa na kufikia viwango vya kutisha. Tumelainisha upatikanaji wa huduma za matibabu katika maeneo yetu mbalimbali ya utoaji huduma hiyo kote nchini kwa kutoa kadi za biometric za matibabu.

Tumeendelea kuimarisha vifaa vya burudani kwa wafanyakazi na kupanua televisheni ya satellite katika maeneo maalumu kote katika Kundi. Wafanyakazi walikuwa na fursa ya kutizama mechi za kombe la dunia za FIFA kwa starehe katika maeneo hayo.

USALAMA

Uzingatiaji zaidi wa ufahamu wa usalama kote katika Kundi umeimarishwa huku tukijitahidi kuafikia hali ya “kutokuwa na madhara”. Hii inanuiwa kuhakikisha wafanyakazi wetu wanarejea kwa familia zao salama mwishoni mwa kila siku ya kazi.

Wagawaji wetu pia wamenufaika kutokana na mafunzo ya usalama. Huku kukiwa na wasimamizi wa usalama waliojitolea katika maeneo yetu yote, tutaendelea ‘kuinua vigezo’ kuhusiana na viwango vya usalama na kuhakikisha asilimia 100 ya maafikiano na viwango vinavyohitajika.



KUIMARISHA JAMII

UWEKEZAJI KATIKA JAMII

Wakfu wa EABL umeendelea kupiga hatua kubwa kupitia miradi inayoniwa kufikia zaidi ya watu 600,000 kila mwaka.

MAJI KWA UHAI

Juhudi za wakfu huu kupanua uafikiaji wake katika mipango ya maji na usafi zinaendelea. Katika jitihada za kushughulikia masoko zaidi na miji, wakfu huu ukishirikiana na Mashirika yasiyo ya kiserikali kama vile Ecotact na Majina Ufanisi umezindua awamu ya pili ya mpango wa Maji na Usafi. Awamu hiyo ilipokea shilingi **milioni 25** za Kenya ambazo zitawezesha miji zaidi kupokea vifaa inavyohitaji zaidi.

Tayari baadhi ya majengo ya kuogea yanayofahamika kama majengo ya matumaini yameanzishwa matumizi yake. Maeneo hayo ni pamoja na Embu, Kawangware na Wote miongoni mwa mengine. Mpango huu pia utapanuliwa katika eneo hili kujumuisha nchi kama Uganda na Tanzania. Vifaa vingine vilivyoanzishwa matumizi ni pamoja na jengo la Maji na Usafi la Kangemi ambalo lilianzishwa matumizi na Mwenyekiti wa Diageo Dkt. Franz Humer. Kwa wakati



Wasomi wa wakfu wa EABL wafuzu kwa shahada za honours

huu kuna vifaa 40 kwenyewe majengo ya mpango wa Hope.

Wakfu wa EABL una mipango ya kufadhili mipango zaidi katika eneo hili huku tukizingatia masoko mapya zaidi.

UJUZI KWA MAISHA (Kenya Uganda Tanzania)

Wakfu umeendelea kufadhili mpango wa Misaada ya masomo. Wanafunzi ishirini walipokea misaada ya masomo kujiunga na vyuo vikuu vya umma na vya kibinafsi. Kufikia sasa, mpango huo umetoa misaada kwa **wanafunzi 140**. Hivi majuzi, baadhi ya wanafunzi hao waliopewa misaada kutoka chuo kikuu cha Strathmore walihitimu kwa shahada za first class honours huku baadhi

yao wakiwa tayari wameahidiwa kazi na kampuni kuu.

KUNDI LA E-GREEN

Zaidi ya miche 230,000 ya miti imepandwa Kundi la E-Green limeendelea kutunza mazingira na kupanda miche ya miti **230,000** huko Ndakaini, Sasumua, Mau Naisoya, Marsabit na Uganda. Sababu kuu ya ufanisi huu ni uzingatiaji uhusiano wa kijamii ambapo kushiriki kwa jamii zinazoishi karibu na maeneo ya miradi kunabakia muhimu katika kuafikia malengo ya kimazingira. Kwa kufanya kazi na jamii ya Ndeka huko Ndakaini, Kenya, ni mojawapo ya visa vya ufanisi kutokana na ushirikiano ambao umeibuka katika muda wa miaka 6 iliyopita na juhudi zetu zimeafikia ukuaji endelevu wa eneo kubwa la miti katika eneo hilo.

EABL, ikishirikiana na kampuni na mashirika mengine imeanzisha mpango wa kufana wa kukarabati msitu wa Mau ambao ndio kivutio kikuu cha maji nchini Kenya. Mpango huo wa miaka mitatu unalenga kupanda miche ya miti milioni moja. Ili kutusaidia kuafikia lengo hili, tunafanya kazi kwa pamoja na jamii zinazoishi karibu na msitu huo. Wadhamini wameidhinisha Msitu wa Eburru Forest kwenye msitu huo ambako watafanya kazi hii kwa muda wa miezi 30.

MALENGO YA GREEN GOALS 2010

Mikakati yetu ya malengo ya Green Goals iliendelea kujikita katika biashara katika kipindi cha mwaka. Kila kitengo hutafuta njia za kusimamia na kutupa taka kwa kutilia maanani "R" tatu: **Punguza, tumia tena, Rekebisha na kutumia upya** (Reduce, Reuse, Recycle). Taka inayopatikana inatengenezwa na kutumiwa upya au kutupwa kwa njia inayojali mazingira. Vibandiko taka vinabadilishwa kuwa



Mkurugenzi mkuu wa Kundi Seni Adetu na Mwenyekiti wa Diageo Dkt. Franz Humer waanzisha mradi wa maji





Wanachama wa kundi la e-green washerehekea baada ya shughuli ya upanzi a miti huku Ndakaini, Thika (Kenya)

kawi inayoweza kutumiwa, mikebe inatengenezwa upya kuwa sufuria za kupikia na karatasi taka zinazotoka afisini kukusanywa na kuuzwa kwa watu wanaotengeneza bidhaa zinazoweza kutumika tena kama vile karatasi ya choo.

UHUJIANO WA VYOMBO VYA HABARI

Ujumbe wetu kwa vyombo vya habari ni kuweza kuonyesha utamaduni wenye nguvu wa kampuni. Katika kipindi cha mwaka wote, ujumbe huu umekuwa wazi na kusisitizwa kupitia kwa uhusiano na washikadau, uhusiano wa uwekezaji na mipango ya uwekezaji wa kijamii.

Uandishi wa vyombo vya habari wa EABL ulikuwa thabiti na mara nyingi sahihi kuhusu maswala muhimu kwa biashara, hivyo basi kusaidia kuendeleza sifa ya kampuni kufikia viwango vipya vya juu zaidi. Tunaona vyombo vya habari kama washirika katika ukuaji kwani wanatumika kama njia ya kupitisha ujumbe wetu kwa wenyehisa, wawekezaji, wateja na umma kwa ujumla.

UNYWAJI UNAOWAJIBIKA

Mwanamuziki maarufu wa Kenya aliyeshinda tuzo mbalimbali, "Nameless"

(David Mathenge) ndiye Balozi wa kampeni ya Unywaji kwa uwajibikaji. EABL imekuwa ikiendesha kampeni za unywaji wenye kuwajibika (Responsible Drinking RD) kwa miaka mitano na kupata ufanisi mkubwa. Kampeni hizi zinatokana na jukumu letu kwa wateja wetu na kuteuliwa kwa Nameless sasa kunatumika kupeleka ajenda hiyo juu zaidi.

Uhusiano na Nameless unatupatia jukwaa nyingine ya kupitisha ujumbe wa unywaji unaowajibika.

EABL yazindua kampeni ya space-it-out EABL ilichukua kampeni yake ya unywaji kwa uwajibikaji na kupeleka katika



Balozi wa Unywaji wenye uwajibikaji Nameless amwonyesha Mkurugenzi Mkuu wa Kundi Seni Adetu jukumu la dereva aliye chaguliwa

kiwango kingine chini ya hamasisho la space-it-out ambapo wateja wanapewa maji ya kubadilisha na kinywaji. Maskauti walioandikishwa na EABL walivamia baa zilizochaguliwa na kutoa maji. Maskauti hao pia walitoa ushauri kuhusu unywaji pombe kwa uwajibikaji na kutoa hati za malipo ya taxi kuwapeleka wateja nyumbani.

Wateja wengi wana mwelekeo ufaao kuhusu pombe lakini EABL inafahamu kwamba wachache hawana na kama sehemu ya kuwa kampuni raia mwema, hamasisho hili liliandaliwa kuwaelimisha wateja kufahamu viwango vya uwezo wao

na kuhakikisha wanawajibika wanapokuwa wanakunywa pombe. Kampeni ya Space-it-out inaongozwa na balozi wa RD, Nameless, na iliendelezwa mjini Nairobi na Mombasa. Mpango huo utaandaliwa katika miji mingine nchini hivi karibuni.

MAWASILIANO YA NDANI

Kupeleka mahusiano ya wafanyakazi katika ngazi nyingine

Familia ya makampuni ya EABL ipo kuafikia lengo moja pekee - "kusherehekea maisha kila siku, kila mahali" kwa kufanya hivyo tunanua kubuni "mahali bora zaidi pa kuwa" katika vitengo vyetu vya uendeshaji kote katika kundi.

Njia moja ya kuafikia lengo hili ni kuhakikisha kwamba wanachama wote wa familia ya EABL wanavutiwa kila siku kupenda kazi yao na kufanya kila wawezalo maishani. Mahusiano ya wafanyakazi hutimiza jambo hilo kwa kuhusisha wafanyakazi katika shughuli zote za biashara na kuweka pamoja jukwaa la kuwawezesha kubadilishana maoni na maswali mara kwa mara.

Mwaka huu umeshuhudia mafanikio makubwa kuhusiana na jinsi tunavyowasiliana na wafanyakazi. Tumekumbatia teknolojia kuweka mfumo ufaao zaidi ambao tunaweza kutumia kuwasiliana na wafanyakazi, hasa kwa mfano jarida letu la wafanyakazi la mtandao Lifestyle. Lifestyle ni toleo la kila wiki ambao huchapisha muhtasari wa habari muhimu na za hivi punde na kufikia takriban wafanyakazi 1,000 wa EABL katika masoko mbalimbali ya eneo hili.





CORPORATE INFORMATION

DIRECTORS

J G Kiereini	Group Chairman
N Blazquez*	Group Deputy Chairman
S Adetu**	Group Managing Director
R Kemoli	
A Ndegwa	
E K Mwaniki	
W Kiboro	
P Ndegwa	
A Shonubi***	Appointed 16 July 2009
C Diezhandino****	Appointed 24 May 2010
C Gakonyo	Appointed 16 July 2009
G K Mahinda	Resigned 24 May 2010

*British **Nigerian *** Ugandan **** Spanish

SECRETARY

Agnes Murgor (Mrs)
Corporate Centre
Ruaraka
P O Box 30161 - 00100 Nairobi, GPO

AUDITOR

KPMG Kenya
16th Floor, Lonrho 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 Service Limited
6th Floor, Bruce House
Standard Street
PO Box 8484 - 00100 Nairobi, GPO

PRINCIPAL BANKERS

Standard Chartered Bank Kenya Limited
Kenyatta Avenue Branch
P.O. 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

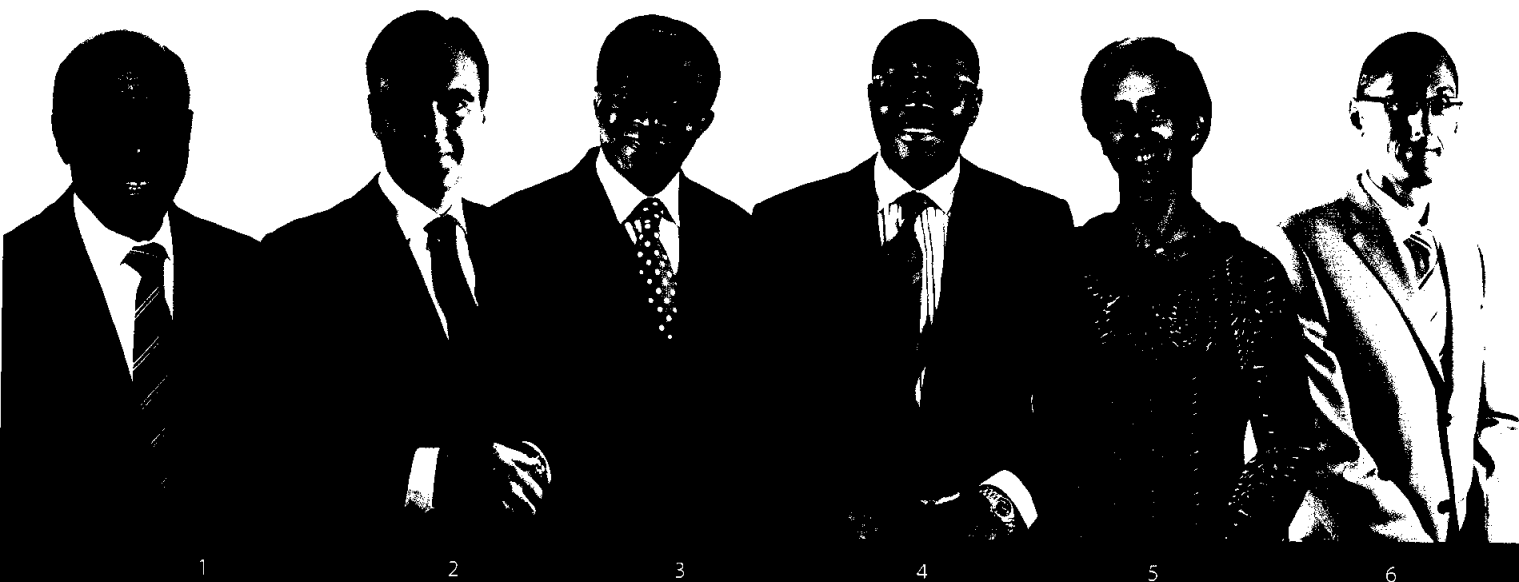
Barclays Plaza
Loita Street
PO Box 30120 - 00100 Nairobi, GPO

REGISTERED OFFICE

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







1. Jeremiah G. Kiereini
EGH, EBS, SS - Group
Chairman (81)

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

2. Dr. Nick Blazquez
(British) Group Deputy
Chairman (49)

Dr Blazquez was appointed as a Director and Deputy Chairman of the company in August 2005. He is the Managing Director of Diageo Africa and a member of the Diageo Executive Committee. He

has worked with Diageo for 20 years in a number of senior roles in Asia and Europe. He is also the Chairman of Private Investors in Africa and a non-executive Director of Mercy Corps. He holds a Bachelor of Science from the University of Aberdeen and a Ph.D. from the University of Bristol.

3. Evanston Mwaniki
Non Executive Director
(72)

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.

4. Seni Adetu (Nigerian)
Group Managing Director
(47)

Mr.Seni Adetu joined Diageo in August 2006 as Managing

Director/Vice Chairman, Guinness Ghana Breweries Limited (GGBL). Before joining GGBL, Mr. Adetu worked with the Coca-Cola Company where he enjoyed a highly successful 14 year career. While at Coca-Cola, he held various senior positions including Country General Manager and Marketing Director. His responsibilities covered various markets across Africa including Kenya and Ghana. Until his resignation from the company, he held the position of the Commercial Director, for the Nigerian Bottling Company PLC. Mr. Adetu is a Chemical Engineering graduate of the University of Lagos, Nigeria, and holds a post-graduate degree, M.B.A (with specialisation in Marketing) from the same university.

5. Cristina Diezhandino
Non Executive Director
(44)

Mrs Diezhandino is the Regional Marketing and Innovation Director for Diageo Africa. She holds a Business Economic Degree from ICADE, Madrid, Spain and has studied Marketing

and Innovation at ESSEC, Paris, France, as part of the Erasmus Program. She joined Unilever in 1989 where she held various marketing positions in Spain, UK and the US in the Home and Personal Care division. In 2001, she joined Allied Domecq, a leading spirits and wine company in Spain, as Marketing Director responsible for brands such as Ballantine's, Beefeater, Malibu, Tia Maria and Mum Champagne. She joined Diageo in 2006 as a Global Brand Director based in Amsterdam The Netherlands, handling Diageo Brands such as Johnnie Walker, J&B, Buchanan's, Windsor, Black & White, Tanqueray and Gordons.

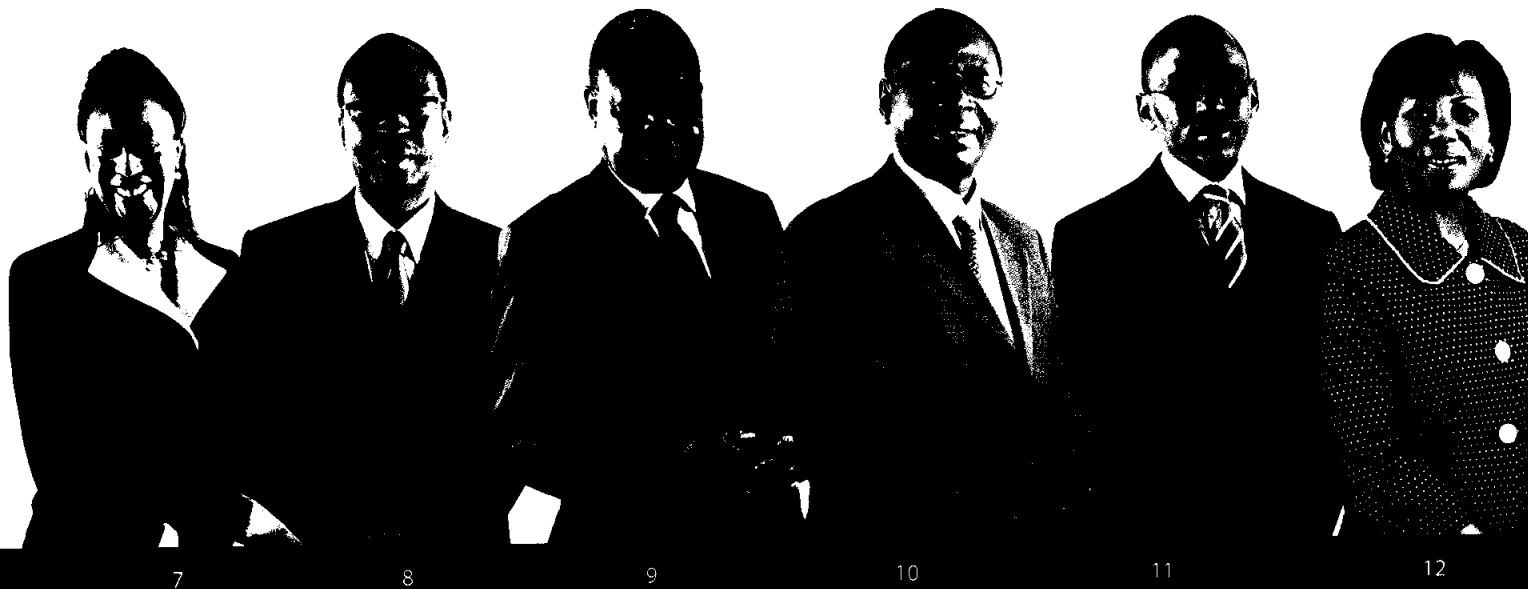
6. Andrew S. Ndegwa
Non Executive Director
(42)

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 NIC Bank Limited and Unga Group Limited.

7. Constance Gakonyo
Non Executive Director
(45)

Ms Gakonyo has held a variety of positions including Legal Consultant and Head of the Performance Management portfolio for SABMiller Africa & Asia Pty Ltd based in Johannesburg, covering Angola, Mozambique, Lesotho, Swaziland, Botswana, Tanzania, Uganda, Zambia, Zimbabwe and Ghana. She has also held the positions of Strategic Resources Director Nile Breweries, Director HR and Legal Affairs Castle Brewing Kenya Limited and Group Legal/HR Manager of the Standard Newspapers Group Limited. She holds an LLB (Hons), Diploma in Law, MBA (Strategic



Management) and is a member of the LSK, CPS (K), and the Chartered Institute of Arbitrators; she is an Advocate of the High Court of Kenya. She is currently the Group Executive Director of the REAL Insurance Group of companies (Kenya, Tanzania, Malawi and Mozambique).

**8. Dr. Alan Shonubi
(Ugandan)
Non Executive Director
(51)**

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.

**9. Richard Kemoli MBE,
FIOD - Non Executive
Director (75)**

Mr. Kemoli has been a member of the Board since 1996. He had a long and successful career with Commonwealth Development Corporation where he worked and 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 on retirement. He has held directorships in several private and public sector institutions. He is a past Chairman of HFCK and Kenya Open Golf Limited and is currently Chairman of Lafarge Bamburi Cement Limited and Unga Group Ltd, a director of CMC Holdings Limited, Kakuzi Limited several private companies.

**10. Wilfred Kiboro
Non Executive Director
(66)**

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

**11. Peter Ndegwa
Group Finance Director
(41)**

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. Thereafter he was appointed Change Director Sales in March 2006, to head a radical change programme within the sales and commercial area. He then held the

position of EABL Sales Director, Kenya before being appointed to the position of EABL Group Finance Director in July 2008. Before joining EABL, he trained and worked with PricewaterhouseCoopers for 11 years, in a variety of senior roles both 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).

**12. Agnes Murgor
Legal Counsel/ Company
Secretary (47)**

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





CORPORATE GOVERNANCE STATEMENT

The corporate governance structure of East African Breweries Limited aims at ensuring that our internal systems of which include our policies, processes and people, to serve the interests of our shareholders, stakeholders and the communities within which we operate. As we seek to achieve our strategic objectives, we are committed towards adhering to the corporate governance principles of integrity, openness, performance orientation, responsibility and accountability, mutual respect, and loyalty to the company.

BOARD OF DIRECTORS

The Board of Directors are responsible for the Group's strategic objectives, business performance and supervision of the management of business. The directors have the skill experience, independence and knowledge of the company necessary to carry out their Board responsibilities. The Board meets quarterly, and maintains continuous oversight and visibility over the activities, strategy and performance of the Company, including ensuring adherence to the Group's corporate governance regime. The Board of Directors consists of the Chairman, who has non-executive responsibilities, eight non-executive directors and two executive directors.

The following standing committees assist the Board in the discharge of its duties. The Committees of the Board meet regularly or when required.

BOARD CORPORATE GOVERNANCE COMMITTEE

The Committee is responsible for providing guidance to the Board on the corporate governance standards to be implemented across the Group. Its members are Mr. Evanson Mwaniki (Chairperson), Mr. Richard Kemoli, and Ms. Constance Gakonyo.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

The Committee is responsible for assisting the Board on oversight responsibilities relating to the integrity of the Company's financial statements, financial reporting process, and systems of internal accounting and financial controls; the qualifications, independence, and performance of the independent auditor and the performance of the Company's internal audit department; and the Company's legal and regulatory compliance. Its members include Mr. Richard Kemoli (Chairman), Dr. Nick Blazquez, Mr. Andrew Ndegwa and Mr. Wilfred Kiboro. The year saw the Committee focus on health and safety processes, the strengthening of internal controls and the launch of a Compliance Strategy. The Company's Compliance

agenda has been enhanced, to ensure that all business is conducted with high ethical standards, and in accordance with existing laws and regulations

BOARD REMUNERATION COMMITTEE

The Remuneration Committee is responsible for reviewing and approving the staff remuneration structure across the Group. This includes the review of salary packages against market, short and long term incentives and performance related bonus schemes. The Committee reviews recommendations and advises the respective trustees on matters concerning retirement benefit Schemes. The Committee is also responsible for evaluating and making of recommendations to the Board on overall executive remuneration. Its members include Dr. Nick Blazquez (Chairman), Mr. Evanson Mwaniki, Mr. Andrew Ndegwa and Ms. Constance Gakonyo.

BOARD NOMINATIONS COMMITTEE

The structure, composition and size of the Board and its committees is the responsibility of the Nominations Committee. The Committee makes recommendations to the Board on the suitability of potential candidates for appointments to the Board, in order to fill board vacancies as necessary. Succession Planning is a key component of the Committee's mandate. Its membership comprises Dr Nick Blazquez (Chairman), Mr. Richard Kemoli, Mr. Evanson Mwaniki and Mr. Alan Shonubi.

BUSINESS ETHICS

EABL is committed to ensuring that the business of the Company is conducted in an environment that is transparent and accountable and for the benefit of all the stakeholders. All employees within the Group are required to conduct themselves in the highest standards of integrity, behaviour and ethics and to adhere to the Company's Code of Business Conduct, which sets out the values and principles that guide their daily activities, and in compliance with existing laws and regulations.



TAARIFA YA USIMAMIZI WA KAMPUNI



Muundo wa usimamizi wa kampuni ya East African Breweries unalenga kuhakikisha kwamba mifumo yetu ya ndani ambayo inajumuisha sera zetu, taratibu na watu, inatekelezwa kutimiza maslahi ya wenyehisa wetu, washikadau na jamii ambako tunahudumu. Huku tukijitahidi kutimiza malengo yetu ya kimkakati, tumejitolea kuzingatia kanuni za usimamizi wa Kampuni za uadilifu, uwazi, utendaji bora, uwajibikaji, kuheshimiana, na uaminifu kwa Kampuni.

HALMASHAURI YA WAKURUGENZI

Halmashauri ya Wakurugenzi inawajibika kwa mikakati ya madhumuni ya Kundi, utendaji wa kibiashara na uongozi wa usimamizi wa biashara. Wakurugenzi wana uzoefu, ujuzi, uhuru na maarifa ya kampuni yanayohitajika kutekeleza majukumu yao kwenye Halmashauri. Halmashauri hukutana mara nne kwa mwaka na hudumisha usimamizi na uangalizi mfululizo kwenye shughuli zote, mikakati na utendaji wa Kampuni, ikiwa ni pamoja na kuhakikisha kuzingatiwa kwa utaratibu wa usimamizi wa kampuni wa Kundi lote. Halmashauri ya Wakurugenzi inajumuisha Mwenyekiti, ambaye hana mamlaka ya utendaji kazi, wakurugenzi nane wasio na mamlaka ya utendaji kazi na wakurugenzi wawili wenye mamlaka ya utendaji kazi.

Kamati zifuatazo husaidia Halmashauri katika utekelezaji wa majukumu yake. Kamati za Halmashauri hukutana mara kwa mara au wakati inapohitajika.

KAMATI YA HALMASHAURI KUHSU USIMAMIZI WA KAMPUNI

Kamati hii ina jukumu la kutoa mwongozo kwa Halmashauri kuhusu viwango vya usimamizi wa kampuni kutekelezwa kote katika Kundi. Wanachama wake ni Bw. Evanson Mwaniki (Mwenyekiti), Bw. Richard Kemoli, na Bi. Constance Gakonyo.

KAMATI YA HALMASHAURI KUHSU UKAGUZI WA MAHESABU NA UKABILIANAJI NA MASHAKA

Kamati hii ina wajibu wa kuisaidia Halmashauri kusimamia majukumu yanayohusiana na uadilifu wa taarifa za kifedha za Kampuni, utaratibu wa utoaji taarifa za kifedha, na mifumo ya uhasibu wa kindani na udhibiti wa kifedha; sifa, uhuru na utendaji wa mkaguzi wa mahesabu wa kujitegemea na utendaji wa idara ya kindani ya ukaguzi wa mahesabu ya Kampuni; na kuafikiana kwa sheria na kanuni za Kampuni. Wanachama wake ni pamoja na Bw. Richard Kemoli (Mwenyekiti), Dkt. Nick Blazquez, Bw. Andrew Ndegwa na Bw. Wilfred Kiboro. Katika kipindi cha mwaka kamati

ilisisitiza taratibu za afya na usalama, kuimarishwa kwa udhibiti wa kindani na kuzinduliwa kwa Mkakati wa Kuafikiana. Ajenda ya Uafikianaji ya Kampuni imeimarishwa kuhakikisha kwamba biashara zote zinaendeshwa kwa maadili ya viwango vya juu, na kuambatana na sheria na kanuni zilizopo.

KAMATI YA HALMASHAURI KUHSU MALIPO

Kamati ya malipo ina jukumu la kuchunguza na kuidhinisha mfumo wa malipo kwa wafanyakazi katika Kundi lote. Hii ni pamoja na kuchunguza mishahara ikilinganishwa na ile iliyopo kwenye soko, vihimizo vya muda mfupi na mrefu na mipango ya utoaji bonasi kulingana na utendaji kazi. Kamati huchunguza mapendekezo na kushauri wadhamini wanaohusika juu ya masuala yanayohusu mipango ya marupurupu ya kustaafu. Kamati pia ina jukumu la kutathmini na kutoa mapendekezo kwa Halmashauri kuhusu malipo ya maafisa wote wakuu kwa ujumla. Wanachama wake ni pamoja na Dkt. Nick Blazquez (Mwenyekiti), Bw. Evanson Mwaniki, Bw. Andrew Ndegwa na Bi. Constance Gakonyo.

KAMATI YA HALMASHAURI KUHSU UTEUZI

Muundo, wanaojumuishwa na ukubwa wa Halmashauri na Kamati zake ni jukumu la Kamati ya Uteuzi. Kamati hutoa mapendekezo kwa Halmashauri kuhusu kufaa kwa wagombezi kuteuliwa kwenye Halmashauri, ili kujaza nafasi zilizo wazi kwenye Halmashauri inapohitajika. Upangaji mfululizo ni mojawapo ya vipengee muhimu vya mamlaka ya Kamati hii. Wanachama wake ni pamoja na Dkt. Nick Blazquez (Mwenyekiti), Bw. Richard Kemoli, Bw. Evanson Mwaniki na Bw. Alan Shonubi.

MAADILI YA KIBIASHARA

EABL imejitolea kuhakikisha kwamba biashara ya Kampuni inaendeshwa katika mazingira ya uwazi na uwajibikaji kwa manufaa ya washika dau wote. Wafanyakazi wote katika Kundi wanahitajika kudumisha mwenendo wa hali ya juu wa uadilifu, tabia njema na maadili bora na kutii kanuni za maadili mema ya kibiashara ya Kampuni, ambazo zinaweka maadili na kanuni ambazo zinaongoza shughuli zao za kila siku kuambatana na sheria na kanuni zilizopo.





NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE EIGHTY-EIGHTH ANNUAL GENERAL MEETING of East African Breweries Limited will be held at Safari Park Hotel, Ruaraka, Nairobi on 4 November 2010 at 11 a.m. for the following purposes:

AS ORDINARY BUSINESS:

1. FINANCIAL STATEMENTS

- a) To receive and adopt the consolidated audited financial statements for the financial year ended 30th June 2010 together with the report of the Directors and the Auditors' report thereon (**Resolution 1**).
- b) To confirm the interim dividend of KShs 2.50 per ordinary share of KShs 2.00 paid on 15 April 2010, and to declare a final dividend of KShs 6.25 per ordinary share of KShs 2.00 payable on or about 5 November 2010 to shareholders on the Register of Members at the close of business on 29 September 2010 (**Resolution 2**).

2. DIRECTORS

- a) Elections
 - i) To re-elect Ms. Cristina Diezhandino who was appointed as a director by the Board 24 May 2010 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 3**);
 - ii) to re-elect Mr Nick Blazquez who retires by rotation under Article 109 and, being eligible, offers himself for re-election as a director of the company (**Resolution 4**);
 - iii) to re-elect Ms Andrew Ndegwa who retires by rotation under Article 109 and, being eligible, offers himself for re-election as a director of the company (**Resolution 5**);
 - iv) to re-elect Mr. Wilfred Kiboro who retires by rotation under Article 109 and, being eligible, offers himself for re-election as a director of the company (**Resolution 6**).

b) Remuneration

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

3. AUDITORS

- a) 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 7**).

AS SPECIAL BUSINESS:

AMENDMENT OF THE ARTICLES OF ASSOCIATION OF THE COMPANY:

SPECIAL RESOLUTION

To consider and if thought fit to pass the following Special Resolution:

That the first two sentences of Article 155 of the Articles of Association of the Company be and are hereby deleted in their entirety and replaced with the following new regulation in their place:

"155 Any dividend, interest or other sum payable in cash to the holder of shares may be paid:

- (a) by cheque or warrant sent through the post and addressed to such holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first on the Register in respect of the shares, at his or their risk, or
- (b) by direct bank transfer or other automated electronic system of funds transfer, or
- (c) by a mobile telephone money transfer system.

In the case of transfers under Article 155 (b) or (c) the funds shall be transmitted to the bank account or mobile telephone number or account information provided by the member (or joint holders) to the Company. Payment of the cheque or warrant or confirmation of payment made by a transmitting entity to the transferee of an electronic transfer shall in each case be a good discharge to the Company."

Articles 167 and 168 be deleted in their entirety and the following new regulations be inserted as Articles 167 to 174 (inclusive):

167 "Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of Directors) but including a notice of an Annual General Meeting of the Company shall be in writing and shall be sent in accordance with these Articles and the Statutes.

168 Subject to these Articles and the Statutes, the Company may give any notice, circular, information memorandum, annual report and accounts, share certificate or any other document or information issued by the Company or with the authority of the Board to any member:

- (a) by delivering it to him personally;





NOTICE OF ANNUAL GENERAL MEETING continued

- (b) by leaving it at or sending it by post in a prepaid envelope to such member at his registered address as appearing in the Register or the Company's other records; or
- (c) by sending it by electronic means to an address for the time being notified to the Company by the member (generally or specifically) for that purpose.

169 Subject to these Articles and the Statutes, the Company may give any notice or send or supply any other document or information to any member by making it available on an official Company website or such other website as may be prescribed by the Board or pursuant to the Statutes for such purpose, where:

- (a) that member has agreed (generally or specifically) that the document or information may be sent or supplied to him in that manner, and has not revoked that agreement;
- (b) that member is notified in accordance with Article 168 or Article 178 of:
 - (i) the fact that the document or information has been made available on the website;
 - (ii) the address of the website; and
 - (iii) the place on the website where the document or information may be accessed and how it may be accessed.

170 The provisions of these Articles apply, subject to the provisions of the Statutes, in relation to any notice, document or information referred to in these Articles, including documents required by section 148(1) of the Act to be laid before the Company in a general meeting, whether or not the provisions of the Article(s) in question use the words "give", "send" or "supply" or uses other words (such as "deliver" or "provide") to refer to the sending or supplying of a document, notice or information.

171 Where a notice or other document or information is:

- (a) delivered to a member personally or left at his registered address in Kenya, it shall be deemed to have been received on the day it was so delivered or left;
- (b) sent by post to a registered address in Kenya, it shall be deemed to have been received at the expiration of 24 hours (where first class post is used) or 48 hours (where second class post is used) or to an address outside Kenya at the expiration of 96 hours after the time when the envelope containing the same is posted and, in proving

such receipt, it shall be sufficient to prove that such envelope was properly addressed, prepaid and posted;

- (c) sent or supplied by electronic means, it shall be deemed to be received on the day that it was sent;
- (d) made available on a website, it is deemed to have been received when it was first made available on the website, or (if later) on the date on which the notification pursuant to Article 171(b) is received or deemed to be received; and in calculating when a notice or other document or information is deemed to be received, no account shall be taken of any day or part of a day that is not a working day in Kenya.

172 If on two consecutive occasions notices or other documents have been sent by post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices or other documents or information from the Company until he shall have communicated with the Company and supplied in writing a new registered address or a new postal address for the service of notices and other documents and information as the case may be or an address to which notices and other documents and information may be sent to him using electronic means.

173 Any notice, document or information given to that one of the joint holders of a share whose name stands first in the Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose, a joint holder whose registered address is not within Kenya and who has not given the Company a postal address as his address for the service of notices and other documents and information or an address to which notices and other documents and information may be sent to him using electronic means shall be disregarded. The joint holder to whom, in accordance with this Article, notice may be given such that the notice is sufficient notice to all of the joint holders in their capacity as such shall be called the "First Named Holder".

174 In the case of joint holders of a share, the consent or deemed consent (generally or specifically) of the First Named Holder that any notice or other document or information may be sent by the Company to those joint holders in electronic form or by being made available on a website and/or the notification to the Company by such First Named Holder of an address for



NOTICE OF ANNUAL GENERAL MEETING *continued*



the purposes of receipt of any communications by electronic means shall be effective consent and/or notification (as the case may be) of all joint holders of such share. The First Named Holder may also effectively revoke any such consent and/or notification of address."

Article 175 be amended by replacing the word 'an' appearing after the word 'at' in the fifth line and replacing it with the words "an address to which notices and other documents and information may be sent to him using electronic means" before the word 'supplied' in the seventh line.

By re-numbering the Articles of Association with the sequence starting at Article 167 to the end of the Articles and making all consequent cross-referencing adjustments as are required by such re-numbering (if any).

By adding the following new sentence to the end of re-numbered Article 178 as follows:

"The holder of a share warrant shall be entitled to receive notices or other documents or information only by advertisement in the manner provided for in this Article 178."

4. To transact any other business that may legally be transacted at the meeting of which due notice has been given in accordance with the Articles of Association.

By Order of the Board

A. Murgor (Mrs)
Company Secretary

26 August 2010

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 99 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 2 November 2010, 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.





ILANI YA MKUTANO MKUU WA MWAKA

ILANI IMETOLEWA HAPA KWAMBA MKUTANO MKUU WA MWAKA WA THEMANINI NA NANE wa Kampuni ya East African Breweries utafanywa katika Hoteli ya Safari Park huko Ruaraka, Nairobi tarehe 4 Novemba 2010 saa tano asubuhi kwa madhumuni ya kutekeleza shughuli zifuatazo:

KAMA SHUGHULI YA KAWAIDA:

1. TAARIFA ZA KIFEDHA

- a) Kupokea na kuidhinisha taarifa zilizokaguliwa za kifedha kwa mwaka uliomalizika tarehe 30 Juni 2010 pamoja na ripoti ya Wakurugenzi na Wakaguzi wa Hesabu iliyomo (Azimio 1).
- b) Kuthibitisha mgao wa faida wa muda wa shilingi 2.50 kwa kila hisa ya kawaida ya shilingi 2.00 ulioliipwa tarehe 15 Aprili 2010, na kutangaza mgao wa faida wa mwisho wa shilingi 6.25 kwa kila hisa ya kawaida ya shilingi 2.00 utakaolipwa kufikia tarehe 5 Novemba 2010 kwa wenyehisa walio kwenye daftari ya usajili wa wanachama kufikia kufungwa kwa shughuli za kibiashara tarehe 29 Septemba 2010 (Azimio 2).

2. WAKURUGENZI

- a) Uchaguzi
 - i) Kumchagua upya Bi. Christina Diezhandino aliyeteuliwa na Halmashauri kujaza nafasi iliyoachwa wazi ambaye anastaafu kulingana na Kifungu 108, na kwa kuwa anahitimu, anajitolea kuchaguliwa upya kama mkurugenzi wa kampuni (Azimio 3);
 - ii) Kumchagua upya Bw Nick Blazquez ambaye anastaafu kwa zamu kulingana na kifungu 109 na kwa kuwa anahitimu amejitolea kuchaguliwa upya kama mkurugenzi wa kampuni (Azimio 4);
 - iii) Kumchagua upya Bi Andrew Ndegwa ambaye anastaafu kwa zamu kulingana na Kifungu 109 na kwa kuwa anahitimu, anajitolea kuchaguliwa tena kama mkurugenzi wa kampuni (Azimio 5);
 - iv) Kumchagua upya Bw. Wilfred Kiboro ambaye anastaafu kwa zamu kulingana na Kifungu 109 na kwa kuwa anahitimu, anajitolea kuchaguliwa tena kama mkurugenzi wa kampuni (Azimio 6)
- b) Malipo

Kufahamishwa kwamba Wakurugenzi hawaitishi nyongeza ya malipo yao, ambayo yanasalia kama yalivyoelezwa

kwenye taarifa za kifedha.

3. WAKAGUZI

- a) Kuteua KPMG Kenya, kuwa Wakaguzi wa kifedha wa kampuni kwa kipindi kitakachomalizika kwa mkutano mkuu ujao wa mwaka na kuidhinisha wakurugenzi kuamua malipo yao. (Azimio 7).

KAMA SHUGHULI MAALUMU:

KUREKEBISHWA KWA KIFUNGU CHA SHERIA ZA KAMPUNI:

AZIMIO MAALUMU:

Kuangazia na endapo itakubaliwa kupitisha Azimio Maalumu:

Kwamba sentensi mbili za kwanza za Kifungu 155 cha Sheria za Kampuni zifutiwe mbali kabisa na badala yake kuzibadilisha na kanuni mpya zifuatazo:

"155 Mgao wowote, faida au kiasi kingine chochote kinacholipwa mwenye hisa kwa pesa taslimu kinaweza kulipwa:

- (a) Kwa hundi au hati ya malipo inayotumwa kupitia posta ikiwa na anwani ya mwenyehisa huyo kupitia anwani iliyosajiliwa au, katika hali ambapo kuna wamiliki kadhaa, kutumwa kwa yule ambaye jina lake linatokea kwanza katika daftari ya usajili wa wanachama kuhusiana na hisa hizo huku hali ya mashaka ikiwa juu yake au yao, au
- (b) kwa kutuma moja kwa moja kupitia uhamishaji wa benki au mfumo mwingine wowote wa mitambo ya kutuma pesa kwa njia ya elektroni, au
- (c) kwa mfumo wa kutuma pesa kwa njia ya simu ya mkononi. Katika hali ya uhamishaji pesa kuambatana na Kifungu 155 (b) au (c) fedha hizo zitatumwa kwenye akaunti ya benki au nambari ya simu ya mkononi au maelezo ya akaunti yaliyotolewa na mwanachama (au wamiliki wa pamoja) kwa kampuni. Malipo ya hundi au hati ya malipo au thibitisho la malipo yanayofanywa na benki kwa njia ya uhamishaji wa elektroni kwa mpokeaji malipo litakuwa hakikisho mwafaka la kampuni kutekeleza jukumu lake.

Vifungu 167 na 168 vifutiwe mbali kabisa na badala yake kanuni mpya zifuatazo ziwekwe kama vifungu 167 hadi 174 (vyote):

- 167 "Ilani yoyote itakayotolewa kwa au na mtu yeyote kuambatana na Vifungu hivi (isipokuwa ilani inayoitisha mkutano wa Wakurugenzi) lakini ikiwa ni pamoja na ilani ya Mkutano Mkuu wa Mwaka wa Kampuni itakuwa kwa



ILANI YA MKUTANO MKUU WA MWAKA inaendelea



maandishi na kutumwa kuambatana na Vifungu na Sheria hizi.

- 168 Kwa mujibu wa Vifungu na Sheria hizi, Kampuni inaweza kutoa ilani yoyote, arifa, hati ya maelezo, ripoti ya mwaka na hesabu za fedha, vyeti vya hisa au hati nyinginezo au maelezo yanayotolewa na Kampuni au kwa idhini ya Halmashauri kwa mwanachama yeyote:
- (a) kwa kumpelekea mtu binafsi;
 - (b) kwa kuiacha au kuituma kwa njia ya posta kwenye bahasha iliyolipiwa kwa mwanachama katika anwani yake iliyosajiliwa kwenye daftari ya wanachama au kumbukumbu nyingine za Kampuni; au
 - (c) kwa kuituma kwa njia ya elektroni kupitia anwani kwa wakati huu iliyoelezwa Kampuni na mwanachama (kwa ujumla au njia maalumu) kwa madhumuni hayo.
- 169 Kulingana na Vifungu hivi na Sheria, Kampuni inaweza kutoa ilani yoyote au kutuma au kusambaza hati nyingine yoyote au maelezo kwa mwanachama yeyote kwa kuyaweka kwenye tovuti au mtandao rasmi wa Kampuni au tovuti nyingine yoyote itakayoagizwa na Halmashauri au kuambatana na sheria za madhumuni hayo, ambapo:
- (a) mwanachama huyo amekubali (kwa ujumla au njia maalumu) kwamba hati hiyo au maelezo yanaweza kutumwa au kusambazwa kwake kwa njia hiyo, na hajabatilisha makubaliano hayo;
 - (b) mwanachama huyo anafahamishwa kuambatana na Kifungu 168 au Kifungu 178 kwamba:
 - (i) hati hiyo au maelezo yamewekwa kwenye tovuti;
 - (ii) anwani ya tovuti; na
 - (iii) mahali kwenye tovuti ambapo hati hiyo au maelezo yanaweza kupatikana na jinsi ambavyo yanaweza kupatikana.
- 170 Vifungu hivi vinatumika kwa mujibu wa sheria, kuhusiana na ilani yoyote, hati au maelezo yanayorejelewa kwenye Vifungu hivi, ikiwa ni pamoja na hati zinazohitajika kwenye sehemu ya 148(1) ya Kifungu hicho cha Sheria kuwasilishwa mbele ya Kampuni kwenye mkutano mkuu, iwapo au la ufafanuzi wa Vifungu hivyo vinavyohusika unatumia maneno "patia", "tuma" au "sambaza" au unatumia maneno mengine (kama vile "peleka" au "toa") kuonyesha kutumwa au kusambazwa kwa hati, ilani au maelezo.

171 Mahali ambapo ilani au hati nyingine au maelezo :

- a) yanapelekwa kwa mwanachama binafsi au kuachwa katika anwani yake iliyosajiliwa nchini Kenya itachukuliwa kwamba yamepokelewa siku ambayo yalipelekwa au kuachwa pale;
- (b) yanatumwa kwa posta kupitia anwani iliyosajiliwa nchini Kenya, itachukuliwa kwamba yamepokelewa baada ya masaa 24 (ambapo posta ya daraja ya kwanza, first class inatumika) au masaa 48 (ambapo posta ya daraja la pili, second class, inatumika) au kwa anwani nje ya Kenya baada ya kumalizika masaa 96 kutoka wakati ambapo bahasha yenye maelezo hayo inatumwa posta na kwa kuthibitisha upokezi, stakabadhi, itatosha kuthibitisha kwamba bahasha hiyo iliwekwa anwani sahihi, kulipiwa na kutumwa ;
- (c) kutumwa au kusambazwa kwa njia ya elektroni, itachukuliwa kwamba yamepokelewa siku ambayo yalitumwa;
- (d) kuwekwa kwenye tovuti, itachukuliwa kwamba yalipokelewa wakati yalipowekwa mwanzo kwenye tovuti, au (ikiwa baadaye) tarehe ambapo ilani kulingana na Kifungu 171(b) inapokelewa au kuchukuliwa kwamba imepokelewa; na katika kuhesabu wakati ilani au hati nyingine inachukuliwa kuwa imepokelewa, haitahusisha siku yoyote au sehemu ya siku ambayo sio siku ya kazi nchini Kenya.

172 Iwapo katika visa viwili mfululizo ilani au hati nyingine zimetumwa kwa njia ya posta kwa mwanachama yeyote kupitia anwani yake iliyosajiliwa au kupitia anwani yake ya huduma ya ilani lakini zimerejeshwa bila kufunguliwa, baada ya hapo mwanachama kama huyo hatakuwa na haki ya kupokea ilani au hati nyinginezo au maelezo kutoka kwa Kampuni hadi atakapowasiliana na Kampuni na kutoa kwa maandishi anwani mpya iliyosajiliwa au anwani mpya ya posta kwa huduma ya ilani na hati nyingine na maelezo au anwani ambapo ilani na hati nyinginezo na maelezo yanaweza kutumwa kwake kupitia njia ya elektroni.

173 Ilani yoyote, hati au maelezo yatakayotolewa kwa mmiliki wa hisa wa pamoja ambaye jina lake linatokea kwanza kwenye daftari ya wanachama kuhusiana na hisa hizo itakuwa ilani tosha kwa wamiliki wote wa pamoja. Kwa madhumuni hayo, kwa mmiliki wa pamoja ambaye anwani yake iliyosajiliwa





ILANI YA MKUTANO MKUU WA MWAKA inaendelea

haimo nchini Kenya na ambaye hajaipatia Kampuni anwani ya posta kama anwani yake ya huduma ya ilani na hati nyingine na maelezo au anwani ambapo ilani na hati nyingine na maelezo zinaweza kutumwa kwake kwa njia ya elektroni atapuuzwa. Mmiliki wa pamoja ambaye kuambatana na Kifungu hiki, ilani inaweza kutolewa hivi kwamba ilani hiyo itatosha kwa wamiliki wote wa pamoja ataitwa "Mmiliki Aliyetajwa Kwanza".

imetolewa kulingana na Vifungu vya Sheria za Kampuni.

Kwa Amri ya Halmashauri

A. Murgor (Bi.)

Katibu wa Kampuni

26 Agosti 2010

174 Katika suala la wamiliki wa pamoja wa hisa, kibali au kinachochukuliwa kuwa kibali (kwa ujumla au njia maalumu) cha Mmiliki Aliyetajwa Kwanza kwamba ilani yoyote au hati nyingine au maelezo yanaweza kutumwa na Kampuni kwa hao wamiliki wengine wa pamoja kwa njia ya elektroni au kwa kuwekwa kwenye tovuti na/au utoaji ilani kwa Kampuni kwa Mmiliki huyo Aliyetajwa Kwanza ya anwani kwa madhumuni ya upokeaji mawasiliano yoyote kwa njia ya elektroni itachukuliwa kuwa kibali cha kutosha na/au ilani (kuhusiana na suala) ya wamiliki wote wa hisa hizo. Mmiliki Aliyetajwa Kwanza anaweza pia kubatilisha kibali hicho na/au ilani ya anwani."

Mwanachama anayeruhusiwa kuhudhuria na kupiga kura kwenye mkutano huu ana haki ya kumteua mwakilishi mmoja au zaidi kuhudhuria na kupiga kura kwa niaba yake. Mwakilishi sio lazima awe mwanachama.

Fomu ya Uwakilishi inayoweza kukatwa imewekwa katika ukurasa wa 99 kutumiwa na wanachama ambao hawawezi kuhudhuria mkutano Fomu ya Uwakilishi lazima irejeshwe kwa Katibu wa Kampuni kabla ya saa tano asubuhi tarehe 2 Novemba 2010, hii ikiwa saa zisizopungua 48 kabla ya wakati uliopangiwa.

Kulingana na Kifungu 107 cha Sheria za Kampuni, mwanachama yeyote kupitia ilani aliyotia saina na kuipeleka kwa Katibu wa Kampuni katika muda usiopungua siku saba na usiozidi siku ishirini na nane kabla ya siku iliyopangiwa mkutano huu anaweza kupendekeza mtu mwingine yeyote kuteuliwa katika Halmashauri. Ilani kama hiyo lazima iambatanishwe na ilani iliyotiwa saina na mtu anayependekezwa kuonyesha nia yake ya kutaka kuchaguliwa.

Kifungu 175 kirekebishwe kwa kuondoa kibainishi 'an' kinachotokea baada ya neno 'at' katika mstari wa tano na badala yake kuweka maneno " anwani ambapo ilani na hati nyingine na maelezo yanaweza kutumwa kwake kwa njia ya elektroni" kabla ya neno 'sambazwa' katika mstari wa saba.

Kwa kuweka nambari upya Vifungu vya Sheria za Kampuni kwa utaratibu kuanzia Kifungu 167 hadi mwisho wa Vifungu na kufanya mabadiliko yanayofuatia ya urejeleaji kama yanavyohitajika kutokana na uwekaji nambari upya (panapohitajika).

Kwa kuongeza sentensi mpya ifuatayo mwishoni mwa Kifungu kilichowekwa nambari upya cha 178 kama ifuatavyo:

"Mmiliki wa hati ya hisa atakuwa na haki ya kupokea ilani au hati nyingine na maelezo kwa njia ya matangazo pekee kulingana na jinsi inavyoelezewa katika Kifungu hiki cha 178."

"Mmiliki wa hati ya hisa atakuwa na haki ya kupokea ilani au hati nyingine na maelezo kwa njia ya matangazo pekee kulingana na jinsi inavyoelezewa katika Kifungu hiki cha 178."

4. Kutekeleza shughuli nyingine yoyote ambayo inaweza kuendeshwa kihalali kwenye mkutano huu ambayo ilani yake



EAST AFRICAN BREWERIES LTD - SHARE REGISTER



TOP 10 SHAREHOLDERS AS AT 30TH JUNE 2010

RANK	NAME	RESIDENCE	NO. OF SHARES	%
1	Diageo Kenya Limited	Kenyan	338,618,340	42.82%
2	Diageo Holdings Netherlands B.V.	Netherlands	36,361,290	4.60%
3	Board of Trustees NSSF Board	Kenyan	35,448,720	4.48%
4	Guinness Overseas Ltd	UK	20,628,804	2.61%
5	Stanbic Nominees Kenya Ltd - A/c NR 70001	Kenyan	18,708,138	2.37%
6	Barclays Bank Kenya Nominee Ltd. A/c 9011	Kenyan	14,505,832	1.83%
7	Barclays (K) Nominees Ltd A/c 9326	Kenyan	12,648,354	1.60%
8	Barclays Bank Kenya Nominee A/C 9300	Kenyan	9,689,740	1.23%
9	Barclays (K) Nominees Ltd Non Resident A/c 9002	Kenyan	9,688,172	1.23%
10	Kenya Reinsurance Corporation Ltd	Kenyan	7,832,088	0.99%

SHARES SELECTED
 SHARES NOT SELECTED - 27,737 Shareholders
 TOTAL ISSUED SHARES

504,129,478 63.75%
 286,644,878 36.25%
 790,774,356 100.00%

TOTAL NO. OF SHAREHOLDERS

27,747

EABL DIRECTORS' SHAREHOLDING AS AT 30TH JUNE 2010

A/C NO	DIRECTOR'S NAMES	SHAREHOLDING
3001242	Evanson Mwaniki	1,800
5675103	Gakonyo Constance Wangui	840
179280	Jeremiah Kiereini	1,451,520
494372	Nicholas Blazquez	6,000
719420 & 378665	Richard Kemoli	42,480
169668	Wilfred David Kiboro	3,720



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DIRECTOR'S REPORT

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 30 June 2010, 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 49.

3. DIVIDENDS

The Directors recommend a final dividend of Kshs 6.25 per ordinary share to be paid on or about 5 November 2010 to those members on the register at the close of business on 29 September 2010. 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 8.75 per share (2009: Kshs 8.05), amounting to a total of Kshs 6,919,275,615 (2009: Kshs 6,365,733,566).

4. DIRECTORS

The Directors who served in the year and to the date of the report are set out on page 28.

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 26 August 2010.

BY ORDER OF THE BOARD

A. Murgor (Bi)
Company Secretary

6 August 2010.



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TAARIFA YA WAKURUGENZI



Wakurugenzi wana furaha kuwasilisha ripoti yao pamoja na taarifa za ukaguzi wa kifedha kwa mwaka unaomalizika Juni 30, 2010 inayoeleza hali ya kibiashara katika kampuni.

1. SHUGHULI KUU

East African Breweries Limited ni Kampuni inayoshirikisha kampuni kadha tanzu zinazotoa huduma za mauzo, utengenezaji wa pombe na uuzaji wa vinywaji, vifaa vya kioo, kimea cha pombe na shayiri.

2. MATOKEO

Matokeo ya mwaka yako katika ukurasa wa arobaini na tisa (49).

3. MGAO WA HISA

Wakurugenzi wanapendekeza mgao wa hisa wa mwisho wa KSh 6.25 kwa kila hisa ya kawaida itakayolipwa mnamo au kufikia Novemba 5, 2010 kwa wanachama walioko katika orodha ya wanachama kufikia Septemba 29, 2010. Katika mwaka huu, mgao wa muda wa hisa wa KSh 2.50 kwa kila hisa, wa kiasi cha jumla ya Kshs 1,976,935,890 ulilipwa. Jumla ya mgao wa hisa wa mwaka, basi umekuwa Kshs 8.75 dhidi ya kila hisa (2009: Kshs 8.05), kufikisha jumla ya Kshs 6,919,275,615 (2009: Kshs 6,365,733,566).

4. WAKURUGENZI

Wakurugenzi kwenye ripoti hiyo waliohudumu katika mwaka na hadi sasa wako kwenye ukurasa wa ishirini na nane (28).

5. WAKAGUZI

Shirika la ukaguzi, KPMG Kenya, limeelezea nia yake ya kuendelea kuhudumu katika wadhifa huo kuambatana na Kifungu cha 159 (2) cha Sheria za Makampuni (Kifungu 486).

6. WAFANYAKAZI

Wakurugenzi kwa mara nyingine, wana furaha kutambua kazi ya wafanyakazi wote katika kampuni hii na kampuni nyingine tanzu.

7. UIDHINISHAJI WA TAARIFA ZA KIFEDHA

Taarifa za Kifedha ziliidhinishwa kwenye mkutano wa wakurugenzi ulioandaliwa mnamo Agosti 26, 2010.

KWA AMRI YA HALMASHAURI

A. Murgor (Bi)
Katibu wa Kampuni

Agosti 26, 2010





STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and presentation of the Group financial statements of East African Breweries Limited set out on pages 49 to 99 which comprise the balance sheets of the Group and the Company at 30 June 2010, and the Group's profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Directors' responsibilities include: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal control relevant to the preparation and presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Under the Kenyan Companies Act the Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the operating results of the Group for that year. It also requires the Directors to ensure the Group keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and the Company and of the Group operating results.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the Group and the Company's ability to continue as a going concern and have no reason to believe the Group and the Company will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on 26 August 2010 and were signed on its behalf by:

Seni Adetu

Director

Peter Ndegwa

Director



TAARIFA YA MAJUKUMU YA WAKURUGENZI



Wakurugenzi wana jukumu la kutayarisha na kuwasilisha taarifa za kifedha za Kundi la Kampuni ya East African Breweries zilizochapishwa kwenye kurasa za 47 hadi 97 ambazo zinajumuisha mizania za Kundi na Kampuni kufikia tarehe 30 Juni 2010, na hesabu za faida na hasara za Kundi, taarifa ya mapato kamili, taarifa ya mabadiliko kwenye mtaji na taarifa ya mtiririko wa fedha taslimu kwa mwaka uliomalizika, na pia muhtasari wa sera muhimu za uhasibu na maelezo mengine.

Majukumu ya Wakurugenzi ni pamoja na: kuamua kwamba msingi wa uhasibu ulioelezewa kwenye Kumbukumbu 2 ni msingi unaokubalika kwa utayarishaji na uwasilishaji wa taarifa za kifedha katika hali iliyopo; kubuni, kutekeleza na kudumisha udhibiti wa kindani unaohusiana na utayarishaji na uwasilishaji wa taarifa hizi za kifedha ambazo hazina taarifa za kupotosha, iwe ni kutokana na udanganyifu au dosari, kuchagua na kutumia sera zifaazo za uhasibu; na kufanya makadirio ya uhasibu ambayo yanafaa kuambatana na hali ilivyo.

Chini ya Kifungu cha Sheria za Makampuni nchini Kenya Wakurugenzi hao wanahitajika kutayarisha taarifa za kifedha kwa kila mwaka wa matumizi ya fedha ambazo zinadhihirisha taswira halisi na ya haki ya hali ya Kundi na Kampuni kufikia mwisho wa mwaka wa matumizi ya fedha na ya matokeo ya uendeshaji wa Kundi kwa mwaka huo. Inawahitaji Wakurugenzi pia kuhakikisha kwamba Kundi linaweka kumbukumbu zifaazo za uhasibu ambazo zinaonyesha hali sahihi ya kifedha ya Kundi na Kampuni.

Wakurugenzi wanakubali jukumu la taarifa za kifedha za mwaka, ambazo zimetayarishwa kwa kutumia sera za uhasibu zinazoungwa mkono na uamuzi wa busara na makadirio yafaayo, kuambatana na viwango vya kimataifa vya taarifa za kifedha na kulingana na masharti ya Kifungu cha Sheria za Makampuni nchini Kenya. Wakurugenzi wana maoni kwamba taarifa hizo za kifedha za Kundi na Kampuni zinadhihirisha taswira halisi na ya haki ya hali ya kifedha ya Kundi na Kampuni na ya matokeo ya uendeshaji ya Kundi na Kampuni.

Wakurugenzi kadhalika wanakubali jukumu la kuhakikisha kudumishwa kwa kumbukumbu za uhasibu ambazo zinaweza kutegemewa katika kutayarisha na kuwasilisha taarifa za kifedha, pamoja na mifumo ya kutosha ya udhibiti wa ndani wa kifedha.

Wakurugenzi wamekadiria uwezo wa Kundi na Kampuni wa kuendelea kuendesha biashara na hawana sababu yoyote ya kuamini kwamba Kundi na Kampuni hazitaweza kuendesha biashara kwa takriban miezi kumi na miwili ijayo kuanzia tarehe ya taarifa hii.

Kukubaliwa kwa taarifa hizi za kifedha

Taarifa za kifedha, kama zilivyoonyeshwa hapo juu, zilikubaliwa na Halmashauri ya Wakurugenzi tarehe 26 Agosti 2010 na zilitiwa sahihi kwa niaba yake na:

Seni Adetu

Mkurugenzi

Peter Ndegwa

Mkurugenzi



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EABL ANNUAL REPORT & FINANCIAL STATEMENTS 2010





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

We have audited the Group financial statements of East African Breweries Limited set out on pages 49 to 99 which comprise the balance sheets of the Group and the Company at 30 June 2010, and the Group's profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 44, the Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act. 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 2010, 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:

- (i) 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;
- (ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- (iii) 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: 26 August 2010



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EABL ANNUAL REPORT & FINANCIAL STATEMENTS 2010



TAARIFA YA MKAGUZI HURU



Tumekagua taarifa za kifedha za East African Breweries Limited jinsi ilivyoelezwa kwenye kurasa za 49 hadi 99, zinazojumuisha ripoti kuhusu matumizi ya fedha katika kampuni kufikia Juni 30, 2009, na ripoti ya hesabu ya faida na hasara ya kampuni, taarifa za mapato, taarifa kuhusu mabadiliko katika matumizi ya kifedha na mtiririko wa fedha katika mwaka uliomalizika, na muhtasari maalum kuhusu sera ya matumizi ya kifedha na masuala mengine ibuka.

WAJIBU WA WAKURUGENZI KATIKA TAARIFA ZA KIFEDHA

Jinsi ilivyoelezwa katika ukurasa wa arobaini na nne (44), wakurugenzi wana jukumu la kutayarisha na kuwasilisha taarifa za kifedha za kila mwaka kuambatana na matakwa na Taratibu za Kimataifa za Ukaguzi wa Kifedha na Kifungu cha Sheria za Makampuni nchini Kenya. Wajibu huu unajumuisha: kutayarisha, kutekeleza na kuhifadhi udhibiti wa ndani unaohusiana na utayarishaji na uwasilishaji wa taarifa kamili za kifedha zisizopotosha, iwe ni kutokana na dosari au udanganyifu, kuchagua na kutumia sera zifaazo za uhasibu na kufanya makadirio ya uhasibu ambayo ni bora katika hali hiyo.

WAJIBU WA WAKAGUZI

Wajibu wetu ni kutoa maoni yetu kuhusu taarifa hizi za kifedha kuambatana na ukaguzi wetu. Tulifanya ukaguzi wetu kuambatana na Taratibu na Viwango vya Kimataifa vya Ukaguzi wa Kifedha. Viwango hivyo vinahitaji kwamba tufuate maadili na mipango ya kutekeleza ukaguzi ili kuhakikisha kuwa taarifa za kifedha ni za ukweli na hazipotoshi hata kidogo.

Ukaguzi unajumuisha kufuata taratibu na kupata thibitisho kuhusu hesabu na taarifa zilizoko katika taarifa za kifedha. Taratibu zilizochaguliwa zinategemea uamuzi wetu, ukiwemo uchunguzi wa hali yoyote ya mashaka inayoweza kutokea kutokana na taarifa inayopotosha, iwe kwa njia ya udanganyifu au makosa. Katika kufanya ukadiriaji huo, tunazingatia udhibiti wa ndani unaohusiana na utayarishaji na uwasilishaji wa haki wa taarifa za kifedha ili kubuni utaratibu wa ukaguzi unaofaa katika hali hiyo, lakini sio kwa manufaa ya kutoa maoni yetu kuhusu kufaa kwa udhabiti wa ndani wa kampuni. Ukaguzi pia unahusu kutathmini 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 halisi ya kifedha katika kampuni kufikia Juni 30, 2009, pamoja na matumizi ya kifedha na njia ya uhasibu katika mwaka kuambatana na Taratibu na Viwango vya Kimataifa vya Kifedha na Sheria ya Mashirika nchini Kenya.

Ripoti kuhusu matarajio mengine ya kisheria

Jinsi inayotakikana kulingana na Sheria ya Makampuni nchini Kenya, tunawaeleza, kuambatana na ukaguzi wetu, kwamba:

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

KPMG Kenya

Certified Public Accountants

P. O. Box 40612 - 00100

Nairobi, GPO

Date: 26 Agosti 2010



Celebrating life
EABL ANNUAL REPORT & FINANCIAL STATEMENTS 2010





CONSOLIDATED PROFIT AND LOSS ACCOUNT



	Notes	2010 Kshs'000	2009 Kshs'000 Restated
Revenue	6	37,965,334	34,407,715
Cost of sales		(18,823,062)	(17,561,486)
Gross profit		19,142,272	16,846,229
Other operating expenses	7	(473,756)	(496,883)
Selling costs		(2,570,619)	(2,115,356)
Administrative expenses		(4,842,028)	(3,837,964)
Reorganisation costs		-	(558,181)
Finance income	10	358,585	715,513
Finance costs	10	(190,365)	(61,958)
Share of associate's profit after tax		1,143,998	1,015,551
Profit before income tax	8	12,568,087	11,506,951
Income tax expense	11	(3,730,527)	(3,244,487)
Profit for the year		8,837,560	8,262,464
Profit attributable to:			
Equity holders of the Company		7,179,029	6,884,386
Non controlling interest		1,658,531	1,378,078
Profit for the year		8,837,560	8,262,464
Earnings per share for profit attributable to the equity holders of the Company			
- basic and diluted (Kshs per share)	12	9.08	8.71
Dividends:			
Interim dividends – paid in the year	13	1,976,936	1,976,936
Proposed final dividend for the year	13	4,942,340	4,388,798
		6,919,276	6,365,734

The notes set out on pages 57 to 99 form an integral part of these financial statements.



STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30 June	
	2010 Kshs'000	2009 Kshs'000 Restated
Profit for the year	8,837,560	8,262,464
Other comprehensive income, net of tax:		
Exchange differences from translation of net foreign operations	200,341	(106,887)
Total comprehensive income for the year	9,037,901	8,155,577
Total comprehensive income for the year attributable to:		
Equity holders of the Company	7,379,691	6,781,692
Non controlling interest	1,658,210	1,373,885
Total recognised income for the year	9,037,901	8,155,577

The notes set out on pages 57 to 99 form an integral part of these financial statements.



CONSOLIDATED BALANCE SHEET



	Notes	2010 Kshs'000	At 30 June 2009 Kshs'000 Restated	2008 Kshs'000 Restated
Capital and reserves attributable to the Company's equity holders				
Share capital	14	1,581,547	1,581,547	1,581,547
Share premium	14	1,691,151	1,691,151	1,691,151
Revaluation surplus	15	1,473,289	1,473,289	1,473,289
Retained earnings		10,768,656	10,508,903	9,990,251
Proposed dividends	13	4,942,340	4,388,798	4,467,873
Translation reserve		354,978	154,316	257,010
		20,811,961	19,798,004	19,461,121
Non controlling interest		3,140,665	2,650,519	2,082,722
Total equity		23,952,626	22,448,523	21,543,843
Non-current liabilities				
Deferred income tax liabilities	16	2,783,675	2,666,174	2,039,398
Total equity and non-current liabilities		26,736,301	25,114,697	23,583,241
Non-current assets				
Property, plant and equipment	17(a)	17,137,468	15,396,750	13,755,393
Intangible asset - software	18	531,226	682,426	901,750
Intangible asset - Goodwill	19	648,664	648,664	648,664
Prepaid operating lease rentals	20(a)	30,262	30,814	31,358
Investment in associate company	22(a)	2,465,213	1,680,387	1,170,516
Other investments	22(c)	10,400	10,400	10,400
Deferred income tax assets	16	141,023	148,842	463,006
		20,964,256	18,598,283	16,981,087
Current assets				
Inventories	24	3,465,054	3,953,930	3,869,710
Receivables and prepayments	25(a)	5,593,453	4,160,834	4,112,469
Current income tax recoverable		405,251	1,248,076	318,779
Term deposits	29(b)	6,667,598	5,363,298	6,503,024
Cash and bank balances	29(b)	1,325,079	1,222,572	666,090
		17,456,435	15,948,710	15,470,072
Current liabilities				
Payables and accrued expenses	26(a)	9,922,149	9,034,829	8,202,987
Current income tax payable		1,454,193	62,939	386,603
Dividends payable		308,048	334,528	278,328
		11,684,390	9,432,296	8,867,918
Net current assets		5,772,045	6,516,414	6,602,154
Net assets		26,736,301	25,114,697	23,583,241

The financial statements on pages 49 to 99 were approved by the Board of Directors on 26 August 2010 and were signed on their behalf by:

Director: Seni Adetu Director: Peter Ndegwa

The notes set out on pages 57 to 99 form an integral part of these financial statements.





COMPANY BALANCE SHEET

		At 30 June	
	Notes	2010 Kshs'000	2009 Kshs'000
CAPITAL & RESERVES			
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		2,826,460	4,073,561
Proposed dividends	13	4,942,340	4,388,798
Total equity		11,151,191	11,844,750
Non-current liabilities			
Deferred income tax liability	16(b)	29,503	170,094
Total equity and non-current liabilities		11,180,694	12,014,844
Non-current assets			
Property, plant and equipment	17(b)	149,190	186,953
Intangible asset – software	18	531,226	682,426
Prepaid operating lease rentals	20(b)	1,617	1,688
Investment in subsidiaries	21	4,330,393	4,324,783
Investment in associate company	22(b)	5,169,997	4,479,204
Other investments	22(c)	10,400	10,400
		10,192,823	9,685,454
Current assets			
Receivables and prepayments	25(b)	3,885,274	2,335,019
Current income tax recoverable		262,886	206,133
Term deposits	29(b)	6,544,202	647,002
Cash and bank balances	29(b)	333,370	447,166
		11,025,732	3,635,320
Current liabilities			
Payables and accrued expenses	26(b)	9,729,813	971,402
Dividends payable		308,048	334,528
		10,037,861	1,305,930
Net current assets		987,871	2,329,390
Net assets		11,180,694	12,014,844

The financial statements on pages 49 to 99 were approved by the Board of Directors on 26 August 2010 and were signed on their behalf by:

Director: Seni Adetu

Director: Peter Ndegwa

The notes set out on pages 57 to 99 form an integral part of these financial statements



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital Kshs'000	Share premium Kshs'000	Revaluation reserves Kshs'000	Translation reserve Kshs'000	Retained earnings Kshs'000	Proposed dividends Kshs'000	Total Kshs'000	Non controlling interest Kshs'000	Total equity Kshs'000
Year ended 30 June 2009									
At start of year									
As previously stated	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
Prior year adjustment (Note 30)	-	-	-	-	(519,659)	-	(519,659)	(53,341)	(573,000)
As restated	1,581,547	1,691,151	1,473,289	257,010	9,990,251	4,467,873	19,461,121	2,082,722	21,543,843
Comprehensive income									
Net profit for the year	-	-	-	-	6,884,386	-	6,884,386	1,378,078	8,262,464
Other comprehensive income									
Exchange differences on translation of foreign subsidiaries and associate	-	-	-	(102,694)	-	-	(102,694)	(4,193)	(106,887)
Total comprehensive income for the year	-	-	-	(102,694)	6,884,386	-	6,781,692	1,373,885	8,155,577
Transactions with owners									
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	-	-	-
Total transactions with owners	-	-	-	-	(6,365,734)	(79,075)	(6,444,809)	(806,088)	(7,250,897)
At end of year	1,581,547	1,691,151	1,473,289	154,316	10,508,903	4,388,798	19,798,004	2,650,519	22,448,523

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 57 to 99 form an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Share capital Kshs'000	Share premium Kshs'000	Revaluation reserves Kshs'000	Translation reserve Kshs'000	Retained earnings Kshs'000	Proposed dividends Kshs'000	Total Kshs'000	Non controlling interest Kshs'000	Total equity Kshs'000
Year ended 30 June 2010									
At start of year	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
As previously stated	-	-	-	-	(823,799)	-	(823,799)	(95,922)	(919,721)
Prior year adjustment (Note 30)									
As restated	1,581,547	1,691,151	1,473,289	154,316	10,508,903	4,388,798	19,798,004	2,650,519	22,448,523
Comprehensive income									
Net profit for the year	-	-	-	-	7,179,029	-	7,179,029	1,658,531	8,837,560
Other comprehensive income									
Exchange differences on translation of foreign subsidiaries and associate	-	-	-	200,662	-	-	200,662	(321)	200,341
Total comprehensive income for the year	-	-	-	200,662	7,179,029	-	7,379,691	1,658,210	9,037,901
Transactions with owners									
Dividends:									
- 2009 final paid	-	-	-	-	-	(4,388,798)	(4,388,798)	(1,168,064)	(5,556,862)
- 2010 interim paid	-	-	-	-	(1,976,936)	-	(1,976,936)	-	(1,976,936)
- 2010 final proposed	-	-	-	-	(4,942,340)	4,942,340	-	-	-
Total transactions with owners	-	-	-	-	(6,919,276)	553,542	(6,365,734)	(1,168,064)	(7,533,798)
At end of year	1,581,547	1,691,151	1,473,289	354,978	10,768,656	4,942,340	20,811,961	3,140,665	23,952,626

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 57 to 99 form an integral part of these financial statements.



COMPANY STATEMENT OF CHANGES IN EQUITY



Year ended 30 June 2009	Share capital Kshs'000	Share premium Kshs'000	Revaluation reserves Kshs'000	Retained earnings Kshs'000	Proposed dividends Kshs'000	Total Kshs'000
At start of year	1,581,547	1,691,151	109,693	6,467,941	4,467,873	14,318,205
Comprehensive income						
Profit for the year	-	-	-	3,971,354	-	3,971,354
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,971,354	-	3,971,354
Transactions with owners						
Dividends:						
- Final for 2008 final 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	-
Total transactions with owners	-	-	-	(6,365,734)	(79,075)	(6,444,809)
At end of year	1,581,547	1,691,151	109,693	4,073,561	4,388,798	11,844,750
Year ended 30 June 2010						
At start of year	1,581,547	1,691,151	109,693	4,073,561	4,388,798	11,844,750
Comprehensive income						
Profit for the year	-	-	-	5,672,175	-	5,672,175
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,672,175	-	5,672,175
Transactions with owners						
Dividends:						
- Final for 2009 final paid	-	-	-	-	(4,388,798)	(4,388,798)
- Interim for 2010 paid	-	-	-	(1,976,936)	-	(1,976,936)
- Proposed final for 2010	-	-	-	(4,942,340)	4,942,340	-
Total transactions with owners	-	-	-	(6,919,276)	553,542	(6,365,734)
At end of year	1,581,547	1,691,151	109,693	2,826,460	4,942,340	11,151,191

The notes set out on pages 57 to 99 form an integral part of these financial statements.





CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 30 June	
	Notes	2010 Kshs'000	2009 Kshs'000 Restated
Operating activities			
Cash generated from operations	29(a)	13,214,725	12,627,166
Net interest income		349,001	493,050
Income tax paid		(1,361,025)	(3,531,530)
Net cash generated from operating activities		12,202,701	9,588,686
Investing activities			
Purchase of property, plant and equipment	17 (a)	(3,786,659)	(3,484,809)
Dividends received from associate	22	453,205	507,576
Proceeds from disposal of leasehold land and buildings		97,838	-
Net cash used in investing activities		(3,235,616)	(2,977,233)
Financing activities			
Dividends paid to shareholders		(6,392,214)	(6,388,609)
Dividends paid to non-controlling interest		(1,168,064)	(806,088)
Net cash used in financing activities		(7,560,278)	(7,194,697)
Increase / (decrease) in cash and cash equivalents		1,406,807	(583,244)
Movement in cash and cash equivalents			
At start of year		6,585,870	7,169,114
Increase / (decrease)		1,406,807	(583,244)
At end of year	29(b)	7,992,677	6,585,870

The notes set out on pages 57 to 99 form an integral part of these financial statements





1 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 2010 and for the year ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates. The Group is primarily involved in marketing, brewing/ manufacturing and selling of drinks, glass containers, malt and barley.

2 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.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

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

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(i) Amendments to existing standards adopted by the Group

IAS 1 (revised), 'Presentation of financial statements' – effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. The change in accounting policy has only impacted presentation of primary statements.

IFRS 7 'Financial Instruments – Disclosures' (amendment) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures and no significant impact on the Company.

IFRS 8, 'Operating segments' – effective 1 January 2009. IFRS 8 replaces IAS 14, 'Segment reporting'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. It is relevant for entities whose debt or equity instruments are traded in a public market or files financial statements





NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

with a securities commission for the purpose of issuing any class of instruments in a public market.

IFRS 2 (amendment), 'Share-based payment' - effective from 1 January 2009. It clarifies that vesting conditions are service conditions and performance conditions only. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

IFRS 3 (revised), 'Business combinations' - effective from 1 July 2009. The revised standard, amongst other matters, requires that directly attributable transaction costs are expensed in the current period, rather than being included in the cost of the acquisition as previously. The revised standard also requires that contingent consideration arrangements should be included in acquisition accounting at fair value and expands the disclosure requirements for business combinations. The revised standard has led to expensing of transaction cost for the ongoing acquisition.

IAS 27 (revised) - 'Consolidated and separate financial statements' - effective 1 July 2009. The revised standard requires the effects of all transactions with non controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains or losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re measured to fair value, and the gain or loss is recognised in profit or loss.

(ii) Standards, amendments and interpretations to existing standards effective in 2009 but not relevant

IAS 23 (amendment), 'Borrowing costs' - effective from 1 January 2009. The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset.

(iii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

One new standard (IFRS 9 - Financial instruments) and one revised standard IAS 24 - Related party disclosures) and numerous amendments to existing standards and new interpretations have been published and will be effective for the Group's accounting periods beginning on or after 1 July 2010, but the Group has not early adopted any of them.

The Directors have assessed the relevance of the new standards, interpretations, and amendments to existing standards with respect to the Group's operations and concluded that they will not have a significant impact on the Group's financial statements.

(b) Basis of Consolidation

(i) 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 and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of





2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Consolidation (continued)

the extent of any non-controlling 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.

(ii) 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.

(c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax (VAT), returns, rebates and discounts and after eliminating sales within the Group.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

- (i) Sales of goods are recognised in the period in which the Group delivers products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- (ii) Interest income is recognised on a time proportion basis using the effective interest method.
- (iii) Dividend income is recognised as income in the period in which the right to receive payment is established.

(d) 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.



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currency translation

Foreign currency transactions are translated into the functional currency of the respective entity 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 profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other income'.

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 reporting date;
- 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 in other comprehensive income.

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 other comprehensive income. 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.

(f) 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 other comprehensive income. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the income statement

Keg barrels, bottles and crates 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
Bottles	5 years
Crates	10 years



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) **Property, plant and equipment (continued)**

Freehold land is not depreciated.

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

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.

(g) **Intangible assets**

(i) *Computer software*

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.

(ii) *Goodwill*

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

(h) **Investment property**

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.

(i) **Financial instruments**

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

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

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

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.

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.





NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leases

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.

(k) Inventories

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

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

(l) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. 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.

(m) Employee benefits

(i) 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 Funds, which are defined contribution schemes.

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.

(ii) Other entitlements

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

(iii) 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.





2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits (continued)

(iv) 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.

(n) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity respectively.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the balance sheet date.

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.

(o) 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.

(p) 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.

(q) 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



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Provisions (continued)

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.

(r) Offsetting 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.

(s) 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.

(i) Calculation of recoverable amount

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

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

(ii) Reversal 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.

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.

(t) 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.

(u) 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.





2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Payables

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

(w) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(x) 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.

(y) Comparatives

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

3 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.

(i) 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 19.

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.

Property, plant and equipment

Critical estimates are made by the Directors in determining depreciation rates for property, plant and equipment. The rates used are set out in Note 2(f) above.





NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS(CONTINUED)

Receivables

Critical estimates are made by the Directors in determining the recoverable amount of impaired receivables. The carrying amount of impaired receivables is set out in note 4.

(ii) Critical judgements in applying Group's accounting policies

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

- i. the classification of financial assets and leases;
- ii. whether land and buildings meet the criteria to be classified as investment property; and
- iii. whether assets are impaired.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

(a) 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

	2010	2009
	Shs'000	Shs'000
Group		
Trade and other receivables	5,447,148	4,160,834
Cash and cash equivalents (Note 29) (b)	7,992,677	6,585,870
	13,439,825	10,746,704
Company:		
	2010	2009
	Shs'000	Shs'000
Trade and other receivables	3,880,221	2,335,019
Cash and cash equivalents (Note 29) (b)	6,877,572	1,094,168
	10,757,793	3,429,187

NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

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

Group 2010	Gross Kshs'000	Impairment Kshs'000	Net Kshs'000
Current	4,673,853	(102,640)	4,571,213
0-30 days	199,811	(11,601)	188,210
31-120 days	60,312	(15,135)	45,177
120 days and above	1,152,410	(509,862)	642,548
— — — — —	6,086,386	(639,238)	5,447,148

2009	Gross Kshs'000	Impairment Kshs'000	Net Kshs'000
Current	2,072,563	—	2,072,563
0-30 days	741,750	(8,804)	732,946
31-120 days	1,265,770	(167,773)	1,097,997
120 days and above	558,623	(301,295)	257,328
— — — — —	4,638,706	(477,872)	4,160,834

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

	2010 Shs'000	2009 Shs'000	2008 Shs'000
At start of year	(477,872)	(453,644)	(334,924)
Impairment loss recognised in profit or loss account (Note 8)	(231,148)	(193,473)	(118,720)
Write off / reversals in the year	69,782	169,245	—
At end of year	(639,238)	(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.



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Company

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

2010	Gross 2010 Kshs'000	Impairment 2010 Kshs'000	Net 2010 Kshs'000
	3,880,221	-	3,880,221
Current	3,880,221	-	3,880,221
2009	Gross 2009 Kshs'000	Impairment 2009 Kshs'000	Net 2009 Kshs'000
	2,309,854	-	2,309,854
Current	2,309,854	-	2,309,854

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group had no credit facility arrangement with any institution as at 30 June 2010 or 30 June 2009.

Group

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

2010	Total amount Shs'000	Current Shs'000	0 - 30 days Shs'000	31 and above Shs'000
Financial liabilities				
Trade and other payables (Note 26a)	9,922,149	7,376,386	289,796	2,255,967



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Liquidity risk (continued)

Group (continued)

2010

	Total amount Kshs'000	Current Kshs'000	0 – 30 days Kshs'000	31 and above Kshs'000
Cash and cash equivalents	7,992,677	7,992,677	-	-
Trade and other receivables	5,447,148	4,571,213	188,210	687,725
Total financial assets	13,439,825	12,563,890	188,210	687,725

2009

	Total amount Kshs'000	Current Kshs'000	0 – 30 days Kshs'000	31 and above Kshs'000
Financial liabilities				
Trade and other payables	9,034,829	5,012,991	1,862,429	2,159,409

2009

	Total amount Kshs'000	Current Kshs'000	0 – 30 days Kshs'000	31 and above Kshs'000
Cash and cash equivalents	6,585,870	6,585,870	-	-
Trade and other receivables	4,160,834	4,160,834	-	-
Total financial assets	10,746,704	10,746,704	-	-

Company

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

2010

	Total amount Kshs'000	Current Kshs'000	0 – 30 days Kshs'000	31 and above Kshs'000
Trade and other payables Note 26(b)	148,071	148,071	-	-
Due to related companies	9,581,742	9,581,742	-	-
Total financial liabilities	9,729,813	9,729,813	-	-



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NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Company (continued)

2010	Total amount Kshs'000	Current Kshs'000	0 – 30 days Kshs'000	31 and above Kshs'000
Cash and cash equivalents	6,877,572	6,877,572	-	-
Trade and other receivables	3,880,221	3,880,221	-	-
Total financial assets	10,757,793	10,757,793	-	-
2009	Total amount Kshs'000	Current Kshs'000	0 – 30 days Kshs'000	31 and above Kshs'000
Total financial liabilities			-	41,128
Trade and other payables	971,402	930,274	-	-
2009	Total amount Kshs'000	Current Kshs'000	0 – 30 days Kshs'000	31 and above Kshs'000
Cash and cash equivalents	1,094,168	1,094,168	-	-
Trade and other receivables	2,309,854	2,309,854	-	-
Total financial assets	3,404,022	3,404,022	-	-



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign currency risk

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.

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

2010: Group	EUR '000	GBP '000	TZS '000	UGX '000	USD '000	ZAR '000
Monetary assets						
Cash and bank balances	3,695	13,205	-	-	154,124	-
Trade and other receivables	16,425	8	6,468,690	22,360,377	681,031	-
Monetary liabilities						
Trade and other payables	(49,772)	(9,657)	(1,222,718)	(4,857,769)	(24,377)	(2,522)
Net open position	(29,652)	3,556	5,245,972	17,502,608	810,778	(2,522)
2009: Group	EUR '000	GBP '000	TZS '000	UGX '000	USD '000	ZAR '000
Monetary assets						
Cash and bank balances	2,036	2,614	-	-	23,275	-
Trade and other receivables	7,706	8,600	2,352,258	628,061	1,586,334	1,438
Monetary liabilities						
Trade and other payables	(119,534)	(126,229)	(772,957)	(4,515,054)	(686,968)	(715)
Net open position	(109,792)	(115,015)	1,579,301	(3,886,993)	922,641	723
2010: Company	EUR '000	GBP '000	TZS '000	UGX '000	USD '000	ZAR '000
Monetary assets						
Cash and bank balances	3,657	13,205	-	-	150,085	-
Trade and other receivables	8,109	-	3,234,345	10,834,438	13,369	-
Monetary liabilities						
Trade and other payables	-	(4,293)	(611,359)	(45,662)	(4,522)	-
Net open position	11,766	8,912	2,622,986	10,788,776	158,932	-



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NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Market risk (continued)

2009: Company (continued)	EUR '000	GBP '000	TZS '000	UGX '000	USD '000	ZAR '000
Monetary assets						
Cash and bank balances	1,420	578	2,352,258	-	2,306	-
Trade and other receivables	-	15	-	-	262	-
Monetary liabilities						
Trade and other payables	-	(302)	(772,957)	(98,238)	(6)	(95)
Net open position	1,420	291	1,579,301	(98,238)	2,562	(95)

The following exchange rates were applied during the year:

CURRENCY	AVERAGE RATE		CLOSING RATES	
	2010	2009	2010	2009
EUR-KSHS	106.11	104.23	99.86	107.57
EUR-UGX	2,808.37	2,643.34	2,796.36	2,891.67
GBP-KSHS	121.08	122.17	122.02	125.86
GBP-UGX	3,201.64	3,091.26	3,411.56	3,383.25
KSHS-TZS	17.64	16.67	17.82	17.17
USD-KSHS	76.88	76.54	81.80	76.28
USD-UGX	2,034.39	1,941.12	2,274.37	2,050.45
KSHS-UGX	26.44	25.33	27.86	26.88
ZAR-UGX	268.41	220.74	297.95	265.35
KSHS-ZAR	10.11	8.69	10.63	9.87

Sensitivity analysis on foreign currency rates

A 5 percent strengthening of the Kenya shilling against the following currencies at 30 June 2010 would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remains constant. The analysis is performed on the same basis for 2009.

Group

Effect in Kenya shillings thousands As at 30 June	Income statement	
	2010	2009
	Kshs'000	Kshs'000
EUR	(46,113)	8,451
GBP	52,159	2,107
TZS	576	(4,600)
UGX	713,110	(668)
USD	106,737	(126,868)
ZAR	10	(458)
	826,479	(122,036)



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Market risk (continued)

Company:

Effect in Kenya shillings thousands		Income statement	
As at 30 June		2010	2009
		Kshs'000	Kshs'000
EUR		39,348	(7,638)
GBP		26,366	(1,834)
TZS		7,932	(4,600)
UGX		23,207	183
USD		(15,801)	(9,819)
ZAR		-	47
		81,052	(23,661)

A 5 percent weakening of the Kenya shilling against the above currencies at 30 June 2010 could 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.

(ii) Interest rate risk

The Group has term deposits that earn interest at fixed interest rates.

The table below summarises the interest rate profile of the Group's financial assets and liabilities.

Group - As at 30 June

	Effective interest rate Kshs'000	Total Kshs'000	On demand Kshs'000	Due between three and twelve months Kshs'000
2010				
Deposit	4.31%	6,667,598	6,667,598	-
2009				
Deposit	4.93%	5,363,298	5,266,296	97,002

Company- As at 30 June

	Effective interest rate Kshs'000	Total Kshs'000	On demand Kshs'000	Due between three and twelve months Kshs'000
2010				
Deposit	4.35%	6,544,202	6,544,202	-
2009				
Deposit	8.96%	647,002	550,000	97,002





4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) *Market risk (continued)*

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 2009.

Group:

<i>Effect in Shillings thousands</i> As at 30 June	Income statement	
	2010	2009
	Kshs'000	Kshs'000
Deposits	66,676	53,633

Company:

As at 30 June	Income statement	
	2010	2009
	Kshs'000	Kshs'000
Deposits	65,442	6,470

(iii) Equity price risk

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

(d) **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

(e) **Fair value**

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

5 SEGMENTAL REPORTING

Management has determined the operating segments based on the reports reviewed by the Group executive committee that are used to make strategic decisions.

The committee considers the business from a geographical perspective. Although Tanzania segment does not meet the quantitative threshold required by IFRS 8, management has concluded that this segment should be reported as it is closely monitored by the executive committee as a potential growth region and is expected to materially contribute to the Group revenues in the future.

The reportable operating segments derive their revenue primarily from brewing, marketing and selling of drinks, glass containers, malt and barley. The executive committee assesses the performance of the operating segments based on a measure of profit before income tax.



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

5 SEGMENTAL REPORTING (CONTINUED)

The segmental information provided to the executive committee is as follows.

	Kenya		Uganda		Tanzania		Eliminations		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
		Restated		Restated						Restated
External sales	30,494,182	27,642,366	6,748,881	6,765,349	722,271	-	-	-	37,965,334	34,407,715
Inter segment sales	4,070,816	4,758,788	510,329	-	-	-	(4,581,145)	(4,758,788)	-	-
Total sales	34,564,998	32,401,154	7,259,210	6,765,349	722,271	-	(4,581,145)	(4,758,788)	37,965,334	34,407,715
Segment profit from operations	10,743,316	9,797,974	470,783	598,052	41,770	-	-	-	11,255,869	10,396,026
Net finance income/costs	128,495	550,412	39,725	103,143	-	-	-	-	168,220	653,555
Reorganisation costs	-	(513,095)	-	(45,086)	-	-	-	-	-	(558,181)
Share of associate profits	-	-	-	-	1,143,998	1,015,551	-	-	1,143,998	1,015,551
Profit before income tax	10,871,811	9,835,291	510,508	656,109	1,185,768	1,015,551	-	-	12,568,087	11,506,951
Income tax expense	(3,547,328)	(3,060,304)	(170,668)	(184,183)	(12,531)	-	-	-	(3,730,527)	(3,244,487)
Segment results	7,324,483	6,774,987	339,840	471,926	1,173,237	1,015,551	-	-	8,837,560	8,262,464
Non-controlling interest results									(1,658,531)	(1,378,078)
Net profit for the year									7,179,029	6,884,386



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

5 SEGMENTAL REPORTING (CONTINUED)

Reportable segments' assets and liabilities agree to the consolidated assets as follows.

OTHER INFORMATION	Kenya		Uganda		Tanzania		Eliminations		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
		Restated		Restated						Restated
Segment assets	32,690,485	28,889,668	4,616,506	5,657,325	1,113,700	-	-	-	38,420,691	34,546,993
Segment liabilities	10,000,592	9,742,677	3,388,320	2,355,793	1,079,153	-	-	-	14,468,065	12,098,470
Capital expenditure	2,982,087	3,201,098	801,310	283,711	3,262	-	-	-	3,786,659	3,484,809
Depreciation expense and amortisation	1,565,829	1,459,922	369,048	369,480	-	-	-	-	1,934,877	1,829,402

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. Sales between segments are carried out at arms length. The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the profit and loss account. There is no reliance on individually significant customers by the group.

The amounts provided to the executive committee in respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



10 NET FINANCE INCOME

	2010 Kshs '000	2009 Kshs '000
Finance income		
Interest income	358,585	555,008
Foreign exchange gains on cash and cash equivalents	-	160,505
	358,585	715,513
Finance cost		
Interest expense	(9,584)	(61,958)
Foreign exchange losses on cash and cash equivalents	(180,781)	-
	(190,365)	(61,958)
	168,220	653,555

11 INCOME TAX

Current income tax	3,590,428	2,272,734
Under provision of current tax in prior year	4,676	5,836
	3,595,104	2,278,570
Deferred income tax expense (Note 16(a))	135,423	965,917
	3,730,527	3,244,487

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

	2010 Kshs'000	2009 Kshs'000 Restated
Profit before income tax	12,568,087	11,506,951
Tax calculated at the domestic statutory income tax rates of 30% (2009 – 30%)	3,770,426	3,452,085
Tax effects of:		
Expenses not deductible for tax purposes	305,171	314,628
Income not subject to tax	(25,893)	-
Tax losses in subsidiary not previously recognised	-	(26,097)
Effect of share of associate profit	(343,199)	(304,665)
Deferred income tax not recognised	-	3,980
Under provision in prior year – income tax	4,676	5,836
Overprovision in prior year – deferred tax	19,346	(201,280)
Income tax expense	3,730,527	3,244,487



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

12 EARNINGS PER SHARE

The calculation of basic earnings per share at 30 June 2010 was based on profit attributable to ordinary shareholders of Kshs'000 7,179,029 (2009 restated: Kshs'000 6,884,386) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2010 of 790,774,356 (2009 – 790,774,356).

There are no dilutive shares.

13 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 2010 of KShs 6.25 per share (2009: KShs 5.55) amounting to a total of KShs 4,942,339,725 (2009: KShs 4,388,797,676) 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 8.75 per share (2009: KShs 8.05), amounting to a total of KShs 6,919,275,615 (2009: KShs 6,365,733,566).

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

14 SHARE CAPITAL

	Number of shares (Thousands)	Ordinary shares Kshs'000	Share premium Kshs'000
Balance at 1 July 2007, 1 July 2008, 30 June 2009 and 30 June 2010	790,774	1,581,547	1,691,151

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 fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the company. All shares rank equally with regard to the company assets.

15 REVALUATION SURPLUS

The revaluation surplus represents the surplus on the revaluation of plant, property and equipment net of deferred income tax and are non-distributable.



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



16 DEFERRED INCOME TAX

Deferred income tax is calculated using the enacted domestic income tax rate of 30% (2009: 30%). The movement on the deferred income tax account is as follows:

Net deferred tax	2010	2009	2008
(a) Group	Kshs '000	Kshs '000	Kshs '000
		Restated	Restated
As previously reported	2,883,007	1,806,481	2,032,711
Prior year adjustment (Note 30)	(365,675)	(230,089)	(142,745)
As restated	2,517,332	1,576,392	1,889,966
(Credit)/charge to profit and loss account (Note 11)	135,423	965,917	(291,283)
Currency translation difference	(10,103)	(24,977)	(22,291)
	2,642,652	2,517,332	1,576,392

Presented in the balance sheet as follows:

Deferred tax liabilities	2,783,675	2,666,174	2,039,398
Deferred tax assets	(141,023)	(148,842)	(463,006)
At end of year	2,642,652	2,517,332	1,576,392

(b) Company	2010	2009
	Kshs '000	Kshs '000
At start of year	170,094	156,812
(Credit)/charge to profit and loss account	(140,591)	13,282
At end of year	29,503	170,094

Deferred income tax assets and liabilities and deferred income tax charge/(credit) in the profit and loss account are attributable to the following items:

(a) Group				
Year ended 30 June 2010		Charged/	Currency	
	1.7.2009	(credited)	changes	30.6.2010
	as restated	to P/L	Kshs '000	Kshs '000
		Kshs '000		
Deferred income tax liabilities				
Property, plant and equipment:	2,851,132	335,735	(19,858)	3,167,009
Unrealised exchange gain	26,060	(76,290)	719	(49,511)
Tax losses carried forward	(8,096)	(125,658)	5,039	(128,715)
Provisions	(202,922)	(5,297)	3,111	(205,108)
Deferred income tax liability	2,666,174	128,490	(10,989)	2,783,675



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

16 DEFERRED INCOME TAX (CONTINUED)

Net deferred tax (continued)

	1.7.2009 as restated	Charged/ (credited) to P/L Kshs '000	Currency changes Kshs '000	30.6.2010 Kshs '000
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(a) Group (continued)

Deferred income tax assets

Property, plant and equipment	(88,885)	(5,585)	-	(94,470)
Unrealised exchange gain	56,775	(78,585)	235	(21,575)
Tax losses carried forward	(99,295)	96,627	95	(2,573)
Provisions	(17,437)	(5,524)	556	(22,405)

Deferred income tax asset	(148,842)	6,933	886	(141,023)
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Net deferred income tax liability	2,517,332	135,423	(10,103)	2,642,652
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Year ended 30 June 2009

	1.7.2008 as restated	Charged/ (credited) to P/L Restated Kshs '000	Currency changes Kshs '000	30.6.2009 Kshs '000
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Deferred income tax liabilities

Property, plant and equipment:	2,212,464	665,165	(26,497)	2,851,132
Unrealised exchange gain	12,042	14,018	-	26,060
Tax losses carried forward	(15,068)	6,972	-	(8,096)
Provisions	(170,040)	(32,882)	-	(202,922)

Deferred income tax liability	2,039,398	653,273	(26,497)	2,666,174
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Deferred income tax assets

Property, plant and equipment	(89,932)	(473)	1,520	(88,885)
Unrealised exchange gain	(19,176)	75,951	-	56,775
Tax losses carried forward	(339,757)	240,462	-	(99,295)
Provisions	(14,141)	(3,296)	-	(17,437)

Deferred income tax asset	(463,006)	312,644	1,520	(148,842)
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Net deferred income tax liability	1,576,392	965,917	(24,977)	2,517,332
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Year ended 30 June 2008

	1.7.2007 as restated	Charged/ (credited) to P/L Restated Kshs '000	Currency changes Kshs '000	30.6.2008 Kshs '000
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Deferred income tax liabilities

Property, plant and equipment:	2,053,556	181,199	(22,291)	2,212,464
Unrealised exchange gain	(12,438)	24,480	-	12,042
Tax losses carried forward	(66,041)	50,973	-	(15,068)
Provisions	(66,225)	(103,815)	-	(170,040)

1,908,852	152,837	(22,291)	2,039,398
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NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



16 DEFERRED INCOME TAX (CONTINUED)

Net Deferred tax (continued)

	1.7.2007 as restated	Charged/ (credited) to P/L Restated Kshs '000	Currency changes Kshs '000	30.6.2008 Kshs '000
(a) Group (continued)				
Deferred income tax assets				
Property, plant and equipment	(13,522)	(76,410)	-	(89,932)
Unrealised exchange gain	-	(19,176)	-	(19,176)
Tax losses carried forward	-	(339,757)	-	(339,757)
Provisions	(5,364)	(8,777)	-	(14,141)
	(18,886)	(444,120)	-	(463,006)
Net deferred income tax liability	1,889,966	(291,283)	(22,291)	1,576,392

(b) Company

Year ended 30 June 2010

	1.7.2009 Kshs '000	Charged/ (credited) to P/L Kshs '000	30.6.2010 Kshs '000
Deferred income tax liabilities			
Property, plant and equipment:	162,763	(43,286)	119,477
Deferred income tax assets			
Unrealised exchange gain / (loss)	43,360	(92,143)	(48,783)
Provisions	(36,029)	(5,162)	(41,191)
	7,331	(97,305)	(89,974)
Net deferred income tax liability	170,094	(140,591)	29,503

Year ended 30 June 2009

	1.7.2008 Kshs '000	Charged/ (credited) to P/L Kshs '000	30.6.2009 Kshs '000
Deferred income tax liabilities			
Property, plant and equipment:	135,345	27,418	162,763
Deferred income tax assets			
Unrealised exchange gain	9,884	33,476	43,360
Provisions	11,583	(47,612)	(36,029)
	21,467	(14,136)	7,331
Net deferred income tax liability	156,812	13,282	170,094



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

17 PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Freehold property Kshs'000	Leasehold buildings Kshs'000	Plant & equipment Kshs'000	Motor vehicles Kshs'000	Returnable packaging materials Kshs'000	Capital work in progress Kshs'000	Total Kshs'000
Year ended 30 June 2010:							
Cost or valuation							
At 1 July 2009							
As previously reported	1,963,228	1,166,279	17,895,514	9,930	-	303,877	21,338,828
Prior year adjustment	-	-	-	-	2,992,427	-	2,992,427
As restated	1,963,228	1,166,279	17,895,514	9,930	2,992,427	303,877	24,331,255
Exchange differences	-	(8,057)	(57,205)	-	-	(850)	(66,112)
Additions	-	-	453,363	-	337,404	2,995,892	3,786,659
Transfers from work in progress	-	10,386	1,077,918	-	20,542	(1,108,846)	-
Assets written off	-	-	(151,235)	-	(317,364)	(28,213)	(496,812)
At 30 June 2010	1,963,228	1,168,608	19,218,355	9,930	3,033,009	2,161,860	27,554,990
Depreciation and impairment							
At 1 July 2009							
As previously reported	584,885	211,295	6,843,005	9,924	-	-	7,649,109
Prior year adjustment	-	-	-	-	1,285,396	-	1,285,396
As restated	584,885	211,295	6,843,005	9,924	1,285,396	-	8,934,505
Exchange differences	-	(1,929)	(25,920)	-	-	-	(27,849)
Charge for the year	86,057	36,564	1,183,640	-	485,282	-	1,791,543
Charge on assets written off	-	-	(70,620)	-	(210,057)	-	(280,677)
At 30 June 2010	670,942	245,930	7,930,105	9,924	1,560,621	-	10,417,522
Net book amount at 30 June 2010	1,292,286	922,678	11,288,250	6	1,472,388	2,161,860	17,137,468



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Group (continued)

	Freehold property Kshs'000	Leasehold buildings Kshs'000	Plant & equipment Kshs'000	Motor vehicles Kshs'000	Returnable packaging materials Kshs'000	Capital work in progress Kshs'000	Total Kshs'000
Year ended 30 June 2009:							
Cost or valuation							
At 1 July 2008							
As previously reported	1,903,938	1,194,069	13,648,347	9,930	-	2,345,533	19,101,817
Prior year adjustment	-	-	-	-	2,064,441	-	2,064,441
As restated	1,903,938	1,194,069	13,648,347	9,930	2,064,441	2,345,533	21,166,258
Exchange differences	-	(29,049)	(204,949)	-	-	(1,353)	(235,351)
Additions – restated	38,536	-	611,235	-	927,986	1,907,052	3,484,809
Transfers from work in progress	20,754	1,259	3,842,593	-	-	(3,864,606)	-
Assets written off	-	-	(1,712)	-	-	(82,749)	(84,461)
At 30 June 2009	1,963,228	1,166,279	17,895,514	9,930	2,992,427	303,877	24,331,255
Depreciation and impairment							
At 1 July 2008							
As previously reported	483,959	193,648	5,920,246	9,924	-	-	6,607,777
Prior year adjustment	-	-	-	-	803,089	-	803,089
As restated	483,959	193,648	5,920,246	9,924	803,089	-	7,410,866
Exchange differences	-	(3,094)	(81,656)	-	-	-	(84,750)
Charge for the year – restated	100,926	20,741	1,005,560	-	482,307	-	1,609,534
Charge on assets written of	-	-	(1,145)	-	-	-	(1,145)
At 30 June 2009	584,885	211,295	6,843,005	9,924	1,285,396	-	8,934,505
Net book amount at 30 June 2009	1,378,343	954,984	11,052,509	6	1,707,031	303,877	15,396,750



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Group (continued)

	Freehold property Kshs'000	Leasehold buildings Kshs'000	Plant & equipment Kshs'000	Motor vehicles Kshs'000	Returnable packaging materials Kshs'000	Capital work in progress Kshs'000	Total Kshs'000
Year ended 30 June 2008:							
Cost or valuation							
At 1 July 2007							
As previously reported	1,952,083	1,212,159	11,693,707	9,934	-	1,324,390	16,192,273
Prior year adjustment	-	-	-	-	1,473,898	-	1,473,898
As restated	1,952,083	1,212,159	11,693,707	9,934	1,473,898	1,324,390	17,666,171
Exchange differences	-	(15,912)	(78,241)	-	-	(13,025)	(107,178)
Additions – restated	-	-	402,287	-	590,543	2,625,650	3,618,480
Transfers from work in progress	-	1,901	1,430,527	-	-	(1,432,428)	-
Reclassifications from							
Work in progress	-	-	-	-	-	(159,054)	(159,054)
Reclassifications from leases	-	70	-	-	-	-	70
Transfers from inventory	-	-	547,051	-	-	-	547,051
Impairment of assets	(27,317)	(4,149)	(346,983)	(4)	-	-	(378,453)
Disposals	(20,828)	-	-	-	-	-	(20,828)
At 30 June 2008	1,903,938	1,194,069	13,648,348	9,930	2,064,441	2,345,533	21,166,259
Depreciation and impairment							
At 1 July 2007							
As previously stated	413,082	160,520	5,291,416	9,927	-	-	5,874,945
Prior year adjustment	-	-	-	-	498,231	-	498,231
As restated	413,082	160,520	5,291,416	9,927	498,231	-	6,373,176
Exchange differences	-	(3,112)	(29,167)	-	-	-	(32,279)
Charge for the year – restated	84,719	36,093	919,035	-	304,858	-	1,344,705
On disposals	(3,651)	-	-	-	-	-	(3,651)
Charge on impaired assets	(10,191)	147	(261,038)	(3)	-	-	(271,085)
At 30 June 2008	483,959	193,648	5,920,246	9,924	803,089	-	7,410,866
Net book amount at							
30 June 2008	1,419,979	1,000,421	7,728,102	6	1,261,352	2,345,533	13,755,393



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Company	Leasehold buildings Kshs'000	Plant & equipment Kshs'000	Capital work in progress Kshs'000	Total Kshs'000
Year ended 30 June 2010:				
Cost or valuation				
At 1 July 2009	154,500	109,119	28,213	291,832
Assets written off	-	-	(28,213)	(28,213)
Additions	-	11,433	-	11,433
At 30 June 2010	154,500	120,552	-	275,052
Depreciation				
At 1 July 2009	24,644	80,235	-	104,879
Charge for the year	5,826	15,157	-	20,983
At 30 June 2010	30,470	95,392	-	125,862
Net book amount at 30 June 2010	124,030	25,160	-	149,190
Company				
Year ended 30 June 2009:				
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





NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 2010, there were no assets pledged by the Group to secure liabilities.

If the items of property, plant and equipment were stated on the historical cost basis, the amounts

Group	Freehold Properties Kshs'000	Leasehold buildings Kshs'000	Plant & equipment Kshs'000	Motor vehicles Kshs'000	Returnable containers	Total Kshs'000
Cost	968,089	166,697	9,585,901	9,930	3,033,009	13,763,626
Accumulated depreciation	(325,637)	(65,954)	(4,033,857)	(9,924)	(1,560,620)	(5,995,992)
Net book amount at 30 June 2010	642,452	100,743	5,552,044	6	1,472,389	7,767,634
Net book amount at 30 June 2009 (Restated)	728,509	133,049	5,316,303	6	1,707,032	7,884,899

Company	Leasehold buildings Kshs'000	Plant & equipment Kshs'000	Total Kshs'000
Cost	154,500	120,552	275,052
Accumulated depreciation	(30,470)	(95,392)	(125,862)
Net book amount at 30 June 2010	124,030	25,160	149,190
Net book amount at 30 June 2009	129,855	17,646	147,501



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



18 INTANGIBLE ASSET – SOFTWARE

Group and Company	2010	2009	2008
	Kshs'000	Kshs'000	Kshs'000
Cost			
At start of year	1,264,415	1,264,415	1,087,202
Additions	-	-	18,159
Reclassification from property, plant and equipment	-	-	159,054
At end of year	1,264,415	1,264,415	1,264,415
Amortisation			
At start of year	581,989	362,665	142,749
Amortisation during the year	151,200	219,324	219,916
At end of year	733,189	581,989	362,665
Net book amount at end of year	531,226	682,426	901,750

19 INTANGIBLE ASSET - GOODWILL

Group			
At start and end of year	Cost	Impairment	Net book amount
	Kshs'000	Kshs'000	Kshs'000
Uganda Breweries Limited (UBL)	116,415	116,415	-
EABL International Limited (EABLI)	334,249	334,249	-
Tanzania Breweries Limited	2,129,421	2,129,421	-
UDV (Kenya) Limited (UDV)	461,662	46,166	415,496
International Distillers (Uganda) Limited (IDU)	260,324	27,156	233,168
Total	3,302,071	2,653,407	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.





NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

20 PREPAID OPERATING LEASE RENTALS

Leases of land have been classified as operating leases.

(a) Group	2010 Kshs'000	2009 Kshs'000	2008 Kshs'000
Cost			
At start of year	37,925	37,925	38,671
Impairment	-	-	(676)
Disposal	(10)	-	-
Reclassification to property, plant and equipment	-	-	(70)
	37,915	37,925	37,925
Amortisation and impairment			
At start of year	(7,111)	(6,567)	(6,218)
Impairment	-	-	153
Amortisation for the year	(542)	(544)	(502)
	(7,653)	(7,111)	(6,567)
Net book amount at end of year	30,262	30,814	31,358

(b) Company	2010 Kshs'000	2009 Kshs'000
Cost		
At start and end of year	2,250	2,250
Amortisation		
At start of year	(562)	(492)
Amortisation for the year	(71)	(70)
At end of year	(633)	(562)
Net book amount at end of year	1,617	1,688



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



21 INVESTMENTS IN SUBSIDIARIES

	Country of incorporation	Effective incorporation interest	2010 Kshs'000	2009 Kshs'000
Kenya Breweries Limited	Kenya	80%	1,806,847	1,806,847
Salopia Limited	Kenya	100%	200	200
Allsopps (EA) Sales Limited	Kenya	100%	2	2
East African Breweries (Mauritius) Limited	Mauritius	100%	389	389
Central Glass Industries Limited	Kenya	100%	790,288	790,288
Uganda Breweries Limited	Uganda	98.20%	687,647	687,647
International Distillers Uganda Limited	Uganda	100%	300,000	300,000
East African Maltings (Kenya) Limited	Kenya	100%	-	-
East African Maltings (Uganda) Limited	Uganda	100%	-	-
UDV (Kenya) Limited	Kenya	46.32%	589,410	589,410
EABL International Limited	Kenya	100%	150,000	150,000
EABL Tanzania Limited	Tanzania	100%	5,610	-
			4,330,393	4,324,783

22 INVESTMENTS IN ASSOCIATES

(a) Group	Effective interest	2010 Kshs'000	2009 Kshs'000	2008 Kshs'000
Tanzania Breweries Limited	20%	2,465,213	1,680,387	1,170,516
At start of year		1,680,387	1,170,516	1,030,765
Group's share of profit after tax		1,143,998	1,015,551	808,421
Currency translation adjustment		94,033	1,896	(81,513)
Dividend received by the Group		(453,205)	(507,576)	(587,157)
As at 30 June		2,465,213	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.

(b) Company	2010 Kshs'000	2009 Kshs'000
Tanzania Breweries Limited (58,985,693 ordinary shares of Tshs 100 each)	5,169,997	4,479,204





NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

22 INVESTMENTS IN ASSOCIATES (CONTINUED)

(c) Other investments (Group and Company)	2010	2009	2008
	Kshs'000	Kshs'000	Kshs'000
Unquoted: at cost			
4,000 ordinary shares (representing 20%) in Sen-Tech Limited	400	400	400
20% investment in Challenge Fund Limited who in turn have subscribed to 50% in Central Depository and Settlement Corporation Limited	10,000	10,000	10,000
	10,400	10,400	10,400

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

23 EMPLOYEES BENEFIT

Equity compensation benefits

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

Executive share option scheme

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

	2010	2009
	Number of shares	Number of shares
Outstanding at start of year	1,258,730	1,114,159
Granted during the year	131,422	212,377
Lapsed	(101,019)	(32,781)
Exercised	(140,814)	(35,025)
Outstanding at end of year	1,148,319	1,258,730
Exercise price per share – Kshs	157.40	129.40

Options may be exercised at prices ranging between Kshs. 87.72 and KShs.157.40 (2009 – KShs 87.72 and KShs 148.6). The trading price of EABL share as at 30 June 2010 on the Nairobi Stock Exchange was Kshs 181 (2009: Kshs 146).

Employee Share save Scheme

As at 30 June 2010, the Trust's obligation to members under the employee share save scheme stood at 1,493,081 shares (2009 – 549,045). During the year 139,175 (2009 – 75,149) shares were exercised by employees. The exercise price per share is Kshs 12.13 (2009 – Kshs 12.13).



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



24 INVENTORIES

	2010	2009	2008
	Kshs'000	Kshs'000	Kshs'000
		Restated	Restated
Raw materials and consumables	2,482,964	2,020,172	2,776,276
Finished goods	967,760	1,863,765	1,093,434
Goods in transit	14,330	69,993	-
	3,465,054	3,953,930	3,869,710

The cost of inventory recognised as an expense and included in 'cost of sales' amounted to Kshs 10,222,686,068 (2009: Kshs 11,512,508,172, 2008: Kshs 10,613,771,665)

25 RECEIVABLES AND PREPAYMENTS

(a) Group	2010	2009	2008
	Kshs'000	Kshs'000	Kshs'000
Trade receivables	2,598,356	3,378,663	3,280,957
Less: Provision for impairment loss	(564,672)	(458,722)	(398,853)
	2,033,684	2,919,941	2,882,104
Barley advances	-	10,826	20,362
Other receivables and prepayments	3,328,716	1,210,145	1,183,499
Less: Provision for impairment loss	(74,566)	(19,150)	(54,791)
Receivable from related parties (Note 32)	305,619	39,072	81,295
	5,593,453	4,160,834	4,112,469

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

	2010	2009	2008
	Kshs'000	Kshs'000	Kshs'000
At start of year	477,872	453,644	334,924
Provision in the year	231,148	193,473	118,720
Write off / reversals in the year	(69,782)	(169,245)	-
At end of year	639,238	477,872	453,644

(b) Company	2010	2009
	Kshs'000	Kshs'000
Other receivables and prepayments	380,060	377,270
Receivable from related parties (Note 32)	3,505,214	1,957,749
	3,885,274	2,335,019



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

26 PAYABLES

	2010 Kshs'000	2009 Kshs'000	2008 Kshs'000
(a) Group			
Trade payables	2,170,920	3,441,790	2,779,256
Other creditors	6,620,469	4,566,345	4,326,658
Payable to related parties (Note 32)	1,130,760	1,026,694	1,097,073
	9,922,149	9,034,829	8,202,987
(b) Company		2010 Kshs'000	2009 Kshs'000
Trade payables		134,865	320,309
Payable to related parties (Note 32)		9,581,742	651,093
Other creditors		13,206	-
		9,729,813	971,402

27 CONTINGENT LIABILITIES

(a) Group

Contingent liabilities incurred in the ordinary course of business:

	2010 Kshs'000	2009 Kshs'000
Guarantees	876,868	75,765
Pending legal cases	350,885	341,266
Other liabilities	-	110,192
	1,227,753	527,223

(b) Company

Contingent liabilities incurred in the ordinary course of business:

Guarantees	844,917	-
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28 COMMITMENTS

i) Capital commitments – Group

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

	2010 Kshs'000	2009 Kshs'000
Contracted but not provided for	1,300,446	634,419
Authorised but not contracted for	925,235	1,903,356





28 COMMITMENTS (CONTINUED)

ii) Operating lease commitments

(a) Group leases as lessee

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:

	2010 Kshs'000	2009 Kshs'000
Not later than 1 year	666,588	355,466
Later than 1 year and not later than 5 years	1,157,998	683,483
	1,824,586	1,038,949

(b) 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:

	2010 Kshs'000	2009 Kshs'000
Not later than 1 year	26,653	14,115
Later than 1 year and not later than 5 years	59,106	21,173
	85,759	35,288

(c) Company leases as lessee

The Company has entered into operating lease agreements for leasing of printers.

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

	2010 Kshs'000	2009 Kshs'000
Not later than 1 year	2,205	-
Later than 1 year and not later than 5 years	2,205	-
	4,410	-



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

29 CASH GENERATED FROM OPERATIONS

(a) Reconciliation of profit before income tax to cash generated from operations

	2010 Kshs'000	2009 Kshs'000 Restated
Profit before income tax	12,568,087	11,506,951
Adjustments for:		
Net interest income	(349,001)	(493,050)
Income from associates	(1,143,998)	(1,015,551)
Depreciation (Note 17 (a))	1,791,543	1,609,534
Amortisation of intangible asset – software (Note 18(a))	151,200	219,324
Amortisation of prepaid operating lease rentals	542	544
Gain on disposal of leasehold land and buildings	(97,828)	-
Gain on disposal of returnables due to the deposits release	(106,626)	-
Impairment of property, plant and equipment	108,827	83,316
Exchange differences	134,468	16,840
Changes in working capital:		
– receivables and prepayments	(1,432,619)	(48,365)
– inventories	488,876	(84,219)
– payables and accrued expenses (Note 29 (c))	1,101,254	831,842
Cash generated from operations	13,214,725	12,627,166

(b) Cash and cash equivalents

	2010 Kshs'000	2009 Kshs'000	2008 Kshs'000
Group			
Term deposits	6,667,598	5,363,298	6,503,024
Cash and bank balances	1,325,079	1,222,572	666,090
	7,992,677	6,585,870	7,169,114

Company	2010 Kshs'000	2009 Kshs'000
Term deposits	6,544,202	647,002
Cash and bank balances	333,370	447,166
	6,877,572	1,094,168

(c) Disposal of returnable containers

During the year, the group disposed returnable containers with an aggregate cost of Kshs 213,933,642. The proceeds on these disposals were by means of release of deposits for returnable containers held by the group.



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



29 CASH GENERATED FROM OPERATIONS (CONTINUED)

(c) Disposal of returnable containers (continued)

	2010 Shs'000	2009 Shs'000
Movement in payables	887,320	-
Deposits released	213,934	-
Net movement in payables as per cash flow (Note 29 (a))	1,101,254	-

30 PRIOR YEAR ADJUSTMENT

During the year, the Group changed the accounting policy for returnable containers from accounting for them as items of inventory to including them in property plant and equipment. The change was aimed at aligning the accounting policies of the Group with those of the ultimate parent company.

The effect of the change has been disclosed by retrospective restatement of the comparative amounts for property, plant and equipment, inventory and deferred income tax. In addition, the opening balances as at 1 July 2008 of property, plant and equipment, inventory and deferred income tax have been restated as follows:

	2010 Shs'000	2009 Shs'000	2008 Shs'000
Effect of change in accounting policy on returnable containers			
Transfer from inventory to property, plant and equipment at cost (Note 17)	2,992,427	2,064,441	1,473,898
Accumulated depreciation (Note 17)	(1,285,396)	(803,089)	(498,231)
Net property plant and equipment	1,707,031	1,261,352	975,667
Add: deferred tax (Note 16)	365,675	230,089	142,745
	2,072,706	1,491,441	1,118,412
Net decrease in net assets	919,721	573,000	355,486
Net impact on profit and loss	-	(482,307)	(313,858)

31 EVENTS AFTER PERIOD END

Acquisition of Serengeti Breweries Limited (SBL)

The Group is in the process of acquiring a majority interest in Serengeti Breweries Limited (SBL), a company incorporated in the Republic of Tanzania. The transaction has obtained the regulatory approvals but is still subject to shareholder's approval on or before the Annual General Meeting. The costs related to this transaction have been expensed in the profit and loss account for the period ended 30 June 2010.

Disposal of investment in Tanzania Breweries Limited

The Group is in the process of disposing its 20% shareholding in Tanzania Breweries Limited (Investment in Associate Company) subject to the appropriate regulatory approvals.

Due to the ongoing negotiations, an estimate of the financial effect of the above transactions cannot be made reliably.





NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)

32 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:

	2010 Kshs'000	2009 Kshs'000	2008 Kshs'000
(a) Sale of goods and services			
Other related parties	54,020	68,094	145,041
(b) Purchase of goods and services			
Parent company	1,613,736	2,148,057	2,805,256
Other related parties	1,628,911	2,420,137	1,432,247
	3,242,647	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.

(c) Outstanding balances arising from sale and purchase of goods/services

	2010 Kshs'000	2009 Kshs'000	2008 Kshs'000
Group			
Receivables from related parties	305,619	39,072	81,295
Payable to related parties	1,130,760	1,026,694	1,097,073
Company			
Receivables from subsidiaries	2,905,564	1,939,295	2,107,046
Receivables from related parties	599,650	18,454	58,996
	3,505,214	1,957,749	2,166,042
Payables to subsidiaries	9,023,194	483,055	783,952
Payables to related parties	558,548	168,038	225,612
	9,581,742	651,093	1,009,564



NOTES TO THE FINANCIAL STATEMENTS (FOR THE YEAR ENDED JUNE 2010)



32 RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Directors' remuneration

	2010 Kshs'000	2009 Kshs'000	2008 Kshs'000
Group			
Fees for services as a director	3,720	3,840	13,170
Other emoluments included in key management compensation in (e) below	167,847	220,519	198,548
	171,567	224,359	211,718

Company			
Fees for services as a director	3,240	3,360	12,364
Other emoluments included in key management compensation in (e) below	42,891	81,316	71,626
	46,131	84,676	83,990

(e) Key management compensation

	2010 Kshs'000	2009 Kshs'000	2008 Kshs'000
Salaries and other short-term employment benefits	354,916	404,013	340,222
Termination benefits	21,817	-	-
Post-employment benefits	57,889	13,719	11,046
Other long-term benefits	-	3,644	329
	434,622	421,376	351,597



PRINCIPAL SHARHOLDERS AND SHARE DISTRIBUTION

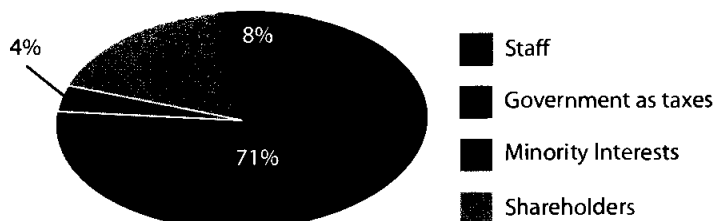
The ten largest shareholdings in the Company and the respective number of shares held at 30 June 2010 are as follows:

	NAME(S) AND ADDRESS	NUMBER OF SHARES	%
1	Diageo Kenya Limited	338,618,340	42.82
2	Diageo Holdings Netherlands B.V	36,361,290	4.60
3	Board of Trustees – NSSF	35,448,720	4.48
4	Guinness Overseas Limited	20,628,804	2.61
5	Stanbic Nominees Kenya Ltd – A/c NR 70001	18,708,138	2.37
6	Barclays (Kenya) Nominees Ltd		
	Non resident a/c 9011	14,505,832	1.83
7	Barclays (Kenya) Nominees Ltd a/c 9326	12,648,354	1.60
8	Barclays (Kenya) Nominees Ltd		
	Non resident a/c 9002	9,688,172	1.23
9	Barclays (Kenya) Nominees Ltd a/c 9300	9,689,740	1.23
10	Kenya Reinsurance Corporation	7,832,088	0.99
	TOTAL NUMBER OF SHARES	504,129,478	63.76

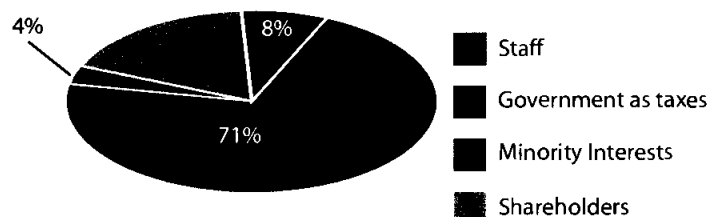
Distribution of shareholders

	Number of shares	Number of shareholders	% Shareholding
1 - 500 shares	2,550,157	12,534	0.32%
501 – 5,000 shares	19,338,476	11,992	2.45%
5,001 – 10,000 shares	8,556,370	1,213	1.08%
10,001 – 100,000 shares	47,619,279	1,654	6.02%
100,001 – 1,000,000 shares	79,479,112	287	10.05%
Over 1,000,000 shares	633,230,962	67	80.08%
Total	790,774,356	27,747	100.00%

AVAILABLE FUNDS ALLOCATION 2010



AVAILABLE FUNDS ALLOCATION 2009



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PROXY FORM

FOMU YA UWAKILISHI



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 88th Annual General Meeting of the Company to be held on 4 November 2010 at 11.00 a.m. or at any adjournment thereof. As witness to my/our hands This _____ day of October 2010 Signature(s) _____ Notes: 1. This proxy is to be delivered to the Company Secretary not later than 11.00 a.m. on 2 November 2010 failing which it will be invalid. 2. In case of a corporation, the proxy must be under its common seal.	Mimi/Sisi _____ _____ Nambari ya akaunti ya hisa _____ anwani _____ _____ kama mwanahisa/wanahisa wa East African Breweries namteua/tunamteua _____ wa (anwani) _____ na akikosa yeye, namteua/tutamteu Mwenyekiti wa mkutano kama mwakilishi wangu/wetu, kupiga kura kwa niaba yangu/ yetu kwenye Mkutano Mkuu wa mwaka wa Themanini na nane wa Kampuni utakaofanyika tarehe 4 Novemba 2010 saa tano za asubuhi ama siku yoyote ile endapo mkutano huo utaahirishwa. Sahihi _____ Sahihi hii/hizi imewekwa/zimewekwa tarehe _____ Oktoba 2010 Maelezo muhimu: 1. Fomu hii ya uwakilishi inapaswa kufikishwa kwa Katibu wa Kampuni kabla ya saa tano asubuhi tarehe 2 Novemba 2010 la sivyote haitakubalika. 2. Iwapo mteuaji ni shirika, fomu hii ya uwakilishi ni lazima ipigwe muhuri wa kampuni hiyo.
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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 4 November 2010 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

JINA LA MWENYEHISA

ANWANI YA MWENYEHISA

IDADI YA HISA ZINAZOMILIKIWA _____



Fold 2

Pili Kunja Hapa

Fold 1
Kwanza Kunja Hapa

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

Fold 3

Halafu Kunja Hapa