

31 March 2008 ANNUAL REPORT



Over **40** Great Years





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National Breweries Plc Mission Statement and Values for the year ended 31 March 2008

Our New Vision, Mission and Values

Our Company vision is to be the most admired company in the global beer industry.

- Investment of choice
- Employers of choice
- Partner of choice

Mission

Our Mission is to be the most admired and respected company as judged by our stakeholders.

Values

1. Our people are our enduring advantage
2. Accountability is clear and personal
3. We work and win in teams
4. We understand and respect our customers and consumers
5. Our reputation is indivisible


W Tiedt
Managing Director

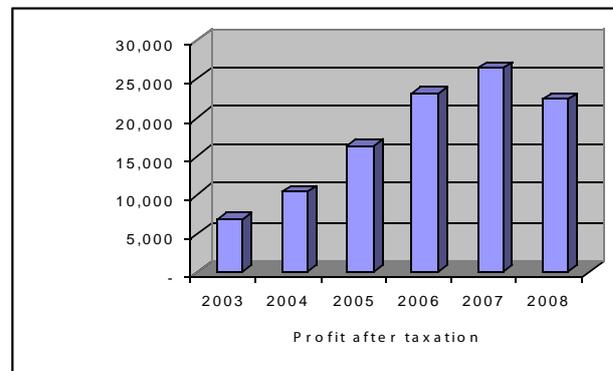
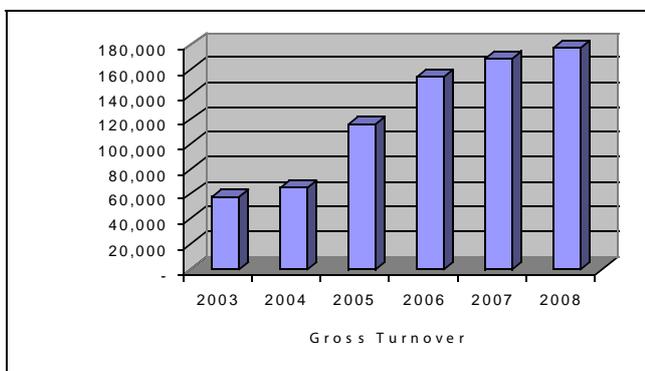
15 May 2008



Chibuku

National Breweries Plc Company Financial Review for the year ended 31 March 2008

	Year ended 31 March 2008	Year ended 31 March 2007	Year ended 31 March 2006	Year ended 31 March 2005	Year ended 31 March 2004	Year ended 31 March 2003
K Million						
Gross turnover	177 416	168 908	154 414	116 016	65 116	58 011
Product taxes/excise duty	(54 059)	(51 523)	(46 902)	(37 798)	(19 459)	(19 027)
Net turnover	123 357	117 385	107,512	78 218	45 657	38 984
Profit before taxation	35 323	41 025	36 879	25 224	15 464	9 024
Profit after taxation	22 377	26 401	23 192	16 277	10 340	6 847
Non current assets	21 012	16 722	11 864	8 517	5 429	5 288
Net current assets	3 179	9 017	12 133	19 174	16 040	10 797
Creditors due after one year	-	(161)	(500)	(604)	(437)	(393)
Deferred taxation	(2 886)	(2 382)	(1 881)	(1 101)	(532)	(739)
Shareholders interest	(21 305)	(23 196)	(21 616)	(25 986)	(20 500)	(14 953)
Kwacha						
Earnings per share	355.18	419.06	368.12	258.38	164.13	108.68
Dividends per share	355.18	419.06	368.12	258.38	164.13	76.08



National Breweries Plc Chairman's statement for the year ended 31 March 2008



Financial Performance

I have to report to our shareholders that the Company did not continue its record performance of the previous year. Whilst we remain the dominant player, stiff competition resulted in a loss of market share, and rising input costs affected our trading margin. I am pleased to report however, that as a result of aggressive pricing and well managed distribution, our volumes have increased dramatically in the first few months of 2008 and we look well placed to recover our full market share in the forthcoming year. We have continued our focus on producing a high quality product consistently, in enhancing our distribution abilities, developing our people skills, and managing our costs.

The opaque beer industry will continue to be highly competitive with over 50 players in the market. A key objective of the Company's focus will be to recapture our market share through providing uncompromising customer service levels with superior quality product at competitive pricing.

Key Results

- Pre-tax profit of K 35,323m for the year (2007: K 41,025m)
- Gross turnover increase of 5.04% compared to previous year
- Earnings per share of K355.18 (2007: K416.09)
- Healthy cash position and debt free
- An interim dividend of K171.11 (2007: K204.97) was paid in February 2008
- A proposed final dividend of K184.07, bringing total dividends for the year to K355.18 (2007: K419.06)

Dividends

An interim dividend of K171.11 per share was paid during the year. A final dividend of K184.07 per share is recommended for approval at the annual general meeting which will be paid on or about 20 August 2008. This will be paid to ordinary shareholders registered at close of business on 30 June 2008.

Corporate Governance

The existence of good corporate governance principles is important in running an organisation. The Company's Board of Directors and Audit Committee have taken tremendous strides in ensuring that high standards of Corporate Governance are maintained. The Company continues to adhere to the Listing Rules and Securities Rules as enforced by the Lusaka Stock Exchange and Securities and Exchange Commission respectively. The Company has also continued to comply with international standards on corporate governance and internal control as set out in the Combined Code and Turnbull Report.



National Breweries Plc

Chairman's statement Continued

for the year ended 31 March 2008

In an effort to ensure that our employees maintain high standards of corporate governance, the Integrity Club formed in the prior year continues. Currently there are 65 members. All members of staff are encouraged to join. The main objective is to ensure that employees execute their duties with honesty and integrity.

Human Resource

As is fundamental to every business success, the Company has continued to place huge emphasis on human capital. A lot of training initiatives were undertaken during the year to ensure that our members of staff are kept abreast of latest manufacturing technologies. Our policy on Strategic Human Resource continues to drive our recruitment policy and I am proud to report that a number of value adding recruitments were made during the year.

Our policy on HIV/Aids continues to yield good results. The Voluntary Counselling and Testing Centre (VCT) located within the Company's premises has received overwhelming response. More peer educators were trained during the year yielding positive results in HIV/Aids sensitization and reducing stigma. The Company has procured anti-retroviral drugs for affected employees.

In conclusion, I thank the Managing Director, Management, staff and the Board of Directors for their support and efforts during this challenging year and I look forward to a more successful 2009 financial year.



V Chitalu
Chairman

15 May 2008



National Breweries Plc Managing Director's Report for the year ended 31 March 2008



Operating and Economic Environment

The Zambian economy continued to show growth during the year in all major sectors. Mining led the economic growth with Copper prices at high levels throughout the year and at over \$8 400 per ton in March 2008 compared to levels of around \$5 800 in 2007. As a result investment in this sector continues at significant levels. Agriculture has also seen substantial growth. However the effects of the flooding in certain parts of the Country in the latter part of 2007 and early 2008 are still to be felt. There is continued growth in the trade and services sectors. The equity market continued to post significant gains during the year.

The annual inflation rate declined from 12.7% in March 2007 to 9.5% in February 2008. However an upward trend was shown in March 2008 as CPI climbed to 9.8%. On an annual basis the food inflation rate was 9.1% whilst the non food inflation rate was a double digit 10.4%.

The money markets have seen a continuing decline in the base lending rate reducing from 22% in 2006 to a current level of 17%. Government securities have also seen a marginal decline in rates with Treasury Bills reducing to an average of 12.5% in March 2008, down from 12.6% in 2007.

According to Bank of Zambia reports, the Kwacha has strengthened significantly over the year, from an average of K4, 260 in March 2007 to K3, 693 in March 2008 against the US Dollar. Whilst this has a positive impact by reducing the cost of imports in Kwacha terms, this has a downside in that exports generate lower Kwacha revenues.

Performance

The Company has faced stiff competition in its market during this financial year. Increased marketing, promotion and product discounting enabled the Company to maintain its dominant, albeit reduced, market share and volumes showed a decline over the prior year. The protection of our market share came at a cost and is the primary reason for the decline in the operating profit.

Packed beer continues to contribute the bulk of our sales. This is in line with our strategy. The Top One Maheu product continues to go strongly and volumes more than doubled over the previous year.

The Company opened two Breweries during the year, at Chipata in April, and Kasama, in October. After slow starts, the volumes at both have begun to show encouraging increases.

The Company continues to invest in maintenance of its equipment to the highest levels through ongoing refurbishment, in order to allow for production of a consistently high quality product at all its six Breweries. In addition to the electronic monitoring equipment installed on the production equipment last year, the Company is in the process of installing vehicle monitoring equipment on its delivery fleet. This will assist in maintaining an efficient and cost effective delivery capacity. In

The logo for Chibuku, featuring the word 'Chibuku' in a stylized, cursive font. The letters are blue with a white outline and a red shadow effect. The logo is positioned in the bottom left corner of the page.

National Breweries Plc

Managing Director's Report Continued

for the year ended 31 March 2008

excess of K4.3 billion has been spent on increasing, and replacing, vehicles in the delivery fleet.

We have achieved pre-tax profits of K35, 323 million (2007: K41, 025 million).

The Company's contribution to the State, in the form of VAT, Excise Duty and Corporate tax during the year was K 67 billion (2007: K66 billion).

As mentioned in the Chairman's report, the Company paid an interim dividend during the year of K171.11 per share. A final dividend of K184.07 per share will be paid bringing the total dividend for the year to K355.18 per share. This represents a decrease of 15% against 2007.

Current and Future Prospects

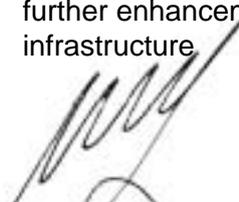
Our decision to price our product aggressively in certain areas towards the latter part of 2007 and further in early 2008 has led to a dramatic increase in volumes. The March 2008 volumes were substantially ahead of 2007 and this trend continues.

The outlook for the maize harvest in mid 2008 is not yet clear. The Company has already acquired a substantial portion of its maize requirements for the forthcoming year at acceptable prices. Global higher commodity prices as a whole will impact the input and operating costs of the Company over the forthcoming year, countered to some degree by the strengthening Kwacha. In addition, disruptions in the supply of electricity, should they continue for an extended period, will have a negative effect on the production capacity and cost structure of the business.

Whilst a global slowdown in the world economy seems to be on the horizon, it is yet uncertain as to whether this will, in part, or at all, affect the Zambian economy as the trend for commodity prices, including copper, remains high.

The Company is well positioned for the challenges that lie ahead in the forthcoming financial year. Managements focus will incorporate the following:

- to maximize the benefits flowing from the higher volumes being generated
- continue to impart the culture within the Company to supply consistently superior quality of product and services to our customers
- development of the Company's employees through training and inspirational leadership
- continued maintenance and refurbishment of Company assets
- further enhancements to the Company's Information Technology and communication infrastructure


W J Tiedt
Managing Director

15 May 2008

National Breweries Plc Sustainable Development Report for the year ended 31 March 2008

Sustainable Development

We subscribe to our ultimate parent company's corporate values, and in particular, pursue sustainable development.

We believe this is the future of assessing our footprint in Zambia and we are committed to improving performance across all the priorities identified.

Our Approach

At National Breweries Plc, sustainable development is concerned with ensuring that what we do today does not compromise our future environment. We seek to balance our business operations with the natural environment. This also provides for wider social needs considering both Zambian and global issues.

Our framework ensures growth for the future and supports our basic desire to minimize our negative impact on the global eco and social footprint, and to ensure that National Breweries Plc has a sustainable future in Zambia.

Alignment across the business

The framework focuses on 10 issues most relevant to our business. An approach has been developed to assess our performance based on "stairways" from "basic" through to "admired" We annually measure our performance providing supporting evidence for assessment and identify our risks and opportunities in context to our environmental and social priorities.

Benefits

The objective of our social and environmental programmes has been to secure economic benefits for all our stakeholders; not only in Zambia where we procure raw materials and brew beer, but also for our shareholders, who benefit from a sustainable business and a return on their investment.

Our ability to be successful and profitable is linked with the health and prosperity of the communities in which we operate. Behaving responsibly has softer benefits including improved employee morale, better relationships in our community and an enhanced brand reputation. All these have a direct impact on National Breweries Plc future performance.

Our 10 sustainable development priorities

- Discourage irresponsible drinking
- Brew more beer but using less water
- Reduce our energy and carbon footprint
- Need for a vibrant recycling and reuse economy

Mogos Petros
Red Sea Distributors, Proprietor



National Breweries Plc Sustainable Development Report Continued for the year ended 31 March 2008

- Work towards zero waste operation
- Have supply chains that reflect our own values
- Bring benefit to the communities we operate in
- Respect for human rights
- Reduce impact of HIV /AIDS in our sphere of influence
- Be transparent in our response to environmental and social trends


W J Tiedt
Managing Director

15 May 2008



National Breweries Plc Report of the Directors for the year ended 31 March 2008

The Directors present their report and the audited financial statements of National Breweries for the year ended 31 March 2008, which disclose the state of affairs of the company.

Structure Change

The Board of Directors resolved to make Liquid Packaging & Distributors Limited (a wholly owned subsidiary of National Breweries Limited) dormant on 1 April 2007. Its entire previous activities are carried out by National Breweries Plc.

Principal Activities

The principal activity of the Company continued to be the production, packaging, distribution and sale of traditional beverages.

Share capital

The authorised share capital of the Company is 75,000,000 ordinary shares of K1 each of which 63,000,000 are issued and fully paid and are held as follows:

<i>Shareholder</i>	<i>%</i>	<i>Number of shares held</i>
Heinrich's Syndicate Limited	70	44 100 000
Widely held on Lusaka Stock Exchange	<u>30</u>	<u>18 900 000</u>
Total	<u>100</u>	<u>63,000,000</u>

Results and dividends

	2008	2007
Sales	<u>123,357</u>	<u>117,385</u>
Net profit for the year	<u>22,377</u>	<u>26,401</u>

The net profit of the Company for the year will be distributed as dividends. During the year an interim dividend of K 10,780 million (2007: K12,913) was paid. The directors recommend the approval of a final dividend of K 11,596 million (2007: K13, 488 million), bringing total dividends for the year to K 22,377 million (2007: K26, 401 million).



National Breweries Plc

Report of the Directors Continued

for the year ended 31 March 2008

Average number and remuneration of employees

The average monthly number of employees during the year was as follows:

Month	Number	Month	Number	Month	Number	Month	Number
April	514	July	506	October	494	January	501
May	512	August	503	November	486	February	496
June	507	September	499	December	499	March	493

The total employees benefit expense during the year was K14, 976 million (31 March 2007: K11,664 million).

Gifts and Donations

The company did not make any donations during the year (2007: Nil).

Exports

The Company exported Top One Maheu to Democratic Republic of Congo amounting to K 236 million (2007: K nil)

Property, plant and equipment

During the year, the Company acquired property, plant and equipment amounting to K 8,555 million (2007: K 7,659 million)

There is not a significant difference between the values of land, included in the balance sheet, and the market value thereof.

Research and development

The Company did not spend any material amount on research and development.

Health and safety

The Company is committed to securing the reasonable health, safety and welfare of its employees at work and visitors against risks to health or safety arising out of or in connection with the activities of the Company.

Statement on corporate governance

The Company has continued to commit itself to the achievement of high standards of corporate governance. This has been defined as “the system by which companies are directed and controlled” and the Board is accountable for it to shareholders.

The Board of Directors currently consists of six directors comprising two executive directors and four non-executive directors. The key functions of the Chairman and Managing Director are clearly defined. All the non-executive directors provide a considerable depth of knowledge and experience collectively gained from a variety of companies.

National Breweries Plc

Report of the Directors Continued

for the year ended 31 March 2008

The Board meets at least four times a year and concerns itself with key matters. Responsibility for implementing the Company's strategy is delegated to management.

There is a properly constituted audit committee. The committee meets regularly with management and with the internal and external auditors to review the effectiveness of internal controls, other matters raised in regular reports to the Committee and the full year financial statements prior to their submission to the Board. The Audit Committee is satisfied that the Company's auditors, PricewaterhouseCoopers, continue to be objective and independent of the Company.

There is open communication between senior executive management and Board members. The Board and its Audit Committee are supplied with high quality, up-to-date financial, operational and risk assessment information for review prior to each meeting to enable them to discharge their responsibilities.

The Board understands the relationship between itself and the shareholders. It acknowledges that its role is to promote the interest of the shareholders and recognises that it is accountable to the shareholders for the performance of the Company.

The Company has an Internal Audit Department, which reviews its systems of accounting and other controls. The Internal Audit Department reports to the Audit Committee.

Ultimate parent company

The ultimate parent company is SABMiller Plc, a company incorporated in England and Wales under the Companies Act 1985.

Directors

The names and details of the directors holding office at 31 March 2008 and their movements during the year are contained on page 41. Other than one employment contract, none of the directors has a service contract with the Company, and no director has an interest in any contract entered into during the year.

Auditors

In accordance with section 171 (3) of the Companies Act, a resolution to formally re-appoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.


By order of the Board
A Malenga
Company Secretary

15 May 2008



National Breweries Plc

Directors' responsibilities and statement for the year ended 31 March 2008

The Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of 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 the requirements of the 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 company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Signed on their behalf by:



V Chitalu
Chairman



W Tiedt
Managing Director

15 May 2008

**Report of the independent Auditor
to the members of National Breweries Plc**

We have audited the financial statements of National Breweries Plc for the year ended 31 March 2008 set out on pages 16 to 39. These financial statements comprise the balance sheet at 31 March 2008, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Zambia 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 misstatement 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 independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that 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 the auditor's 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, the auditor considers internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, 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 accompanying financial statements give a true and fair view of the state of the company's financial affairs at 31 March 2008 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Zambia Companies Act.

Report on other legal requirements

The Companies Act requires that in carrying out our audit we consider whether the company has kept the accounting records, other records and registers required by this Act.

We confirm that in our opinion the accounting records, other records, and registers required by the Companies' Act have been kept by the company, so far as appears from our examination of those records.



Chartered Accountants



Richard Mazombwe
Partner

15 May 2008

National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Profit and loss account

	Notes	2008	2007
Net turnover	5	123 357	117 385
Cost of sales		<u>(45 977)</u>	<u>(40 712)</u>
Gross profit		77 380	76 673
Other operating income		719	211
Distribution costs		(8 058)	(7 530)
Administrative expenses		(7 594)	(6 709)
Other operating expenses		<u>(27 790)</u>	<u>(22 938)</u>
Operating profit	6,7	34 657	39 707
Net finance income	8	<u>666</u>	<u>1 318</u>
Profit before tax		35 323	41 025
Income tax expense	9	<u>(12 946)</u>	<u>(14 624)</u>
Profit after tax		<u>22 377</u>	<u>26 401</u>
Earnings per share (kwacha)	21	<u>355.18</u>	<u>419.06</u>
Dividends per share (kwacha)	10	<u>355.18</u>	<u>419.06</u>



National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Balance sheet

	Notes	2008	2007
Non current assets			
Property, plant and equipment	11	21 012	16 722
		<u>21 012</u>	<u>16 722</u>
Current assets			
Inventories	12	12 978	8 884
Receivables and prepayments	13	4 645	15 599
Cash and cash equivalents	14	8 311	7 168
		<u>25 934</u>	<u>31 651</u>
Current liabilities			
Payables and accrued expenses	15	20 411	18 307
Current income tax	9	2 344	4 327
		<u>22 755</u>	<u>22 634</u>
Net current assets		<u>3 179</u>	<u>9 017</u>
Net assets		<u>24 191</u>	<u>25 739</u>
Capital and reserves			
Share capital	16	63	63
Proposed dividend		11 596	13 488
Retained profits		9 646	9 645
Shareholders' funds		<u>21 305</u>	<u>23 196</u>
Non current liabilities			
Retirement benefit obligations	17	-	161
Deferred tax	18	2 886	2 382
		<u>24 191</u>	<u>25 739</u>

The financial statements on pages 16 to 39 were approved for issue by the board of directors on 15 May 2008 and signed on its behalf by:



V Chitalu
Chairman



W Tiedt
Managing Director

National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Statement of changes in equity

	Share capital	Retained profits	Proposed Dividend	Total
At 1 April 2006	63	21 553	-	21 616
Dividends paid - 2006 final	-	(11 908)	-	(11 908)
Dividends paid – 2007 interim	-	(12 913)	-	(12 913)
Dividends proposed-2007 final	-	(13 488)	13 488	-
Profit for the year		26 401	-	26 401
Balance at 31 March 2007	63	9 645	13 488	23 196

Year ended 31 March 2008

At 1 April 2007	63	9 645	13 488	23 196
Dividends paid - 2007 final	-	-	(13 488)	(13 488)
Dividends paid – 2008 interim	-	(10 780)	-	(10 780)
Dividends proposed-2008 final	-	(11 596)	11 596	-
Profit for the year		22 377		22 377
Balance at 31 March 2008	63	9 646	11 596	21 305



National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Cash flow statement

	Notes	2008	2007
Cash flows from operating activities			
Cash generated from operations	19	47 802	44 764
Interest received	8	414	1 328
Income tax paid	9	(14 426)	(14 427)
Net cash generated from operating activities		33 790	31 665
Investing activities			
Purchase of property, plant and equipment	11	(8 555)	(7 659)
Proceeds from sale of property, plant and equipment		176	389
Net cash used in investing activities		(8 380)	(7 270)
Financing activities			
Dividends paid – 2007 final		(13 488)	(11 908)
Dividends – 2008 interim declared and paid		(10 780)	(12 913)
Net cash used in financing activities		(24 268)	(24 821)
Increase/(decrease) in cash and cash equivalents		1 142	(426)
Cash and cash equivalents at beginning of year		7 168	7 594
Cash and cash equivalents at end of the year	14	8 311	7 168

National Breweries Plc

Financial Statements

for the year ended 31 March 2008

Notes

1. General Information

National Breweries Plc was incorporated in Zambia under the Companies' Act as a limited liability company and is domiciled in Zambia. The address of its registered office and other corporate information is set out on page 41.

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 are prepared in compliance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in kwacha (K), rounded to the nearest million.

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 4.

Adoption of new and revised standards and interpretations

In 2007 new and revised standards and interpretations became effective for the first time and have been adopted by the Company where relevant to its operations. The adoption of these new and revised standards and interpretations had no material effect on the Company's accounting policies or disclosures:

Standards, interpretations and amendments to published standards not yet effective

The following amendment to an existing standard and new standard will be mandatory for the Company's accounting periods beginning on or after 1 January 2007, but which the Company has not early adopted:

- IAS 1 Amendment, Capital Disclosures. The amendment to IAS 1 introduces disclosures about the level of the Company's capital and how it manages capital
- IFRS 7, Financial Instruments: Disclosures. IFRS 7 introduces new disclosures relating to financial instruments. This standard does not have any impact on the classification or measurement of the Company's financial instruments.



National Breweries Plc

Financial Statements

for the year ended 31 March 2008

Notes (continued)

The company has not early adopted the following amendment to an existing standard and new standard and interpretations will be mandatory for the company for accounting periods beginning on or after 1 January 2008:

- IFRIC 11 – Company and Treasury Share Transactions – from 1 January 2008
- IFRIC 12 – Service Concession Arrangements – from 1 January 2008
- IFRS 8 – Operating segments – from 1 January 2009
- IAS 23 – Borrowing costs (revised) – from 1 January 2009.

The directors have assessed the relevance of these amendments and interpretations with respect to the company's operations and concluded that they are not relevant to the company.

(b) Revenue recognition

Net turnover represents amounts invoiced, excluding excise duty and value added tax. Revenue is recognised as follows:

Sales of goods are recognised in the period in which the Company dispatches to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

Interest income is recognised on a time proportion basis using the effective interest method.

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

(c) Segment reporting

A business segment is a company of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments. The company's activities comprise production, packaging and distribution of traditional beverages in one business segment and in one geographical segment Zambia.

(d) Functional currency and translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Zambia kwacha, which is the Company's functional and presentation currency.

National Breweries Plc

Financial Statements

for the year ended 31 March 2008

Notes (continued)

(ii) Transactions and balances in company entities

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(e) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. All property, plant and equipment are subsequently stated at historical cost less depreciation.

Depreciation is calculated on the straight line basis to write down the cost of each asset, to its residual value over its estimated useful life as follows:

• Buildings	5%
• Plant and machinery	10%
• Motor vehicles	25%
• Furniture, fittings and equipment	25%

Land is not depreciated.

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet 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 property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

Repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

(f) Accounting for leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

National Breweries Plc

Financial Statements

for the year ended 31 March 2008

Notes (continued)

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms. 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 profit and loss account.

(i) Employee benefits

(i) Defined contribution scheme

The Company operates a defined contribution scheme, established on 1 January 2004, for all its employees. The assets of the scheme are held in separate trustee administered funds, which are funded by contributions from both the Company and employees. The Company and all its employees also contribute to the National Pension Scheme Authority, which is a statutory defined contribution scheme.

A defined contribution scheme is a pension plan under which the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The Company's contributions to both the defined contribution schemes are charged to the profit and loss account 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 balance sheet date is recognised as an expense accrual.

(j) Income tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of

National Breweries Plc

Financial Statements

for the year ended 31 March 2008

Notes (continued)

current income tax and deferred income tax.

Current income tax is the amount of income tax payable on the profit for the year determined in accordance with the Zambia Income Tax Act.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

(k) Dividends

Dividends payable to the company's shareholders are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

(l) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cashflow statement, cash and cash equivalents comprise cash in hand and deposits held on call with banks.

(m) Payables

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

(n) Share capital

Ordinary shares are classified as equity

National Breweries Plc

Financial Statements

for the year ended 31 March 2008

Notes (continued)

3. Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including foreign currency exchange rates, credit risk and interest rates. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance but the Company does not hedge any risks.

Risk management is carried out by the Finance Director & Finance Manager under the treasury policy approved by the board of directors. The policy covers areas such as foreign exchange risk, interest rate risk and investing excess liquidity.

The Company has policies in place to ensure that sales are made to customers primarily on a cash in basis. For credit sales, the Company has policies in place to ensure that the sales are made to customers with an appropriate credit history.

Market risk

(i) Foreign exchange risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from bank balances, recognised assets and liabilities.

At 31 March 2008, if the Kwacha had weakened/strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year would have been K 43 million (2007: K nil) higher/lower, mainly as a result of US dollar bank balances

At 31 March 2008, if the Kwacha had weakened/strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year would have been K 180 million (2007:nil) lower/higher, mainly as a result of USD denominated trade payables.

ii) Cash flow and fair value interest rate risk

The company's only interest bearing asset is the loan with Zambian Breweries Plc (a related company) which is at a fixed rate.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, as well as trade and other receivables. The company does not have significant concentrations of credit risk as most of its trade is on cash basis.

National Breweries Plc Financial Statements for the year ended 31 March 2008

Notes (continued)

The company's maximum exposure to credit risk at 31 March 2008 is as follows:

	2008 K millions	2007 K millions
Cash and cash equivalents	8 311	7 168
Trade receivables	395	264
Loans to related companies	2 000	2 000
Other receivables	2 250	1 243
	<u>12 956</u>	<u>10 675</u>

No collateral is held for any of the above assets. None of the above assets are past due or impaired.



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National Breweries Plc Financial Statements for the year ended 31 March 2008

Notes (continued)

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, and the availability of funding from an adequate amount of committed credit facilities. The Company is not exposed in this aspect as it is purely a cash business.

The table below analyses the company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year K millions	Between 1 and 2 years K millions	Between 2 and 5 years K millions	Over 5 years K millions
At 31 march 2008:				
- trade and other payables				20 411
At 31 march 2007:				
- trade and other payables				18 307

Capital risk management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt. The company is not geared and not exposed in this aspect.

4. 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

Receivables

Critical estimates are made by the directors in determining the recoverable amount of impaired receivables.

National Breweries Plc Financial Statements for the year ended 31 March 2008

Notes (continued)

Income taxes

Significant judgment is required in determining the income tax provision for the Company. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. The Company recognises liabilities for anticipated audit tax 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 have an impact on 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 accounting policy (e) above.

(ii) Critical judgements in applying the entity's accounting policies

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

- the classification of financial assets and leases
- whether assets are impaired.

5. Analysis of sales by category

	2008	2007
Sales of goods	<u>123 357</u>	<u>117 385</u>



National Breweries Plc Financial Statements for the year ended 31 March 2008

Notes (continued)

6. Operating profit

2008 **2007**

The following items have been charged in arriving at operating profit:

Depreciation on property, plant and equipment (note 11)	4 199	2 764
Repairs and maintenance expenditure on property, plant and equipment	5 006	5 006
Operating lease rentals expensed	786	946
Inventories expensed	47 200	38 872
Write down of inventories	997	745
Profit on disposal of property, plant and equipment	110	49
Employee benefits expense (note 7)	14 976	11 664
Auditors' remuneration	159	166
	14 976	11 664

7. Employee benefits expense

Wages and salaries	14 590	11 264
National Pension Scheme Authority	477	341
Defined contribution scheme	(91)	59
	14 976	11 664

8. Net finance income

2008 **2007**

Interest income	414	1 328
Foreign exchange gains/(losses)	252	(10)
	666	1 318

National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Notes (continued)

9. Income tax

i) Income tax expense

	2008	2007
Current income tax	12 442	14 123
Deferred income tax (note 18)	504	501
	<u>12 946</u>	<u>14 624</u>

ii) Reconciliation of theoretical tax expense to actual tax expense

The tax on the profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2008	2007
Profit before income tax	35 323	41 025
Tax at applicable rate of 35% (2007: 35%)	12 363	14 358
Adjusted for:		
Expenses not deductible for tax purposes	1 715	1 577
Items not subject to tax	(1 132)	(1 311)
Income tax expense	<u>12 946</u>	<u>14 624</u>

iii) Current income tax movement in the balance sheet

	2008	2007
Opening balance	4 327	4 631
Charge for the year	12 442	14 123
Payments during the year	(14 426)	(14 427)
Closing balance	<u>2 343</u>	<u>4 327</u>

Income tax assessments have been agreed with the Zambia Revenue Authority (ZRA) up to and including the year ended 31 March 2003. A self assessment system for income tax was introduced for periods subsequent to 31 March 2003. Income tax returns have been filed with the ZRA for the years ended 31 March 2004, 2005, 2006 and 2007. Quarterly tax payments for the year ended 31 March 2008 were made on the due dates during the year.



National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Notes (continued)

10. Dividends per share

At the annual general meeting to be held on 19 June 2008, a final dividend in respect of the year ended 31 March 2008 of K184.07 per share (2007:K214.09) amounting to a total of K11.60 billion (2007:K13.49 billion) is to be proposed. During the year an interim dividend of K171.11 per share (2007:K204.97) amounting to K10.8 billion (2007: K12.91 billion) was declared and paid. The total dividend for the year is therefore K355.18 per share (2007: K 419.06), amounting to a total of K22.4 billion (2007: K26.4 billion).

Payment of dividends is subject to withholding tax at rates varying between nil and 15%. Dividends declared by a company listed on the Lusaka Stock Exchange payable to an individual are exempt from withholding tax.



National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Notes (continued)

11. Property plant and equipment

	Buildings	Plant, machinery and vehicles	Furniture and fittings	Capital work in progress	Total
Year ended 31 March 2007					
Opening net book amount	3 264	6 864	1 437	298	11 864
Additions	39	4 372	364	2 884	7 659
Transfers	353	898	317	(1 568)	-
Disposals	-	(571)			(571)
Adjustment		304			304
Depreciation charge for the year	(240)	(1 966)	(558)		(2 764)
Depreciation on disposals		230			230
	3 416	10 132	1 560	1 614	16 722
Closing net book amount					
At 31 March 2007					
Cost	4 932	18 304	3 296	1 614	28 146
Accumulated depreciation	(1 516)	(8 172)	(1 736)	-	(11 424)
Net book amount	3 416	10 132	1 560	1 614	16 722
Year ended 31 March 2008					
Opening net book amount	3 416	10 132	1 560	1 614	16 722
Additions	39	4 393	270	3 853	8 555
Transfers	1 627	2 738	114	(4 479)	-
Disposals		(1 165)	(264)		(1 429)
Adjustment					
Depreciation charge	(314)	(3 189)	(696)	-	(4 199)
Depreciation on disposals		1 107	256		1 363
	4 768	14 016	1 240	988	21 012
Closing net book amount					
At 31 March 2008					
Cost	6 598	24 270	3 416	988	35 272
Accumulated depreciation	(1 830)	(10 254)	(2 176)		(14 260)
Net book amount	4 768	14 016	1 240	988	21 012



National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Notes (continued)

11. Property, plant and equipment (continued)

The register showing the details of buildings and land, as required by the section 193 of the Zambia Companies Act, is available during business hours at the registered office of the Company.

A schedule, listing the properties as required by Section 193 and Second Schedule of the Zambia Company's Act 1994, is available for inspection by members or their duly authorised representatives at the registered office of the Company.

12. Inventories

	2008	2007
Raw materials	10 219	5 767
Finished products	84	150
Other stores and spares	2 676	2 851
Goods in transit	-	116
	12 979	8 884



National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Notes (continued)

13. Receivables and prepayments

Trade receivables	395	264
Prepayments and deposits	2 250	1 243
Related parties (note 20)	<u>2 000</u>	<u>14 092</u>
	<u>4 645</u>	<u>15 599</u>

The carrying amount of receivables and prepayments approximate to their fair values

14. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	2008	2007
Cash in hand and at bank	<u>8 311</u>	<u>7 168</u>

15. Payables and accrued expenses

	2008	2007
Accrued expenses	2 862	2 212
Trade payables	5 446	3 208
Related parties (note 20)	7 120	9 469
Other payables	1 193	304
Indirect taxes	<u>3 790</u>	<u>3 114</u>
	<u>20 411</u>	<u>18 307</u>

The carrying amount of payables and accrued expenses approximate to their fair values.

16. Share capital

	Number of shares (thousands)	Ordinary shares (K millions)
Authorised		
At 31 March 2007 and 2008	<u>75 000</u>	<u>75</u>
Issued and fully paid		
At 31 March 2007 and 2008	<u>63 000</u>	<u>63</u>



National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Notes (continued)

17. Retirement benefit obligations

	2008	2007
Opening balance	161	500
Provision for the year		-
Paid out	<u>(161)</u>	<u>(339)</u>
Closing balance	<u>-</u>	<u>161</u>

A defined contribution scheme (the Scheme) was introduced by the Company on 1 January 2004. Prior to that date, the Company had provided for the long-term service obligations in accordance with statutory requirements. On introduction of the Scheme, all employees became eligible to join the Scheme and no further long-term liabilities were required. The opening balance represents the liability to employees who did not opt to join the Scheme. The Company has since paid this amount into the existing defined contribution scheme.

18. Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 35% (2007: 35%). The movement on the deferred income tax account is as follows:

	2008	2007
Opening balance	2 382	1 881
Charge to profit and loss account	<u>504</u>	<u>501</u>
Closing balance	<u>2 886</u>	<u>2 382</u>

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

	1.4.2007	Charged/ (credited) to P/L	31.03.2008
Deferred income tax liabilities			
Property, plant and equipment:	2 382	-	2 382
- on historical cost basis	-	504	504
Net deferred income tax liability	<u>2 382</u>	<u>504</u>	<u>2 886</u>

National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Notes (continued)

19. Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations:

	2008	2007
Profit before income tax	35 323	41 025
Adjustments for:		
Interest received (note 8)	(414)	(1 328)
Depreciation (note 11)	4 199	2 764
Profit on sale of property, plant and equipment	(110)	(49)
Change in retirement benefit obligations (note 17)	(161)	(339)
Changes in working capital:		
Decrease/(increase) in inventories	(4 094)	(5 264)
Decrease/(increase) in accounts receivable	10 954	579
Increase in payables and accrued expenses	2 105	7 376
Cash generated from operations	47 802	44 764

20. Related party transactions

The Company is controlled by Heinrich's Syndicate Limited (incorporated in Zambia) which owns 70% of the Company's shares. The remaining 30% of the shares are held by various investors. The ultimate parent of the Company is SABMiller Plc (incorporated in England and Wales).

The following transactions were carried out with related parties:

i) Sale of goods and services

	2008	2007
Sales of services		
Zambian Breweries Plc – interest (see iii)	302	1 213

ii) Purchase of goods and services

	2008	2007
Purchase of services		
SABMiller Management BV	2 365	2 401



National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Notes (continued)

SABMiller Management BV is a fellow subsidiary of SABMiller Plc and is therefore an entity related through common control. Purchases are based on two long-term contracts for:

- The supply of management and technical services and technical assistance.
- Licensing of know how.

iii) Outstanding balances arising from advances, sale and purchase of goods/services

	2008	2007
Receivables from related parties		
Zambian Breweries Plc	2 000	14 000
SABMiller Africa & Asia (Pty) Ltd	-	7
Tanzanian Breweries Limited (TBL)	-	85
	<u>2 000</u>	<u>14 092</u>
Payables to related parties		
SABMiller Management BV	653	760
SABMiller Africa & Asia (Pty) Ltd	374	25
SABMiller Africa BV	6 093	820
	<u>7 120</u>	<u>1 605</u>

The receivable from Zambian Breweries Plc was advanced during the year and bears interest at a rate which varied between 6% to 11%. The rate is reviewed each time an advance is made or rolled over. The advance is repayable at one month's notice. For interest received during the period, see note 20 (i).

iv) Key management compensation

	2008	2007
Salaries and other short-term employment benefits	<u>1 789</u>	<u>2 087</u>
	<u>1 789</u>	<u>2 087</u>

National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Notes (continued)

v) Directors' remuneration

	2008	2007
Fees	70	38
Other emoluments (included in key management compensation above)	-	278
	<u>70</u>	<u>316</u>

21. Earnings per share

The basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2008	2007
Profit attributable to equity holders of the Company	<u>22 377</u>	<u>26 401</u>
Weighted number of shares in issue (millions)	<u>63</u>	<u>63</u>
Basic and diluted earnings per share (kwacha per share)	<u>355.18</u>	<u>419.06</u>

There were no potentially dilutive shares at 31 March 2008. Diluted earnings per share are therefore the same as basic earnings per share.

22. Contingent liabilities

(i) Guarantees

At 31 March 2008 the Company had given excise bond guarantees amounting to **K 4,500 million** (2007: K 4,500 million) to the Zambia Revenue Authority. The directors do not anticipate that any significant loss will arise from these contingent liabilities.

(ii) Legal proceedings

The Company is the subject of a number of legal claims relating primarily to employment issues. An amount of K 30 million (2007: K90 million) has been provided in these financial statements (included within note 15), which the directors estimate would settle the outstanding disputes. In the director's opinion, after taking appropriate legal advice, the outcome of these claims will not give rise to any significant loss.



National Breweries Plc Financial Statements for the year ended 31 March 2008

(all amounts are in millions of kwacha unless otherwise stated)

Notes (continued)

23. Commitments

(i) Capital commitments

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

	2008	2007
Property, plant and equipment	<u>1 684</u>	<u>8 621</u>

(ii) Operating lease commitments

Not later than 1 year	<u>900</u>	<u>1 041</u>
	<u>900</u>	<u>1 041</u>



National Breweries Plc

Principal Shareholders and Share Distribution

for the year ended 31 March 2008

Principal Shareholders

The ten largest shareholdings in the Company and the respective number of shares held at 31 March 2008 are as follows:

Name of shareholder	%	Number of shares
1. Heinrich Syndicate Limited	70.00	44,100,000
2. Public Service Pension Fund	8.17	5,147,500
3. Barclays Lusaka Nominees Limited	7.52	4,737,083
4. National Pension Scheme Authority	2.22	1,400,000
5. Mukuba Pension Trustees Limited	2.08	1,305,795
6. Saturnia Regna Pension Trust Fund	2.05	1,291,286
7. Local Authorities Superannuation Fund	1.11	700,000
8. Madison Pension Fund	0.81	512,450
9. Barclays Bank Plc - Staff Pension Fund	0.64	404,016
10. Workers Compensation Fund	<u>0.40</u>	<u>250,000</u>
Total	<u>95.00</u>	<u>59,848,130</u>

Distribution of shareholders

	Number of shareholders	%	Number of shares
Less than 500 shares	332	0.07	46,381
500 – 5,000 shares	753	1.66	1,045,540
5,001 – 10,000 shares	39	0.49	307,749
10,001 – 100,000 shares	37	1.67	1,046,993
100,001 – 1,000,000 shares	12	7.79	4,908,776
Over 1,000,000 shares	5	88.32	55,644,581
Total	<u>1,178</u>	<u>100</u>	<u>63,000,000</u>



National Breweries Plc Directorate and Corporate Information for the year ended 31 March 2008

CHAIRMAN
*V Chitalu **

DIRECTORS

*G Sokota**
*W Tiedt***
*S Burroughs**(appointed 18 June 2007)*

DIRECTORS
*P Gowero****
*R Goetzsche***

COMPANY SECRETARY
*A Malenga**

REGISTERED OFFICE
Plot No 1609
Sheki Sheki Road
Light Industrial Area
P O Box 35135
Lusaka

LEGAL ADVISORS
William Nyirenda & Co
Angoni House
Obote Avenue
P O Box 22144
Kitwe

MNB Legal Practitioners
5th Floor, Godfrey House
Longolongo Road
P O Box 34207
Lusaka

BANKERS
Stanbic Bank Zambia Limited
Standard Chartered Bank Plc
Barclays Bank Plc
Lusaka

AUDITORS
PricewaterhouseCoopers
Seventh Floor
National Savings and Credit Bank Building
North End Cairo Road
P O Box 30942
Lusaka

REGISTRARS
Lusaka Stock Exchange
Exchange Building
3rd Floor, Farmers House, Central Park
Cairo Road
P. O. Box 34523
Lusaka

*Zambian ** South African ***Zimbabwean



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National Breweries PLC

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 40th ANNUAL GENERAL MEETING of NATIONAL BREWERIES PLC will be held at Pamodzi Hotel, Lusaka, Zambia on Thursday 19 June 2008 at 09:00 hours for the following purposes:

1. To receive and adopt the audited financial statements for the year ended 31 March 2008.
2. To declare a final dividend of K184.07 per share, which will be paid on or about 20 August 2008 (to ordinary shareholders who are on the register at the close of business on 30 June 2008).
3. To appoint auditors from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.
4. To authorise the Board of Directors to fix the remuneration of the Directors.
5. To elect Directors in place of those retiring in accordance with the provision of the Company's articles of association.
6. To transact any other business that may properly be transacted at the annual general meeting.

A member entitled to attend and vote at the meeting is entitled to appoint any person (whether a member of the Company or not) to attend and, on a poll, to vote in their place. Proxy forms must be lodged at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

By order of the Board
A MALENGA
Company Secretary

NOTICE TO SHAREHOLDERS

Please be advised that the audited financial statements for the year ended 31 March 2008 in respect of National Breweries PLC, will be distributed to our registered shareholders as at 31 March 2008 on 28 and 29 May 2008.

In the meantime, the financial statements are available for viewing in PDF format, on the web site of the Lusaka Stock Exchange – www.luse.co.zm

By order of the Board
A MALENGA
Company Secretary





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SHAKE SHAKE

Chibuku





Chibaku



For over 40 years we have used all our skills and spared no expense to ensure all our customers enjoy the distinctive taste of goodness that is in every Chibuku Shake Shake pack. We look forward to another 40 Great years.

“Taste the goodness”



A subsidiary of SABMiller plc