The home of fine beers

THE ANNUAL REPORT

March 2014

NDOVU SPECIAL MALT WINS

Ndovu Special Malt has won its third consecutive Monde Selection Award, which in turn earned it the coveted "International High Quality Trophy". Being extra matured and having a rich golden colour and unique flavour, this achievement is just one other reason the Brand can claim the title of "Tanzania's Real Liquid Gold".

Full Story on Pg. 2

TRA RECOGNISES TBL'S SIGNIFICANT TAX CONTRIBUTIONS

The Tanzania Revenue Authority (TRA) presented Tanzania Breweries Limited (TBL) with two awards on the 8th of November 2013 at the Seventh Taxpayer's Day. The Company was awarded 'Most Compliant Taxpayer in the Manufacturing Sector' and 'First National Compliant Winner'.

Full Story on Pg. 10

THE POWER OF "NANI MTANI JEMBE?"

Kilimanjaro Premium Lager this year rolled out Tanzania Breweries Limited's largest promotion yet - "Nani Mtani Jembe?". This campaign was designed to build a healthy rivalry between the two most supported Tanzanian football teams, Simba and Yanga; two teams that are also sponsored by the Brand.

Full Story on Pg. 27

TBL WINS AGAIN AT PRESIDENT'S MANUFACTURER'S AWARDS

Tanzania Breweries Limited (TBL) has won two highly regarded awards at the President's Manufacturer of the Year Awards ceremony on the 28th of March 2014. The Company was awarded the Overall Winner under the Beverages Large Industries category and the first runner-up of the 2013 President's Manufacturer of the Year Award.

Full Story on Pg. 33

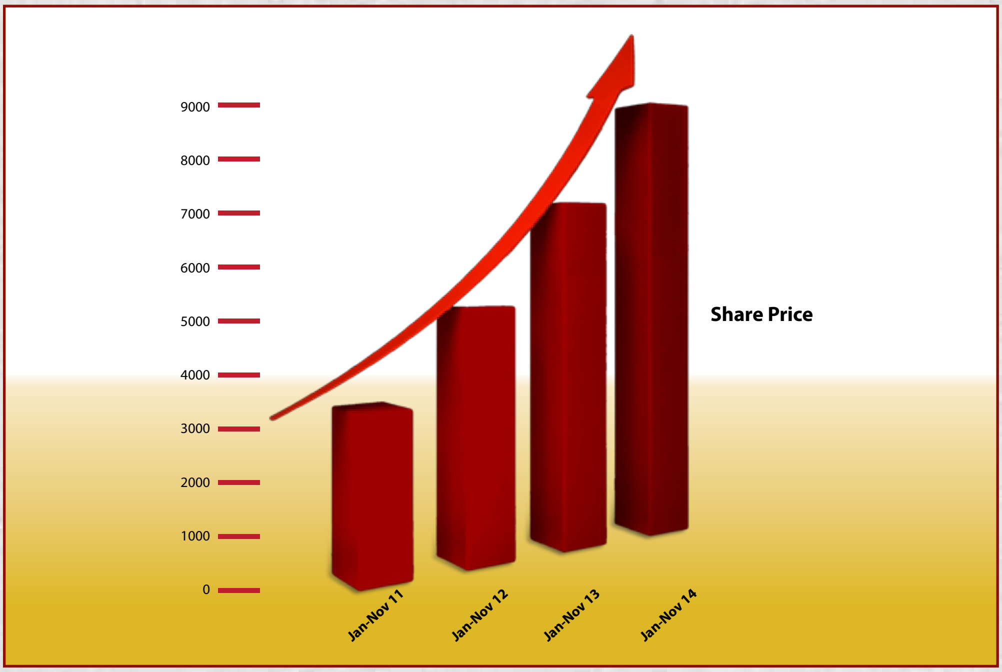
THE No.1 BEER IN AFRICA

Safari Lager has won two of the most highly regarded international beer awards in the last twelve months, which reaffirms the Brand's positioning as a 'Champion Beer for Champion Men". In March 2013, the Institute of Brewing and Distilling (IBD) awarded Safari Lager the Grand Champion prize at the inaugural African Beer Awards in Accra, Ghana, allowing it to claim the title of the Number One beer in Africa. A year later, the Brand was awarded another Monde Selection award on Monday the 2nd of June 2014 in Bordeaux, France, which in turn earned it the "International High Quality Trophy".

Full Story on Pg. 23

TBL Share Price Rockets

Tanzania Breweries Limited's (TBL) share price has increased by 165% in F14 (April 2013 to March 2014), which is a clear reflection that the Company has had yet another highly successful financial year.



Full Story on Pg. 23

THE BEST THAT NATURE
HAS TO OFFER

SOMEWHAT DRY, SOMEWHAT BITTER, NEVER SWEET.

Not for Sale to Persons Under the Age of 18.

TABLE OF CONTENTS

NDOVU SPECIAL MALT WINS

"International High Quality Trophy" at Monde Selection

Ndovu Special Malt has won its third consecutive Monde Selection Award, which in turn earned it the coveted "International High Quality Trophy". Being extra matured and having a rich golden colour and unique flavour, this achievement is just one other reason the Brand can claim the title of "Tanzania's Real Liquid Gold".

The Monde Selection is based in Brussels, Belgium, which awards brands with the flagship International Quality Label. Brands from all over the world enter every year and are examined by a panel of experts. The winning brands are then awarded either a Bronze, Silver, Gold or Grand Gold award. And what's more, brands that win more than three consecutive Monde Selection Awards will receive the "International High Quality Trophy", which is a truly special achievement.

"This Golden Achievement proves that Ndovu Special Malt is a truly world class beer. It is a "proudly Tanzanian brand" that consistently achieves success on an international stage", explained Pamela Kikuli, Ndovu Special Malt Brand Manager at Tanzania Breweries Limited.

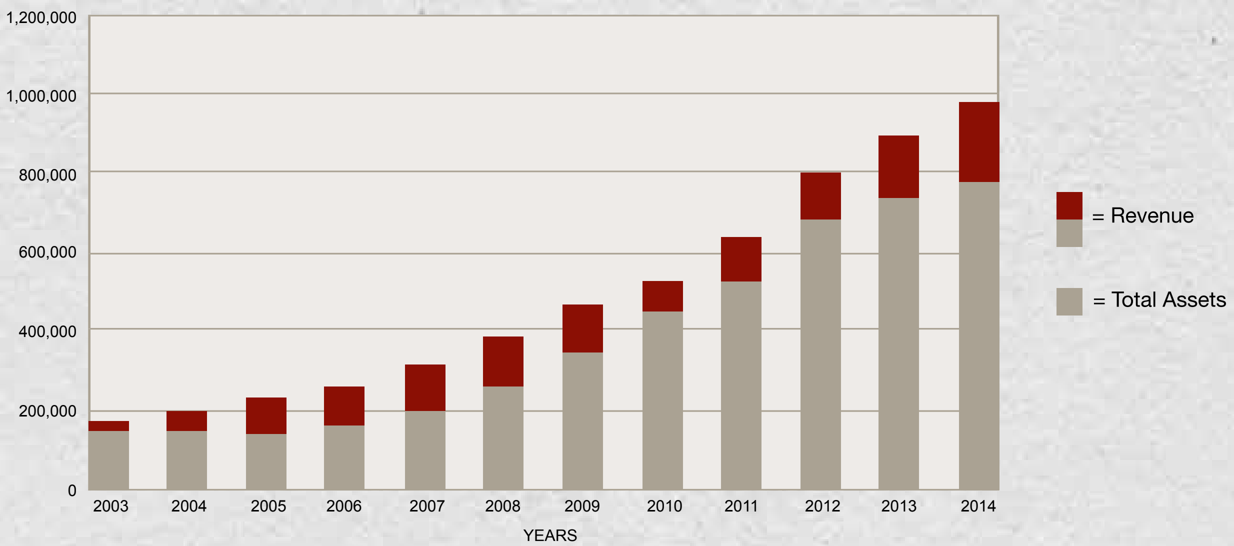
10 YEAR REVIEW

For the year ended 31 March 2014

		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Sales	TShs' M	**979,651**	892,017	800,948	635,863	527,768	464,539	383,181	314,878	260,628	229,644
Profit before income tax	TShs' M	**292,719**	253,813	238,228	173,183	133,842	115,187	109,168	95,603	85,584	69,332
Dividends declared	TShs' M	**132,718**	88,479	58,986	-	44,239	44,239	58,986	58,986	52,202	56,036
Cash flow from operations	TShs' M	**221,926**	215,744	144,056	169,551	127,141	74,445	83,467	79,011	60,099	67,489
Net cash invested to expand operations	TShs' M	**98,868**	102,727	99,887	51,389	113,488	74,741	58,723	30,475	15,121	3,771
Total borrowings	TShs' M	**56,892**	73,599	76,865	80,346	143,345	105,702	57,899	36,774	25,270	5,760
Gearing	%	**10**	15	19	26	73	69	48	34	24	6
Market capitalisation	TShs' Bn	**2,359**	902	773	537	513	531	490	466	442	436
Basic earnings per share	TSh	**680**	579	543	387	296	261	242	209	193	157
Earnings per share growth	%	**17**	7	40	31	22	8	16	9	23	22

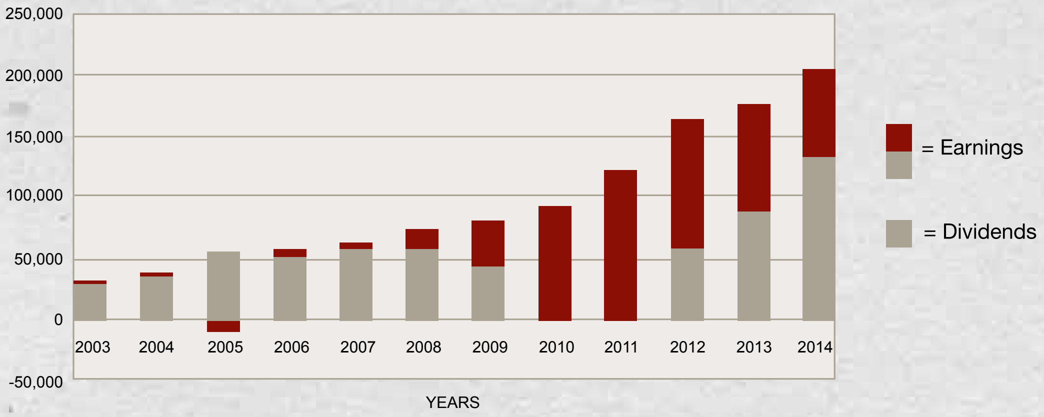
Revenue and Total Assets

TShs' millions



Earnings and Dividends

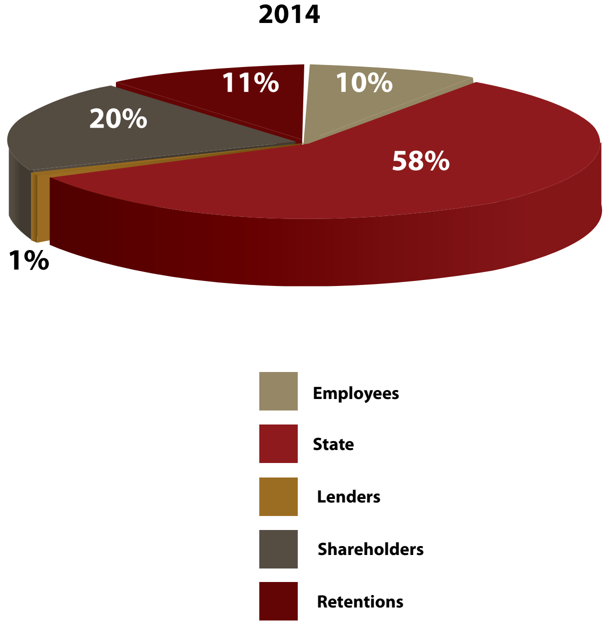
TShs' millions

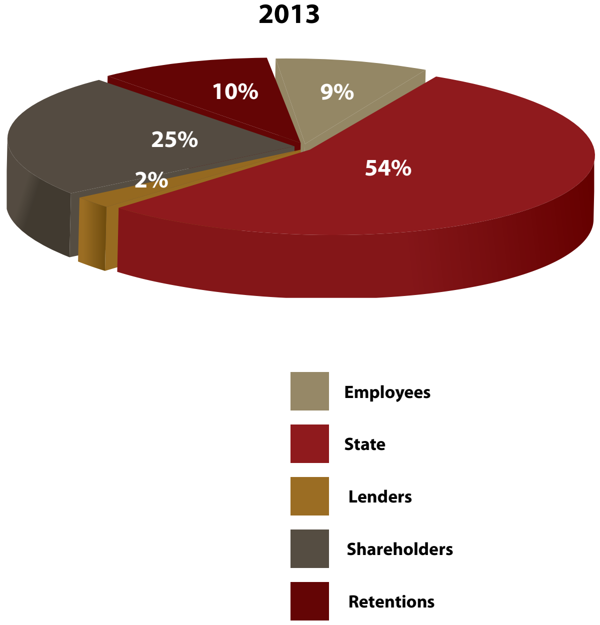


Group Cash Value Added Statement

For the year ended 31 March 2014

	31 March, 2014 TShs' M	%	31 March, 2013 TShs' M	%
Cash generated				
Cash derived from sales	1,135,282		1,032,264	
Cash value generated	1,135,282		1,032,264	
Cash paid to suppliers	(428,620)		(402,937)	
Cash value added	706,662	100	629,327	100
Cash utilised to				
Remunerate employees for their services	(68,156)	10	(59,431)	9
Pay direct taxes to Government	(85,570)	12	(70,020)	11
Pay excise duty and Value Added Tax	(325,892)	46	(274,937)	44
Provide lenders with a return on borrowings	(5,118)	1	(11,938)	2
Provide shareholders with cash dividends	(142,062)	20	(153,079)	25
Cash disbursed among stakeholders	(626,799)	89	(569,405)	90
Cash retained to fund replacement of assets and facilitate further growth	79,864	11	59,922	10





Chairman's Statement

The beer industry in Tanzania and East Africa in general is becoming more competitive with more choices available for consumers. Overall economic conditions continued to remain challenging though inflation declined notably during 2013-2014. Apart from a slower increase in food prices, a slowdown in the increase in energy and fuel prices contributed to a stable price inflation rate, though this changed significantly in the fourth quarter after the 40% increase in electricity tariffs. The financial year 2014 was characterised by slower than projected global growth, caused to a large extent, by subdued growth in several key emerging market economies, as well as the protracted recession in Euro area.

Despite the slight recovery of the beer market from the previous year and the stiff competition in the industry, the strength of TBL brands and the greater emphasis we are placing on our route to consumer, Tanzania Breweries Limited group of companies registered a 10% growth in revenue compared to prior year. The Board remains confident that our range of leading brands, our continued focus on distribution efficiency and our investment in our brands and people will continue to deliver growth of the business in the coming years. This confidence has led the Board to propose, in respect of the year ended 31 March 2014, dividend of Tshs 450 per ordinary share up from Tshs 300 in the previous year.

We were pleased to note the Government's commitment to continuing to pursue stable and predictable economic policies. During the year, the Government made a decision to retain current specific excise regime by adjusting excise duties on beer by 10% contrary to earlier worries. This allowed us to make a lower than inflation adjustment to the price of beer; which resulted in domestic volume growth of 10% on prior year. Even with the increase in competitive pressure, our strong brands ensured that we retained our strong position in the market, with affordable segment growing at 59% on prior year. Investment in our distribution capacity also had a notable impact on our ability to retain our market position. In this regard, we made significant shifts in our sales organsation allowing us to be more versatile and serve our customers better.

During the year TBL management witnessed a change of guard. Let me welcome the new Managing Director of Tanzania Breweries Limited, Mr. Roberto M. Jarrin, who has moved from SABMiller Italy as Managing Director (MD) responsible for the second largest brewer in Italy with annual sales of $600 million. Roberto comes with great experience and a successful international career both in developing and developed markets. I wish him well in his new role and I am confident that he will steer the leadership of TBL to deliver even more impressive results. Mr. Robin Goetzsche, the former MD who has joined Efes, an associate company of SABMiller in Russia, leaves a proud legacy to Tanzania Breweries Limited where he was able to build the business from strength to strength and consistently delivered double digit earnings growth in a highly competitive environment. I would like to commend Mr. Robin Goetzsche for his contribution to the growth of the Company during his 5 year tenure. We wish him well in his new assignment.

The business environment in Tanzania remained challenging with interrupted electricity supply hampering production and general infrastructure shortcomings especially at our Mbeya brewery, where water shortage persisted, causing challenges in delivering our products.

Despite these challenges, the Company still managed to record moderate volume growth during the year. Revenue of TShs 979,651 million represents a growth of 10% on prior year despite the Wines and Spirits business declining by 8.5% compared to prior year due to competition from cheap sachets and counterfeit products for Konyagi. Volume growth in lager volume, inclusion of the Traditional business into the Group as well as inflationary price increases, improved efficiencies and cost saving initiatives, allowed trading profit to end the period a pleasing 15% ahead of prior year. This performance is reflected in the increase in profit for the year to TShs 203,707 million from TShs 177,128 million in 2013. A total of TShs 101.9 billion was invested in capital expenditure compared to TShs 102.2 billion in the prior year so as to continue giving the Company the additional flexibility in capacity and capability it requires for the future.

Despite increased operational cost pressures resulting from a combination of rising fuel, energy and raw materials prices, the group's cash generated from operations was TShs 313 billion reflecting a 6% increase on prior year. Of this amount, TShs 86 billion was utilised to pay corporate tax and the remaining amount funded capital expenditure, repayment of bank borrowings, interest expenses and payment of dividends to shareholders.

Through the tough economic terrain TBL continued to commit resources to support our brands and innovation resulting in increased marketing investments. During the year the Company launched Club 07 Vodka Lemon, Castle Lager was officially endorsed as the African leading beer sponsor for the Barcelona football Club and Kilimanjaro Premium Lager successfully carried out a campaign of "Nani Mtaani Jembe" involving the two soccer giants of Tanzania, together with sponsoring Taifa Stars. These innovations reflect TBL's commitment to brand building and portfolio growth to yield optimum shareholder value.

Corporate Social Investments

Tanzania Breweries Limited is committed to conducting its business in a socially responsible manner and contributing to the communities in which it operates. During the year donations amounting to Tshs 444 million were made to various charitable ventures in the provision of safe drinking water, tree planting and development of social infrastructure. New water projects serving an aggregate population of 230,000 Tanzanians were concluded in the financial year 2014.

Human Capital

We believe strongly in people and recognise that our employees are our strongest asset. We are committed to releasing the potentials of our employees and creating a world class working environment where we motivate people to show exemplary performance and be the best at what they do. We invest in our people and have in place great talent retention schemes. I am happy to announce that TBL won the 'Presidential Manufacturer of the Year' award. I am confident that we have invested in the right people to take this Company through these challenging times to greater heights. I would like to thank all our hardworking members of staff for their contributions. TBL's strength is dependent on the resourcefulness and hard work of its human capital.

The Road Ahead

The success of TBL group of companies will be more assured and enhanced if the Company supports and operates within a healthy and vibrant national economy. To supplement our basic commercial objectives, TBL will continue to focus on the following priorities which tally with national economic plans:-

(i) An aggressive training and skills upgrading programme of Tanzanians in TBL and SABMiller employment;
(ii) Procurement policy which give priority to local content and value added to strengthen national economy; and
(iii) Promotion of export sales of iconic TBL brands to niche markets including the East African Common Market of which Tanzania is a member.

While it is pleasing that we are making progress on issues that are fundamental to our long-term success, I would like to stress that the Board of Directors understand quite clearly that we cannot afford to be complacent. Our challenge is to ensure that we continue to earn the trust of the Government, our esteemed shareholders, our employees, consumers of our products and our suppliers. Above all we must be competitive in the market and producers of high quality products.

I would like to express my sincere appreciation to our parent company, SABMiller Plc, for its continued co-operation and support. I would also like to acknowledge the efforts, support and guidance of my colleagues on the Board. Finally, I would like to express our deep sense of gratitude to our shareholders, for continued support and patience as we strive to create the most dynamic business in Tanzania. I look forward to your continued commitment and support. Last but not least, I would like to thank the management and all staff of the TBL family whose performance enabled the achievements of financial year ending on 31st March, 2014, of which we are very justly proud.

Hon. C.D. Msuya
Chairman

Taarifa ya Mwenyeketi

Sekta ya bia hapa Tanzania na katika soko la Afrika Mashariki imekuwa na ushindani mkubwa kutokana na wingi wa bidhaa sokoni wakati ambapo kipato cha wateja hakikuongezeka. Kwa ujumla hali ya uchumi ilitulia kidogo kutokana na kupungua kwa ongezeko la bei katika kipindi cha 2013 - 2014. Pamoja na ongezeko dogo la bei ya bidhaa za vyakula, kasi ya ongezeko la bei za nishati na mafuta ilipungua kwa kiasi kikubwa. Hali hii ilibadilika ghafla robo ya mwisho ya mwaka wa fedha kutokana na ongezeko la 40% ya bei ya umeme. Hata hivyo katika mwaka wa fedha wa 2014 kulikuwa na ukuaji mdogo wa uchumi duniani hususani katika soko la nchi zinazoendelea kwa haraka na kudorora kwa uchumi wa nchi zinazotumia sarafu ya EURO.

Ukizingatia hali nzuri kidogo ya ukuaji wa biashara ya bia kwa mwaka huu pamoja na ushindani katika sosko ikilinganishwa na mwaka jana,umahiri wa bidhaa za TBL na ufanisi wa kufikisha bidhaa haraka kwa wateja wetu imewezesha kampuni kufikia ukuaji wa mapato wa asilimia 10 ukilinganishwa na mwaka jana.

Kulingana na ufanisi mzuri wa bidhaa zetu katika soko,msisistizo unaowekwa katika ubora wa usambazaji wa bidhaa zetu na uwekezaji unaofanywa katika bidhaa zetu na wafanyakazi watu,Bodi ya Wakurugenzi inaamini katika ukuaji zaidi wa biashara katika miaka ijayo.Kulingana na ufanisi huo,Bodi ya Wakurugenzi imependekeza gawio la Tsh 450/= kwa hisa moja kwa mwaka ulioishia tarehe 31 – 03 – 2014 ikilinganishwa na Tsh 300/= kwa mwaka uliopita.

Wakati huohuo tumetiwa moyo na dhamira ya Serikali kuendeleza sera imara za uchumi na kodi, zenye kutabirika. Katika mwaka huu wa fedha, serikali ilipandisha ushuru wa bidhaa kwa 10% tofauti na wasiwasi uliokuwepo. Mazingira haya ya kodi yaliwezesha kampuni ya TBL kuongeza bei za bidhaa zake chini ya kiwango cha mfumuko wa bei, hali ambayo iliwezesha kampuni kukuza kuongeza mauzo kwa kiasi cha asilimia 10 ukilinganisha na mwaka wa fedha uliopita. Kwa kiwango hiki cha ukuaji tuliweza kumudu ushindani sokoni kwa kutegemea ubora wa bidhaa zetu. Mauzo ya bidhaa zetu za bei ya chini yaliongezeka kwa kiasi cha asilimia 59. Aidha, uwekezaji katika kuboresha mfumo wetu wa usambazaji bidhaa ulichangia kuimarisha umahiri wetu sokoni. Kwa ujumla malengo yetu ya kuwa na bidhaa bora zaidi, kuwa na wafanyakazi mahiri na wenye ari na mfumo wa usambazaji bidhaa zetu kwa pamoja zimetuwezesha kuwahudumia wateja wetu vizuri na kuongeza ukubwa wa soko linalopendelea bidhaa zetu.

Karibu na mwisho wa mwaka 2014 pamekuwa na mabadiliko ya uongozi wa Kampuni ya TBL. Tunamkaribisha Mkurugenzi mpya Bw. Roberto M. Jarrin ambaye alikuwa mkurugenzi mtendaji katika kampuni ya SABMiller Italy, kampuni ya pili kwa ukubwa yenye mauzo ya dola za Kimarekani million 600 kwa mwaka. Bw. Roberto amekuja na uzoefu mkubwa wa kuongoza makampuni katika nchi zilizoendelea na zinazoendelea. Namtakia kila la heri katika kazi yake mpya Tanzania na Afrika Mashariki na ninaamini kwamba ataiongoza TBL kwa ufanisi mkubwa. Bw. Robin amehamishiwa kampuni ya Efes, kampuni tanzu ya SABMiller Urussi. Bw. Robin atakumbukwa kwa mafanikio makubwa aliyoleta akiwa kiongozi wa TBL, akiwezesha kampuni kukuza mapato na faida, licha ya kuwa na changamoto ya ushindani mkubwa katika soko. Napenda kumpongeza Robin kwa kipindi cha miaka 5 kama Mkurugenzi Mtendaji. Tunamtakia kila la heri katika wadhifa wake mpya huko Urussi.

Kumekuwa na ushindani mkubwa wa bidhaa za bia nchini Tanzania na ukanda wote wa Afrika Mashariki na wateja wamekuwa wakipata wasaa mpana zaidi wa kuchagua bidhaa wanazotaka. Hata hivyo kwa upande wa Tanzania kumekuwa na changamoto nyingi ambazo zinaathiri uzalishaji wa uhakika katika viwanda vyetu pamoja na usambazaji. Upatikanaji wa umeme usio wa uhakika na ukosefu wa maji hasa kwa kiwanda chetu cha Mbeya, umepunguza sana kasi yetu ya uzalishaji na ukuaji.

Pamoja na changamoto hizo Kampuni yetu imeweza kuongeza kwa kiasi kiwango chake cha uzalishaji katika mwaka huu wa fedha. Mapato yatokanayo na mauzo ya bidhaa zetu yamefikia Sh. 979,651 milioni ikiwa ni sawa na ukuwaji wa 10% ikilinganishwa na mwaka uliopita, pamoja ya kwamba mauzo ya mvinyo na pombe kali yalishuka kwa 8.5% ikilinganishwa na mwaka uliopita, hali iliyosababishwa na ushindani kutokana na pombe kali za viroba za bei nafuu kutoka kwa wazalishaji wengine, na bidhaa feki za Konyagi. Ongezeko la mauzo ya bidhaa za bia, kujumuisha kwa bidhaa za Chibuku, ongezeko la bei za bidhaa, ongezeko la ufanisi na udhibiti wa gharama za uzalishaji na uendeshaji, vimechangia kwa kiasi kikubwa upatikanaji wa faida kwa kiwango cha 15%, zaidi ya mwaka uliopita. Na hii inathibitika zaidi kwa ongezeko la faida toka Sh. 177,128 milioni kwa mwaka wa 2013 hadi Sh. 203,707 milioni. Kiasi cha Sh. 101.9 bilioni kiliwekezwa katika kuboresha mitambo, ikilinganishwa na Sh. 102.2 bilioni zilizowekezwa mwaka ulioshia wa 2013, hivyo kuiwezesha kampuni kuwa na uwezo wa ziada katika uzalishaji na ufanisi kwa siku zijazo.

Pamoja na kuongezeka kwa gharama za uendeshaji uliochangiwa na ongezeko la bei ya mafuta, nishati, na malighafi, kundi la makampuni ya Tanzania Breweries Ltd. yalizalisha kiasi cha Sh. 313 bilioni, ikiashiria ongezeko la 6% ukilinganisha na uzalishaji wa mwaka uliopita. Katika kiasi hicho, Sh. 86 bilioni zilitumika kulipia kodi ya mapato, na kiasi kilichobaki kiliwekezwa katika kuboresha mitambo, kulipa mikopo ya benki, riba, na kulipa gawio kwa wanahisa.

Pamoja na kupambana na changamoto za kiuchumi, TBL iliendelea kuwekeza katika upande wa masoko na kuongeza ubunifu katika bidhaa zake. Kinywaji kipya cha Club 07 Vodka Lemon kilizinduliwa, bia ya Castle ambayo inaongoza Africa imefadhili timu ya Barcelona, bia ya Kilimanjaro ilifanya vizuri sana katika Kampeni ya "Nani Mtani Jembe", iliyojumuisha timu mbili kubwa hapa nchini kwetu, pamoja na udhamini wa timu ya mpira wa miguu ya Taifa Stars. Ubunifu huu unathibitisha nia thabiti ya uongozi katika kujenga na kukuza bidhaa zetu mbalimbali za bia, ili kuongeza thamani kwa wanahisa.

Taarifa ya Mwenyeketi (continued)

Uwekezaji katika Jamii

Tanzania Breweries Ltd. inafanya shughuli zake kwa kuweka maslahi ya jamii mbele na hivyo kuchangia pia katika jamii hizo. Katika mwaka wa fedha ulioshia Machi 2014, Kampuni imeweza kuchangia katika miradi ya upatikanaji wa maji safi na salama, upandaji wa miti, na miundo mbinu ya jamii. Miradi mipya ya maji imeweza kuwanufaisha Watanzania 230,000 katika mwaka wa fedha 2014.

Uwekezaji kwa Wafanyakazi na kuongeza ujuzi na umahiri.

Tunaamini kwa uthabiti kabisa ya kuwa wafanyakazi wetu ndio nguzo imara na mtaji wetu wa kuendelea kufanya vizuri. Mafanikio yetu kwa kiasi kikubwa yanatokana na wafanyakazi ambao wanapatiwa fursa ya kutumia ujuzi wao katika kufanikisha utendaji katika mazingira salama na ya kiwango cha kimataifa na kupewa motisha stahiki na kuongeza ufanisi kwa kiwango kikubwa. Wafanyakazi wetu wamo katika nafasi ya kuonyesha uwezo wao wa hali ya juu, na kuwa mfano wa kipekee kwa kile wanachokifanya. Tunawekeza katika wafanyakazi, na tuna utaratibu madhubuti wa kuvutia na kuvidumisha vipaji kwa sera maalumu. Utendaji wao umewezesha Kampuni yetu kupata tuzo kadhaa ambazo ni pamoja na tuzo ya Rais ya Mzalishaji Bora wa Mwaka. Nina uhakika ya kuwa tumewekeza kwa kiwango kikubwa kwa wafanyakazi wetu ambao ni makini na wameiwezesha Kampuni kuvuka katika kipindi hiki chenye changamoto nyingi za kibiashara na kiuchumi. Aidha napenda kuwashukuru wafayakazi kwa mchango wao mkubwa katika kufanikisha maendeleo ya Kampuni yetu. Mafanikio makubwa ya TBL yanatokana zaidi na ufanisi na utendaji wa kazi kwa juhudi kubwa kwa wafanyakazi wetu.

Matarajio yetu ya baadae

Mafanikio ya Kundi la makampuni ya TBL yatategemea sana katika kuiunga kwetu mkono ili iwe na uwezo wa kuendelea kufanya biashara kwa ufanisi katika uchumi unaokua na wenye nguvu. Ili kufikia lengo letu TBL itaendelea kuweka mkazo mkubwa katika vipaumbele vifuatavyo;

(i) Kuwekeza katika mafunzo zaidi na kuendeleza mipango ya kuendeleza ujuzi kwa wafanyakazi wetu wa Kitanzania kupitia fursa za ajira ndani ya TBL na SABMiller

(ii) Sera ya manunuzi inayoweka kipaumbele katika upatikanaji na kuongeza thamani ya malighafi inayopatikana hapa nchini, ili kukuza na kuimarisha uchumi wa nchi yetu.

(iii) Kuongeza mauzo nje ya nchi ya bidhaa zetu zenye muonekano wa ubora, na hasa katika Soko la Jumuiya ya Afrika Mashariki ambako Tanzania ni mshiriki.

Wakati tukifarijika kupata maendeleo katika vipaumbele vyetu na kujihakikishia ustawi zaidi, Bodi ya Wakurugenzi inafahamu fika ya kuwa hatuwezi kuridhika na mafanikio ambayo tumeyapata hadi sasa. Changamoto yetu kubwa ni kuhakikisha tunaendelea kujenga maelewano na Serikali yetu, wanahisa wetu, wafanyakazi, wateja wa bidhaa zetu, pamoja na wagavi na wasambazaji wa bidhaa zetu. Na muhimu zaidi ni kuendelea kuzalisha bidhaa zenye ubora wa hali ya juu na kuongeza ushindani katika soko.

Aidha napenda kutoa shukrani za dhati kwa kampuni mama ya SABMiller Plc, kwa mchango na ushirikiano wake mkubwa kwa TBL. Napenda pia kutambua mchango mkubwa wa wajumbe wenzangu wa Bodi. Aidha shukrani za pekee ziwaendee wanahisa wetu wote kwa mchango na ushauri wenu mkubwa wakati tumo katika mchakato wa kukuza biashara yetu Tanzania ambako tunapambana na ushindani mkubwa. Natarajia ya kuwa mtaendelea kujitoa kwa hali na mali na kuendelea kuiunga mkono Kampuni ya TBL ili iweze kuendelea kufanya vizuri zaidi. Napenda pia kutambua na kutoa shukrani za pekee kwa menejimenti, wafanyakazi na familia yote ya Makapuni ya TBL ambayo utendaji wao umefanikisha malengo ambayo tunajivunia kwa mwaka huu unaoishia tarehe 31 Machi 2014.

Mh. Cleopa D. Msuya
Mwenyekiti wa Bodi.

Vision, Mission & Company Values

Vision

To be the most admired Company in Tanzania

- The investment of choice
- The employer of choice
- The partner of choice

Mission

To own and nurture local and international brands which are the first choice of the consumer

Values

Our people are our enduring advantage

- The caliber, passion and commitment of our people set us apart
- We value and encourage diversity
- We select and develop people for the long term
- Performance is what counts

Accountability is clear and personal

- We favour decentralised management and a practical maximum of local autonomy
- Goals and objectives are aligned and clearly articulated
- We prize both intellectual rigour and emotional engagement
- We are honest about performance
- We require and enable self-management

We work and win in teams

- We actively develop and share knowledge within the group
- We consciously balance local and group interests
- We foster trust and integrity in internal relationships
- We encourage camaraderie and a sense of fun

We understand and respect our customers and consumers

- We are endlessly concerned with our customers' needs and perceptions
- We build lasting relationships, based on trust
- We aspire to offer the preferred choices of product and service
- We innovate and lead in a changing world

Our reputation is indivisible

- Our reputation relies on the actions and statements of every employee
- We build our reputation for the long term
- We are fair and ethical in all our dealings
- We benefit the local communities in which we operate

TRA RECOGNISES TBL'S

SIGNIFICANT TAX CONTRIBUTIONS

The Tanzania Revenue Authority (TRA) presented Tanzania Breweries Limited (TBL) two awards on the 8th of November 2013 at the Seventh Taxpayer's Day. The Company was awarded 'Most Compliant Taxpayer in the Manufacturing Sector' and 'First National Compliant Winner'.

TBL's Finance Director, Kevin O'Flaherty, credited these achievements to their shareholders' continued support and confidence in TBL and Tanzania. "A big thanks to the shareholders for their significant investment in our Company over the past 20 years. It has enabled the Company to expand its operations throughout the Country, which in turn has increased tax revenues for the Government and, hence, has positively contributed to the growth of Tanzania's economy".

The Company has earned recognition from TRA in the form of awards a total of fifteen times in the last decade. Kevin O'Flaherty concluded: "The recognition that TRA has awarded the Company over the years not only demonstrates that TBL conducts itself as a good corporate citizen, but is a Company that operates with transparency. Our shareholders can be confident that their investments are contributing towards the Country's economy."

Directors' Report

For the year ended 31 March 2014

The Directors submit their annual report together with the audited financial statements for the year ended 31 March 2014, which disclose the state of affairs of Tanzania Breweries Limited (the "Company") and its subsidiaries, Tanzania Distilleries Limited, Darbrew Limited and Kibo Breweries Limited, (together the ''Group").

1. INCORPORATION

Tanzania Breweries Limited is incorporated in the United Republic of Tanzania under the Companies Act as a limited liability Company. The Company is listed on the Dar es Salaam Stock Exchange and is domiciled in the United Republic of Tanzania. The address of its registered office and the principal place of business is:

Uhuru Street,
Mchikichini, Ilala District,
Plot 79, Block "AA",
PO Box 9013,
Dar es Salaam, Tanzania

2. PRINCIPAL ACTIVITIES

The Company's principal activities are the production, distribution and sale of malt beer, non-alcoholic malt beverages and alcoholic fruit beverages (AFB's) in Tanzania. It operates breweries in Dar es Salaam, Arusha, Mwanza and Mbeya and ten depots throughout the country. It also produces malt at its malting plant in Moshi.
The Company has controlling interest in Tanzania Distilleries Limited, a spirituous liquor company that is situated in Dar es Salaam, and Darbrew Limited, an opaque beer company located in Dar es Salaam. It also fully owns Kibo Breweries Limited, an asset management Company domiciled in Dar es Salaam.

The Group owns some of Tanzania's most popular liquor brands, notably:

Safari Lager;
Kilimanjaro Premium Lager;
Konyagi; and
Ndovu Special Malt.

The Company also produces and distributes Castle Lager, Castle Milk Stout, Castle Lite, Peroni and Redds Premium Cold under licence from SABMiller International BV. The subsidiary undertaking, Tanzania Distilleries Limited, also distributes Amarula and various other international brands of wines and spirits under licence from Distell (Pty) Limited of South Africa.

3. VISION

To be the most admired Company in the beer industry in Tanzania:

- The investment of choice;
- The employer of choice; and
- The partner of choice.

4. MISSION

To own and nurture local and international brands which are the first choice of the consumer.

5. OPERATING AND FINANCIAL REVIEW

Market overview

The beer industry in Tanzania and in East Africa in general is becoming more competitive with more choices becoming available for the consumers. The business environment in Tanzania remained challenging with interrupted electricity supply hampering production and general infrastructure shortcomings causing challenges in delivering our products. Despite these challenges, the Company still managed to record moderate volume growth during the year.

Performance for the year

The Group is pleased to report a solid set of results for the year despite inflationary cost increases, market liquidity pressures and lower consumer disposable income.

Revenue of TShs 979,651 million represents a growth of 10% on prior year and is attributable to volume growth as well as inflationary price increases, improved efficiencies and focused cost saving initiatives. These initiatives led to 15% growth in the trading profit compared to prior year and resulted in the increase in profit for the year to TShs 203,707 million from TShs 177,128 million in 2013.

A total of TShs 101.9 billion was invested in capital investment compared to TShs 102.2 billion in the prior year.

Despite increased operational cost pressures resulting from a combination of rising fuel, energy and raw materials prices, the group's cash generated from operations was TShs 313 billion reflecting a 6% increase on prior year. Of this amount, TShs 86 billion was utilised to pay corporate income tax and the remaining amount funded capital expenditure, repayment of bank borrowings, interest expenses and dividends paid to shareholders.

Future development

The level of business and the year-end position is satisfactory. The Company will continue with its expansion and facility upgrade programme. The Directors consider that the future prospects of the Company and the Group are promising.

6. DIVIDEND

The Board of Directors approved payment of the first, second and third interim dividend for the year ended 31 March 2014 of TShs 450 per share amounting to TShs 132,718 million (2013: TShs 300 per share amounting to TShs 88,749 million). The Directors do not recommend the payment of a final dividend.

7. COMPOSITION OF THE BOARD OF DIRECTORS

The Directors of the Company at the date of this report, all of whom have served since
1 April 2013, unless otherwise stated, are:

Hon. C.D. Msuya (Tanzanian)
Chairman. He is the (Rtd) Vice President and Prime Minister and was appointed on the TBL Board on the 18 August 2005. For the year under review, he was an appointee of SABMiller Africa BV.

Mr. W. Hall (South African)
Commercial Director Africa appointed on the TBL Board on 25 January 2012. He is an appointee of SABMiller Africa BV.

Mr. D. Carruthers (British)
Director of Marketing of SABMiller Africa and Asia, and has been serving the Board since 1 July 2001. He is an appointee of SABMiller Africa BV

7. COMPOSITION OF THE BOARD OF DIRECTORS (continued)

Mr. R. Goetzsche (South African)

Director of Operations, East Africa, for SABMiller Africa BV and the former Managing Director, Tanzania Breweries Limited. He was appointed to the Board on 6 January 2009 and retired 1 April 2014. He was representing SABMiller Africa BV.

Mr. R. Jarrin (Ecudorian)

Director of Operations, East Africa, for SABMiller Africa BV and the former Managing Director, Tanzania Breweries Limited. He was appointed to the Board on 1 April 2014. He is representing SABMiller Africa BV.

Ambassador A.R. Mpungwe (Tanzanian)

Businessman, appointed by SABMiller Africa BV, in October 2001.

Ms. E. Nyambibo (Tanzanian)

She is the Deputy Permanent Secretary, Ministry of Finance, sitting on the Board as the Government's representative with effect from 17th August 2011.

Mr. R.O.S. Mollel (Tanzanian)

(Rtd) Permanent Secretary, Vice President's Office. Appointed to the Board in 1997, representing the Government of Tanzania up to April 2000 and from May 2002 to date, he is an appointee of SABMiller Africa BV, and is the Chairman of the Group Audit Committee.

Ms Joyce Mapunjo (Tanzanian)

Former Permanent Secretary, Ministry of Industry, Trade and Marketing. She was appointed to the Board on 16th February 2009, representing the Government of Tanzania. Ms Joyce Mapunjo retired on 30 October 2013.

Mr. A.B.S. Kilewo (Tanzanian)

Former Executive Managing Director of Tanzania Breweries Limited. He was appointed in September 1999. He is an appointee of SABMiller Africa BV.

Mr. P.J.I. Lasway (Tanzanian)

Business Consultant. He was appointed on 18 February 2010. He is an appointee of SABMiller Africa BV.

Mr. Uledi A Mussa (Tanzanian)

He is the Permanent Secretary Ministry of Trade, Industry and Marketing. He was appointed on 11 October 2013.

In accordance with the Company's Articles of Association, the directors are not required to retire by rotation. The Board met four times during the year.

Operating Board:

Mr. R. Goetzsche (South African), Managing Director, Tanzania Breweries Limited. Appointed in January 2009 and retired on 1 April 2014.

Mr. R. Jarrin (Ecuadorian), Managing Director, Tanzania Breweries Limited. Appointed on 1 April 2014.

Mr. K.H. O'Flaherty (South African), Finance Director – appointed in May 2008.

Ms. K. Thomas (South African), Marketing Director – appointed October 2011.

Mr. P.J.I. Lasway (Tanzanian), External Affairs and Special Projects Director – appointed in February 2010.

Mr. S.F. Kilindo (Tanzanian), Corporate Affairs and Legal Director – appointed in March 2008.

Mr. G. van Wijk (South African), Technical Director – appointed in April 2011.

7. COMPOSITION OF THE BOARD OF DIRECTORS (continued)

Mr. M. Benjamin (South African), Sales and Distribution Director – appointed in January 2013.

Mr. D. Mgwassa (Tanzanian), Managing Director, Tanzania Distilleries Limited – appointed in June 2008.

Mr. K. Wanyoto (Ugandan), Human Resources Director – appointed in October 2011 and retired in May 2013.

Mr. K. Suma (Tanzanian), Head of Opaque Business – appointed in October 2012.

Mr. David Magese (Tanzanian), Human Resources Director – appointed on 1 September 2013.

The Company secretary as at the date of this report who has served throughout the year is Huruma Ntahena.

As at the date of this report, the Directors holding shares are listed below.

	Ordinary Shares	Ordinary Shares
	2014	**2013**
C.D. Msuya	8,000	8,000
R.O.S. Mollel	3,600	3,600
A.R. Mpungwe	-	7,000
A.B.S. Kilewo	37,641	37,641
P.J.I. Lasway	36,162	36,162
Total	**85,403**	**92,403**

8. CORPORATE GOVERNANCE

The Board of the Company consists of ten Directors. Apart from the Managing Director, no other directors hold executive positions in the Company. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is required to meet at least four times a year. The Board delegates the day to day management of the business to the Managing Director assisted by senior management. Senior management is invited to attend board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units.

The Company is committed to the principles of effective corporate governance. The directors also recognise the importance of integrity, transparency and accountability. During the year the Board had board sub-committees to ensure a high standard of corporate governance throughout the Company. These are audit and remuneration sub-committees.

GROUP AUDIT COMMITTEE

The Group Audit Committee monitors and reviews the effectiveness of the internal control and the internal financial control of the Company and its subsidiaries. The Group Audit Committee is a sub-committee of the Board and comprises of three non-executive members. It is regulated by specific terms of reference and meets at least three times during the year. The Committee meets the external auditors and the internal audit department to review inter alias, accounting, auditing, internal control, financial reporting matters and the published financial statements of the Company and the Group. The external auditors have unrestricted access, at all times, to the Group and subsidiary audit committees. Mr. R. O. S. Mollel has chaired the Group Audit Committee during the year.

8. CORPORATE GOVERNANCE (continued)

The overall objective of the Group Audit Committee is to ensure that the operating board has created and maintained an effective control environment within the organisation and that management demonstrates and stimulates the necessary respect of the internal control structure amongst all parties.

The Group Audit Committee members, as well as the internal and external auditors, have unlimited access to whatever information they require in performing their responsibilities.

The Company also has an audit sub-committee which meets quarterly and reviews the effectiveness of risk management processes; the appropriateness and adequacy of the systems of internal financial and operational controls. The audit sub-committee also tracks timeliness of management implementation of prior audit recommendations, and is chaired by the Group Internal Audit Manager.

REMUNERATION COMMITTEE

The remuneration committee comprises the Managing Director and one non-executive member who chairs the committee. The committee is responsible for the assessment and approval of a broad remuneration strategy for the Company, including short term incentives for executive and senior management. The remuneration strategy is aimed at rewarding employees at market related levels and in accordance with their contribution to the Company's operating and financial performance in terms of basic pay as well as short-term incentives.

9. CAPITAL STRUCTURE AND SHAREHOLDERS

The Company's authorised, issued and fully paid up share capital during the year was 294,928,463 ordinary shares of a par value of TShs 100 each (2013: 294,928,463 ordinary shares). The Company has only one class of ordinary shares which carries no right to fixed income. The ownership structure is as set out in Note 21.2 of the financial statements.

10. MANAGEMENT

The Management of the Company is under the Managing Director and is organised in the following departments:

- Finance department;
- Technical department;
- Marketing department;
- Sales and distribution department;
- Human resources department; and
- Corporate affairs and legal department.

11. STOCK EXCHANGE INFORMATION

The Company is listed on the Dar es Salaam Stock Exchange. The share price at 31 March 2014 was TShs 8,000 (2013: TShs 3,060) and market capitalisation was TShs 2,359 billion (2013: TShs 902 billion).

12. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

12. RISK MANAGEMENT AND INTERNAL CONTROL (continued)

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Company system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 31 March 2014 and is of the opinion that they met accepted criteria. The Board carries out risk and internal control assessment through the Audit Committee.

13. SOLVENCY

The Board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

14. EMPLOYEE WELFARE

Management and Employees' Relationship

Relations between employees and management continued to be good during the year. A healthy relationship continues to exist between management and trade union. The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties.

Training Facilities

The Company spent about TShs 1,175 million for staff training programmes in the year compared to TShs 1,270 million in 2013. The programmes are aimed at improving the employee's technical skills and hence effectiveness. Training programmes have been and are continually being developed to ensure employees are adequately trained at all levels. All employees have some form of annual training to upgrade skills and enhance development.

Medical Assistance

The Company provides medical services through on site dispensaries and outside hospitals. Staff are entitled to access referral hospitals as the need arises. The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees. This is achieved through formal and informal meetings.

All members of staff, their spouses and four children to the age of 21 years were availed medical insurance. Currently these services are provided by Metropolitan Tanzania Insurance Limited.

Health and Safety

The Company has a strong health and safety department which ensure that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary. All breweries and a malting plant operated by the Company are audited by National Occupational Safety Association (NOSA) annually.

Financial Assistance to Staff

Loans are available to all employees depending on the assessment of and the discretion of management as to the need and circumstances. Management has established an emergency loan facility with favourable borrowing terms with a commercial bank and has assisted staff to establish and join the Company Savings and Credit Co- operative Society (SACCOS) to assist in promoting the welfare of its employees.

14. EMPLOYEE WELFARE (continued)

Persons with Disabilities

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees Benefit Plan

The Company pays contributions to two publicly administered defined contribution plans namely; the Parastatal Pension Fund (PPF) and the National Social Security Fund (NSSF) on a mandatory basis.

15. GENDER PARITY

At 31 March 2014, the Company had 1,830 (2013: 1,742) employees, out of which 252 (2013: 218) were female and 1,578 (2013: 1,524) were male.

16. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in note 33 to the financial statements.

17. POLITICAL AND CHARITABLE DONATIONS

The Company did not make any political donations during the year. Donations made to charitable organisations during the year amounted to TShs 444 million (2013: TShs 489 million).

18. ENVIRONMENTAL CONTROL PROGRAMME

With continuous focus at the targeted 5% reduction per annum in water and energy usage, and dedicated performance improvement teams in place at each site, the Company achieved a 9.5% reduction in water usage over the prior year, despite the challenges of water quality. Energy reduction achieved over the prior year was 11.3% with the majority of improvement coming from the Mwanza site. On the SABMiller global Sustainable Development Assessment Matrix (SAM), the Company improved from a 3.23 to a 3.27 average on the "10 priorities, One Future" theme.

The Water Futures Partnership

The partnership between the Company, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the World Wildlife Fund (WWF) came to a contractual end as of 31 March 2014. However, a significant amount of work is still going on in renegotiating the next phase of the partnership. The partnership has reached a consensus on the majority of contractual points and is renegotiating on a few, but critical areas relating to funding and country eligibility have been aligned and is confident that these will be resolved in the very near future.

The Company has also joined the 2030WRG (2030 Water Resources Group), with focus on addressing issues of water scarcity. Partnership focuses on engaging both public and private stakeholders, e.g. Ministry of Water, Dar es Salaam Water & Sewage Company (DAWASCO) and private sector, to address existing water scarcity as well as develop strategies to prevent potential future threats to water sources.

The partnership has confirmed one new corporate partner and is close to bringing in an additional donor. Due to bureaucratic challenges which need to be navigated through we are working hard to ensure the best possible outcome for the Company.

For the year ended 31 March 2014

19. CORPORATE SOCIAL RESPONSIBILITY

No Water No Life (Bila Maji Hakuna Uhai) programme

Increased corporate social investments have been made around country to facilitate access of clean and safe water in water-scarce areas through the construction of water wells and boreholes in Mwanza, Mbeya, Moshi and Dar-es-Salaam. This year, No Water No Life programme has included government healthcare facilities (clinics, dispensaries and hospitals) as primary focus.

Over TShs 386 million has been invested within a 12 month period, and a significant portion of that amount has gone towards improving water sources to provide free-flowing piped water in healthcare facilities. The number of beneficiaries including in-patients and out-patients in the healthcare facilities combined with residents living in rural communities is over 230,000. According to UNICEF-WASH, 49% (22 million) of the Tanzanian population lack access to improved water sources. With 65.6% of the population living below the poverty line, the programme has assisted beneficiaries with access to water.

No Water No Life investment in healthcare and communities has significantly contributed to improved sanitation and hygiene thereby reducing incidences of water borne diseases such as diarrhoea, typhoid, dysentery and cholera, which are also a universal concern and a Millennium Development Goal (MDG) as it causes further health risks that can result to maternal and infant mortality. This is one of the many reasons the programme is diligently expanding focus in investing in the health sector.

Other Corporate Social Investments:

1. Responsible consumption of alcohol is of paramount importance to the Company and have introduced Retail Alcohol Training for key stakeholders especially retailers and distributors in the trade. Retail Alcohol Training programme provides comprehensive learning to trainees in understanding the local laws of retailing alcohol and the effects of alcohol. The programme so far, has been well received by the trainees and has also dispelled many myths that were associated with alcohol. As of 31 March 2014, 699 trade outlets had been trained.

2. A further alcohol programme the Company embarked on was "Talking Alcohol", a weekly column published on Sunday News, informing the public of the risks associated with alcohol abuse, thereby encouraging modest and responsible consumption of alcohol.

3. On Road Safety Week, the Company's long-term partnership with Tanzania Police Force- Traffic Police Division was extended to include the hospitals of Kibaha Tumbi and Morogoro Regions to conduct a 2-day voluntary basic health check. The health checks on blood pressure, diabetes, vision, sexually transmitted diseases (STD's) and voluntary counselling testing (VCT) were carried out by medical practitioners from the two hospitals on long-distance bus and truck drivers. Initially, 800 drivers were expected to be tested, and an overwhelming number of 1,200 drivers and conductors turned up to be tested. After being tested, they were given a certificate of basic health check completion, as well as a Road Safety Week T-shirt and bumper sticker as well as a can of Grand Malt (non-alcoholic).

20. AUDITOR

The auditor, PricewaterhouseCoopers, has expressed its willingness to continue in office as auditor and is eligible for re-appointment. A resolution proposing the re-appointment of PricewaterhouseCoopers as auditor of the Company for the financial year 2015 will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

Hon. C.D. Msuya Date: 11 July 2014
Chairman

Statement of Directors' Responsibilities

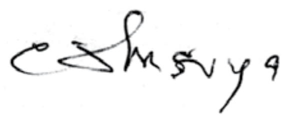
For the year ended 31 March 2014

The Companies Act, CAP 212 Act No.12 of 2002 requires directors to prepare financial statements for each financial period 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 for the year. 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 and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, CAP 212 Act No.12 of 2002. 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 Company and of their profit in accordance with International Financial Reporting Standards (IFRS). 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 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.

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

Approved by the board of directors on and signed on its behalf by:



Hon. C.D. Msuya 11 July 2014
Chairman

Managing Director's Report

For the year ended 31 March 2014

Once again, Tanzania Breweries Limited has emerged with distinction from a year marked by economic uncertainty and challenging trading conditions. We have achieved a good growth in sales and profit. The combined impact of these achievements allows us to increase our dividend and state with confidence that our business is in very robust health. The Group's financial performance was very pleasing; benefitting from a sustained focus on increased contribution of premium brands, improved productivity and margin expansion. This strong performance was achieved in a difficult trading environment particularly in the last quarter of the financial year arising from the slow-down in consumer spending and the tight liquidity conditions in the market.

Much of the growth this year has been delivered by our increasingly well-honed ability to innovate through renovation of our existing brands and greater emphasis placed on our route to market. That ability to innovate and to do so speedily is a product of the agility and reach we have built into the business in the past two or three years.

Lager beer volumes, led by our flagship brands Safar Lager, Kilimanjaro Premium Lager and Castle Lager, recorded significant growth over prior year. A new PET packaging line was commissioned at Dar es Salaam Brewery to enable the Company to provide adequate supply convenience to consumers of the non-alcoholic beverage Grand Malt.

Tanzania Distilleries Limited sales volume for the year declined by 22%, having lost volume and market share to cheap sachets from competition and counterfeit products for Konyagi. TDL had to revise its price for Konyagi and Valeur in September to stem the increasing growth of cheap sachets in the market. This had a significant impact on TDL's Earnings before interest and tax (EBITA) which declined by 44% over budget. Volumes of our sorghum beer declined by 5% on budget. Our investment in new packaging technology for the revolutionary Chibuku Super brand could not come on stream before the end of the financial year. This exciting development will certainly change the face of the sorghum beer category. The new Chibuku Super is a shelf stable product which will be the first of its kind in this country and is poised to generate considerable consumer support. We are confident that our products will continue to satisfy our consumers needs as reflected by the increase in market share. We will continue to renovate the look and feel of our brands. Enhancements in our route-to-market also ensured that we continue to service the market more efficiently.

8,955 tons of malting barley and 695 tons of seed barley have been delivered from the 2013 long rain crop against an estimate of 9400 tons. In addition small-scale trials with new barley varieties are achieving yields of up to 3.5 tons per ha (vs average achieved yield of 1.1 tons per ha). TBL, in partnership with Syngenta, Yara, John Deere and Equity for Tanzania, are in the process of establishing and supporting 5 "model farmers" in Northern Tanzania. This follows the success of the commercial trials in the calendar year 2013.

As an alcohol beverage Company, we recognise that we have a special responsibility to promote the responsible use of alcohol. As part of our efforts to create a responsible drinking culture, we carried out alcohol training for distributors, a cross section of media practitioners from different organisations and all new employees to the business. Furthermore, we carried out innovative 'Responsible Drinking' activations during brand promotion activities with consumers being exposed to these activations during the year.

Let me hasten to assure you that the Company's strategy is sound. We now have ample capacity to continue to support market demand and we are able to make investment where appropriate and prudent. We have made deliberate choices on where we put our investments. In our brands and in our people. We are confident that these investments will yield dividends and improve total shareholder return in the years to come.

This is my last annual report, having stepped down as Managing Director on 1 April 2014. To my successor, Roberto M Jarrin, I wish the very best for the future. To my colleagues around the country, I can only express gratitude for the chance to learn from them and work with them over the past five years. Finally, to our shareholders, it has been an honour to lead this wonderful company on your behalf.

On behalf of the management, I want to especially thank our employees for their committment to the business, our customers who have stood by us and provided us with the opportunity to continue to deliver value to them and above all our shareholders for their support and unwavering belief in our shared aspirations.

Robin Goetzsche
Outgoing Managing Director

Repoti ya Mkurugenzi Mtendaji

For the year ended 31 March 2014

Kwa mara nyingine tena Tanzania Breweries Limited (TBL) imeweza kufanya vizuri sana pamoja ya kuwa na changamoto za kiuchumi na mazingira ya kibiashara. Tumefanikiwa kuongeza mauzo na faida kwa kiwango kizuri. Kutokana na mafanikio haya kampuni imeweza kuwa na uwezo wa kuongeza kiwango cha gawio kilicholipwa. Ninapenda kuwathibitishia pia ya kuwa kampuni imo na itaendelea kuwa na mafanikio zaidi katika siku zijazo. TBL na makampuni yake tanzu imeendelea kuwa na utendaji mzuri kifedha uliyowekea mkazo katika kuongeza faida kwenye bidhaa za kipekee katika soko (premium brands), kuongeza ufanisi katika uzalishaji, na ongezeko la thamani ya bidhaa zetu. Mafanikio haya makubwa yalipatikana katikati ya changamoto katika mazingira ya kibiashara hususani katika robo ya mwisho ya mwaka kutokana na kushuka kwa uwezo wa matumizi kwa wateja na mzunguko mdogo wa fedha katika soko.

Ukuwaji wetu katika mwaka huu umechangiwa haswa na uwezo wetu katika ubunifu na maboresho ya bidhaa zetu, na mkazo mkubwa uliowekwa kuboresha mpangilio wetu wa usambazaji wa bidhaa zetu kwa wateja. Ufanisi wetu katika ubunifu na utekelezaji wa haraka wa mipangilio yetu, ni uwezo ambao tumeweza kuujenga katika kipindi kifupi cha miaka miwili hadi mitatu.

Bidhaa zetu za bia, zikiongozwa na Safari, Kilimanjaro, na Castle; zimeweza kuweka rekodi ya kipekee kwa kukua katika soko ikilinganishwa na mwaka. Mtambo mpya wa chupa za plastiki ulizinduliwa katika kiwanda cha Dar es Salaam kwa ajili ya kinywaji chetu kisichokuwa na kilevi cha "Grand Malt", ili kuwapa pia wateja wetu fursa nyingine ya kuweza kuchagua kinywaji chetu katika kifungashio kingine rahisi.

Mauzo ya kampuni yetu tanzu ya Tanzania Distileries Ltd. (TDL), yalipungua kwa 22%. Kutokana upatikanaji wa bidhaa za bei ya chini toka kwenye ushindani, na bidhaa bandia zinazotengenezwa na kutumia vifungashio vya "Konyagi". Kutokana na hali hiyo, Septemba mwaka jana, TDL ililazimika kupunguza bei ya bidhaa zake za "Konyagi" na "Valuer" ili kuweza kushindana na bidhaa za pombe kali zenye bei rahisi zilizo kwenye kifungashio cha plastiki. Kwa ujumla wake hii iliathiri kwa kiwango kikubwa mapato yake kabla ya malipo ya riba na kodi (EBITA) ambayo yalikuwa 44% chini ya bajeti. Kiasi cha mauzo ya bidhaa zetu za pombe ya mtama ("Chibuku") nacho kilipungua kwa 5% chini ya bajeti. Kampuni iliwekeza kujenga mitambo mipya kwa ajili ya uzalishaji wa bidhaa mpya ya "Chibuku Super" hata hivyo ujenzi huu haukuweza kukamilika katika mwaka wa fedha ulioisha. Ujenzi huu utakapokamilika, utabadilisha sura na muonekano wa bidhaa hii ya pombe ya mtama. Bidhaa mpya ya "Chibuku Super" ina uwezo kukaa muda mrefu pasipo kuathiri ubora wake, na hii ni bidhaa mpya kabisa katika soko la Tanzania na tunatarajia ya kuwa itaungwa mkono na wateja. Tuna uhakika ya kuwa bidhaa zetu zitaendelea kukidhi mahitaji ya wateja wetu kama vile ukuaji wa soko unavyo dhihirisha hivi sasa. Tutaendelea kuwa wabunifu na kuongeza ubora wa mwonekano na ladha za bidhaa zetu. Msisitizo wetu katika kuboresha mifumo ya usambazaji wa bidhaa zetu umewezesha wateja wetu kuendelea kupata huduma nzuri, bora, na kuongeza ufanisi mkubwa katika kuwafikia wateja wetu.

Tani 8,955 za shayiri na tani 695 za mbegu za shayiri zilizalishwa katika msimu wa mvua ndefu za masika ulikinganisha na matarajio ya tani 9,400. Aidha mashamba ya majaribio kwa mbegu mpya ya shayiri, yameonyesha uzalishaji wa tani 3.5 kwa hekta (wakati uzalishaji wa wastani kwa sasa ni tani 1.1 kwa hekta). Tanzania Breweries Ltd. ikishirikiana na kampuni za Syngeta, Yara, John Deer, na Equity ya Tanzania zipo katika mchakato wa kuwatambua na kuwawezesha wakulima 5 wa mfano kaskazini-mashariki mwa Tanzania, ambao watakuwa wakulima bora wa mfano. Hii imetokana na mafanikio makubwa yaliyopatikana katika majaribio ya kilimo cha kibiashara katika mwaka 2013.

Kama kampuni inayotengeneza bidhaa zenye kilevi, tunafahamu fika kuwa tunao wajibu wa kutoa elimu bora na taarifa juu ya athari ya matumizi mabaya ya bidhaa hizo. Katika kutekeleza hilo, mafunzo juu ya unywaji bora na salama wa bidhaa zetu yalitolewa kwa wasambazaji wetu, wana habari kutoka vyombo mbalimbali vya habari, na wafanyakazi wetu wote wapya waliojiunga na kampuni. Mafunzo hayo pia yalitolewa kwa wateja ambao walihudhuria matamasha na shughuli za kukuza masoko ya bidhaa zetu yalioandaliwa na kampuni. Napenda kuwathibitishia ya kuwa mkakati wa Kampuni kibiashara upo imara, na kwa sasa tunao uwezo mkubwa na wa ziada wa kutosheleza mahitaji ya soko, na pale inapobidi tutazidi kuwekeza ili kuzingatia faida na ufanisi zaidi. Kama biashara, tumechukuwa hatua za makusudi na kuamua ni sehemu gani pa kuwekeza - katika bidhaa zetu, na wafanyakazi wetu. Tuna uhakika kuwa uwekezaji huu utaendelea kuleta mafanikio katika ulipwaji wa gawio, na kuongeza thamani ya hisa zetu kwa miaka mingi ijayo.

Hii ni taarifa yangu ya mwisho kwenu kama Mkurugenzi Mkuu kutokana na kuachia wadhifa huu kuanzia tarehe 1 April 2014; na hivyo kumkabidhi wadhifa huo Ndugu Roberto Jarrin, ambae namtakia kila la kheri na mafanikio zaidi katika kuiongoza kampuni yetu. Nawashukuru wafanyakazi wenzangu nchi nzima kwa kunipa fursa kubwa ya kujifunza toka kwenu katika kipindi changu cha miaka 5 nilichokuwa nanyi. Mwisho, kwawanahisa wetu, mmenipa heshima kubwa sana ya kuiongoza kampuni yetu kwa naiba yenu kwa mafanikio makubwa sana.

Kwa niaba ya menejimenti, napenda kutambua na kuthamini mchango mkubwa wa wafanyakazi wetu katika kuleta mafanikio ya kampuni yetu, wateja wetu ambao wametuunga mkono kwa kiasi kikubwa na kutupa fursa ya kuendelea kuwahudumia, na bila ya kuwasahau wanahisa wetu kwa kuzidi kutuamini na kuwekeza katika kampuni yetu.

Robin Goetzsche
Mkurugenzi Mkuu (Aliyeondoka)


AFRICAN BEER AWARDS
BIA No.1 AFRIKA
Safari LAGER
Bia ya Kibingwa kwa Wanaume Mabingwa
Safari LAGER
Ladha kamili, inayoridhisha zaidi.
Kunywa kistaarabu. Hairuhusiwi kuuzwa kwa wenye umri chini ya miaka 18.

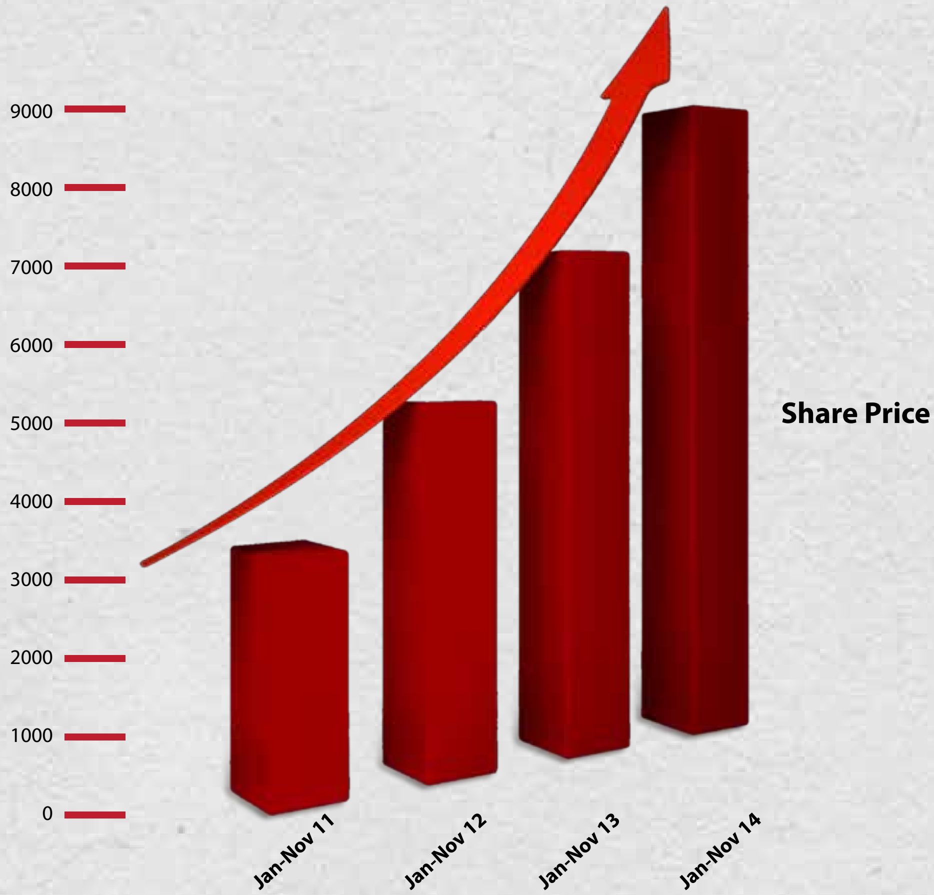
THE No.1 BEER IN AFRICA

Safari Lager has won two of the most highly regarded international beer awards in the last twelve months, which reaffirms the Brand's positioning as a 'Champion Beer for Champion Men". In March 2013, the Institute of Brewing and Distilling (IBD) awarded Safari Lager the Grand Champion prize at the inaugural African Beer Awards in Accra, Ghana, allowing it to claim the title of the Number One beer in Africa. A year later, the Brand was awarded another Monde Selection award on Monday 2nd June 2014 in Bordeaux, France, which in turn earned it the "International High Quality Trophy".

"Safari Lager has been well known for many years for its consistent high quality taste. However, to be awarded the Grand Champion award followed by another Monde Selection award in competitions against beers across the globe is something special. We have given our consumers confidence yet again that they are enjoying a truly Champion Beer," said Oscar Shelukindo, Brand Manager of Safari Lager at TBL.

Having established itself as a 'Champion Beer', the Brand shows consumers that they deserve no less than a 'Champion Beer', because they too have the power to become 'Champions'.

TBL SHARE PRICE ROCKETS



Tanzania Breweries Limited's (TBL) share price has increased by 165% in F14 (April 2013 to March 2014), which is a clear reflection that the Company has had yet another highly successful financial year.

Since TBL was listed on Dar es Salaam's Stock Exchange (DSE) in 1998, the share price has grown from 500 Tanzanian Shillings when listing to 8000 Tanzanian Shillings by the end of the financial year. This reflects a 1500% increase in just sixteen years, which illustrates just how much the Company has grown over the years.

"TBL continues to string together years of great performance", commented TBL's Finance Insights Manager Andrew Chagula. "Thanks to our consistent strategy, strong management, valuable customers and, most of all, hard-working employees, we have been able to pay a significant portion of the Company's earnings in dividends."

Not only do such impressive results allow the Company to create significant value for its shareholders, but ultimately is what allows the Company to continue to grow.

TBL Responsible Way - Kuwajibika kwa TBL

For the year ended 31 March 2014

1. RESPONSIBLE ALCOHOL USE

TBL Group practices and promotes the responsible use of alcohol by those who decide to consume our products, while at the same time endeavoring to prevent alcohol misuse and abuse.

2. ALCOHOL POLICY

Our alcohol policy sets a consistent national standard that TBL Group Companies must meet or exceed, and is integral to how we do business.

3. EMPLOYEES BEHAVIOR

TBL Group has an employee alcohol policy in place, which provides guidelines on responsible behavior as related to the use of alcohol by our employees.

4. COMMERCIAL COMMUNICATION

Our Compliance Committee meet periodically to monitor and review commercial communications presented by respective directorates, and develop recommendations and endorsements while ensuring that these comply with the Company Alcohol Policy, existing legislation, statutory regulations, self-regulatory codes and the SABMiller plc Code of Commercial Communication.

5. DRINKING AND DRIVING

In partnership with the National Road Safety Council and Tanzania Police Force we have continued to remind drivers and community, through our campaign, to Drink Responsibly Drive Responsibly. Annually we sponsor responsible anti-drink and drive campaign activities, provide communication materials and meet several of the road safety week event costs.

6. UNDERAGE DRINKING

Our underage restriction signage "Watoto chini ya miaka 18 hawaruhusiwi" reminds all parents and the community that we are active partners with them in efforts to prevent underage access in line with the liquor law.

Our cooperation with retail sales people presents a united front and strengthens the retailer's hand in refusing alcohol sales to anyone under the age of 18.

7. TRADE BREWING

We have been hosting Barman's guild or beer connoisseurs training for retail establishments to equip our partners with the skills necessary to serve alcohol responsibly, as well as intervene effectively with those who may have over-consumed. The programme has been directed at bartenders, waiters and waitresses at beer outlets and restaurants, store clerks, managers in bulk stores, liquor and grocery stores.

1. MATUMIZI MAZURI YA VILEO

TBL na kampuni zake tanzu inatumia na kutangaza matumizi mazuri ya vileo kwa wale walioamua kutumia bidhaa zetu, na wakati huohuo tukijitahidi kuzuia matumizi yasiyofaa na mabaya ya vileo.

2. SERA YA VILEO

Sera yetu ya vileo imeweka viwango vya kitaifa vilivyo thabiti ambavyo TBL na kampuni zake tanzu inapaswa kuvifikia au kuvipita, na ni muhimu kwa jinsi tunavyofanya shughuli za Kibiashara.

3. TABIA ZA WAFANYAKAZI

TBL na kampuni zake tanzu ina sera ya vileo kwa wafanyakazi inayotumika ambayo inatoa miongozo kuhusiana na matumizi mazuri na ya kuwajibika ya vileo.

4. MAWASILIANO YA KIBIASHARA

Kamati yetu ya Ridhaa inakutana mara kwa mara ili kufuatilia na kupitia mawasiliano ya kibiashara yanayowasilishwa na kurugenzi husika, na kutoa mapendekezo na idhini na wakati huohuo ikihakikisha kuwa yanakubaliana na Sera ya Vileo ya Kampuni, Sheria zilizopo, kanuni zilizokubalika na kanuni za udhibiti binafsi na Kanuni za SABMiller za Mawasiliano ya Kibiashara.

5. KUNYWA VILEO NA KUENDESHA GARI

Kwa kushirikiana na Baraza la Taifa la Usalama Barabarani na Jeshi la Polisi Tanzania, tumeendelea kuwakumbusha madereva na wananchi kupitia kampeni yetu, Kunywa kwa Kiasi Endesha kwa Uangalifu.

6. UNYWAJI VILEO KATIKA UMRI MDOGO

Msemo wetu wa kudhibiti matumizi ya vileo katika umri mdogo, "Watoto chini ya miaka 18 hawaruhusiwi" unawakumbusha wazazi na jamii yote kuwa tunashirikiana nao katika jitihada zetu za kuzuia watoto kupata mwanya wa kutumia vileo kama sheria ya vileo inavyosema.

Ushirikiano wetu na wauzaji reja reja wa bidhaa zetu ni nguvu dhabiti inayowaimarisha wauzaji hao katika kuhakikisha hawauzi vileo kwa yeyote mwenye umri chini ya miaka 18.

7. BIASHARA YA UTENGENEZAJI WA VILEO

Tumekuwa tukidhamini mafunzo ya vyama vya wenye baa na pia magwiji wa bia yanayohusiana na uanzishaji wa bishara za rejareja ili kuwapa washirika wetu ujuzi wa kutoa huduma kwa kiasi pamoja na kuwadhibiti ipasavyo wale wote watakaokuwa wametumia vileo kupita kiasi. Jitihada hizi zimeelekezwa kwa wahudumu wa kiume na wa kike katika baa na migahawa na kwa makarani na mameneja wa maduka ya jumla ya vileo na ya vyakula.

Statement of Directors' Responsibilities

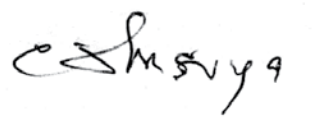
For the year ended 31 March 2014

The Companies Act, CAP 212 Act No.12 of 2002 requires directors to prepare financial statements for each financial period 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 for the year. 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 and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, CAP 212 Act No.12 of 2002. 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 Company and of their profit in accordance with International Financial Reporting Standards (IFRS). 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 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.

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

Approved by the board of directors on and signed on its behalf by:



Hon. C.D. Msuya 11 July 2014
Chairman

Report of the Independent Auditor

For the year ended 31 March 2014

Report on the financial statements

We have audited the accompanying financial statements of Tanzania Breweries Limited ("the Company") and its subsidiaries, Tanzania Distilleries Limited, Darbrew Limited and Kibo Breweries Limited (together "the Group"), which comprise the Group's and Company's statements of financial position as at 31 March 2014, and their respective statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company 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 Companies Act, CAP 212 Act No. 12 of 2002 and for such internal control, as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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 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 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 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 audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of the Group's and of the Company's financial affairs as at 31 March 2014 and of their profits and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act, CAP 212 Act No. 12 of 2002.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with Companies Act, CAP 212 Act No. 12 of 2002 and for no other purpose.

As required by Companies Act, CAP 212 Act No. 12 of 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed. There is no matter to report in respect of the foregoing requirements.

Michael M. Sallu, FCPA - PP

pwc

For and on behalf of PricewaterhouseCoopers
Certified Public Accountants
Dar es Salaam
15th July 2014

THE POWER OF "NANI MTANI JEMBE?"

Kilimanjaro Premium Lager this year rolled out Tanzania Breweries Limited's largest promotion yet - "Nani Mtani Jembe?". This campaign was designed to build a healthy rivalry between the two most supported Tanzanian football teams, Simba and Yanga; two teams that are also sponsored by the Brand.

Each of the two teams were given 50 million shillings. Football fans were then directed to SMS a unique code found under their Kilimanjaro Premium Lager bottle cap, along with the name of one of the two football teams to a given number. For every SMS sent in support of a team, that team would 'steal' a small amount of money from the other.

"The competition was able to showcase Kilimanjaro Premium Lager as a brand that empowers Tanzanian sport", concluded Kilimanjaro Premium Lager Brand Manager, George Kavishe. In addition to this, the Brand's volumes increased by 19% during the promotion, giving further evidence of how powerful the promotion was.

"Nani Mtani Jembe?" will run yet again in 2014, giving Simba fans the chance to prove that they can compete with the fans of Yanga.

For the year ended 31 March 2014

Statements of Profit or Loss and other Comprehensive Income

	Notes	Group 2014 TShs'M	Group 2013 TShs'M	Company 2014 TShs'M	Company 2013 TShs'M
Revenue	6	**979,651**	892,017	**818,695**	729,663
Cost of sales	7	**(477,113)**	(449,827)	**(372,408)**	(349,898)
Gross profit		**502,538**	442,190	**446,287**	379,765
Selling and distribution costs	7	**(142,650)**	(126,719)	**(132,813)**	(117,427)
Administrative expenses	7	**(61,617)**	(52,873)	**(52,403)**	(45,715)
Other (expenses)/income	9	**(39)**	(3,803)	**17,407**	12,967
Derivative income /(loss)	10	**438)**	4,397	**438**	4,397
Operating profit		**297,794**	263,192	**278,040**	233,987
Finance income	11	**2,684**	4,998	**7,648**	8,215
Finance costs	11	**(7,759)**	(14,377)	**(7,225)**	(14,864)
Profit before income tax		**292,719**	253,813	**278,463**	227,338
Income tax expense	12	**(89,012)**	(76,685)	**(80,449)**	(64,317)
Profit for the year		**203,707**	177,128	**198,014**	163,021
Attributable to:					
Non-controlling interests		**7,257**	9,784		
Equity holders of the Company		**196,450**	167,344		
		203,707	177,128		
Other comprehensive income:					
Cash flow hedges:					
Fair value gains transferred to receivables		**143**	494	**109**	494
Fair value gains (losses) transferred to payables		**2,246**	(1,532)	**2,046**	(1,410)
Total comprehensive income		**206,096**	176,090	**200,167**	162,105
Attributable to:					
Non-controlling interests		**7,339**	9,741		
Equity holders of the Company		**198,757**	166,349		
		206,096	176,090		
Basic earnings per share (TShs)	13	**679.7**	579.1		
Diluted earnings per share (TShs)	13	**666.1**	567.4		

For the year ended 31 March 2014

Statements of Financial Position as at 31 March

	Notes	Group 2014 TShs'M	Group 2013 TShs'M	Company 2014 TShs'M	Company 2013 TShs'M
ASSETS					
Non-current assets					
Property, plant and equipment	15	**474,670**	426,662	**445,113**	402,690
Intangible assets	16	**48,981**	49,343	**805**	1,158
Investments	17	**88**	88	**53,942**	53,924
		523,739	476,093	**499,860**	457,772
Current assets					
Inventories	18	**145,195**	126,448	**110,885**	102,322
Accounts receivable	19	**96,985**	86,357	**114,805**	94,582
Bank and cash balances	20	**11,090**	49,442	**6,921**	42,065
		253,270	262,247	**232,611**	238,969
Total assets		**777,009**	738,340	**732,471**	696,741
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	21	**29,493**	29,493	**29,493**	29,493
Share premium	21	**45,346**	45,346	**45,346**	45,346
Retained earnings		**479,007**	415,275	**469,393**	404,097
Other reserves	22	**(10,888)**	(13,195)	**(10,961)**	(13,116)
		542,958	476,919	**533,271**	465,820
Non-controlling interests	23	**9,645**	10,683	**-**	-
Total equity		**552,603**	487,602	**533,271**	465,820
LIABILITIES					
Non-current liabilities					
Borrowings	24	**2,250**	1,875	**-**	1,875
Deferred income tax liabilities	25	**48,454**	41,415	**45,310**	39,382
Provisions for other liabilities and charges	26	**829**	447	**829**	447
		51,533	43,737	**46,139**	41,704
Current liabilities					
Trade and other payables	27	**116,056**	129,505	**99,881**	111,116
Borrowings	24	**54,642**	71,724	**46,207**	71,724
Current Income tax liabilities	28	**2,175**	5,772	**6,973**	6,377
		172,873	207,001	**153,061**	189,217
Total liabilities		**224,406**	250,738	**199,200**	230,921
Total equity and liabilities		**777,009**	738,340	**732,471**	696,741

The financial statements on pages 28 to 75 were approved by the board of directors on 11 July 2014 and signed on its behalf by:-

Hon. C.D. Msuya
Chairman

For the year ended 31 March 2014

Statement of Changes in Equity

Attributable to equity holders of the Parent

	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interest	Total Equity
		TShs'M	TShs'M	TShs'M	TShs'M	TShs'M	TShs'M	TShs'M
GROUP								
Year ended 31 March 2014								
Balance at 1 April 2013		29,493	45,346	(13,195)	415,275	476,919	10,683	487,602
Comprehensive income								
Profit for the year		-	-	-	196,450	196,450	7,257	203,707
Cash flow hedge fair value gain (net)	22	-	-	2,307	-	2,307	82	2,389
Total Comprehensive income		-	-	2,307	196,450	198,757	7,339	206,096
Transactions with owners								
Dividends paid	14	-	-	-	(132,718)	(132,718)	(8,377)	(141,095)
Balance at 31 March 2014		**29,493**	**45,346**	**(10,888)**	**479,007**	**542,958**	**9,645**	**552,603**
Year ended 31 March 2013								
Balance at 1 April 2012		**29,493**	**45,346**	**(12,209)**	**336,410**	**399,040**	**6,070**	**405,110**
Comprehensive income								
Profit for the year		-	-	-	167,344	167,344	9,784	177,128
Cash flow hedge fair value losses (net)	22	-	-	(995)	-	(995)	(43)	(1,038)
Total comprehensive income		-	-	(995)	167,344	166,349	9,741	176,090
Transactions with owners								
Dividends paid	14	-	-	-	(88,479)	(88,479)	(7,514)	(95,993)
Repayment of loan investment	22	-	-	9	-	9	-	9
Acquisition of a subsidiary	34	-	-	-	-	-	2,386	2,386
Balance at 31 March 2013		**29,493**	**45,346**	**(13,195)**	**415,275**	**476,919**	**10,683**	**487,602**

For the year ended 31 March 2014

Statement of Changes in Equity (continued)

	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
		TShs'M	TShs'M	TShs'M	TShs'M	TShs'M
COMPANY						
Year ended 31 March 2014						
Balance at 1 April 2013		29,493	45,346	(13,116)	404,097	**465,820**
Comprehensive income						
Profit for the year		-	-	-	198,014	**198,014**
Cash flow hedge fair value gain (net)	22	-	-	2,155	-	**2,155**
Total comprehensive income		-	-	2,155	198,014	**200,169**
Transactions with owners						
Dividends to equity holders of the company	14				(132,718)	**(132,718)**
Balance at 31 March 2014		**29,493**	**45,346**	**(10,961)**	**469,393**	**533,271**
Year ended 31 March 2013						
Balance at 1 April 2012		29,493	45,346	(12,209)	329,555	**392,185**
Comprehensive income						
Profit for the year		-	-	-	163,021	**163,021**
Cash flow hedge fair value losses (net)	22	-	-	(916)	-	**(916)**
Total comprehensive income		-	-	(916)	163,021	162,105
Transactions with owners						
Dividends to equity holders of the company	14	-	-	-	(88,479)	**(88,479)**
Repayment of loan investment	22	-	-	9	-	**9**
Balance at 31 March 2013		**29,493**	**45,346**	**(13,116)**	**404,097**	**465,820**

For the year ended 31 March 2014

Statement of Cash Flows

	Notes	Group 2014 TShs'M	Group 2013 TShs'M	Company 2014 TShs'M	Company 2013 TShs'M
Cash flows from operating activities					
Cash generated from operations	32(i)	**312,614**	294,382	**275,591**	248,588
Interest paid	32(ii)	**(5,118)**	(8,721)	**(5,064)**	(8,721)
Income tax paid	32(iii)	**(85,570)**	(69,917)	**(73,925)**	(57,098)
Net cash inflow from operating activities		**221,926**	215,744	**196,602**	182,769
Cash flows from investing activities					
Purchase of property, plant and equipment	32(v)	**(101,850)**	(102,209)	**(91,898)**	(96,890)
Purchase of intangible assets	16	**(147)**	(518)	**(147)**	(518)
Dividend income received		**-**	-	**15,558**	13,954
Interest received	32(iv)	**2,918**	5,597	**7,882**	8,814
Purchase of Subsidiary	34	**-**	(8,816)	**(18)**	(8,816)
Cash acquired with subsidiary		**-**	57	**-**	-
Proceeds from disposal of property, plant and equipment		**211**	1,071	**115**	1,050
Net cash used in investing activities		**(98,868)**	(104,818)	**(68,508)**	(82,406)
Cash flows from financing activities					
Dividends paid to Company shareholders	32(vi)	**(133,685)**	(145,566)	**(133,685)**	(145,566)
Dividends paid to non controlling interests	32(vi)	**(8,377)**	(7,514)	**-**	-
Repayments of bank borrowings		**3,000**	-	**-**	-
Repayments of bank borrowings	32(vii)	**(55,850)**	(10,343)	**(55,850)**	(10,343)
Purchase of own shares	22	**-**	9	**-**	9
Net cash utilised in financing activities		**(194,912)**	(163,414)	**(189,535)**	(155,900)
Net increase in cash and cash equivalents		**(71,854)**	(52,488)	**(61,441)**	(55,537)
Cash and cash equivalents at the start of year		**34,551**	92,901	**27,174**	89,059
Exchange (loss)/gain on cash and cash equivalent		**(3,469)**	(5,862)	**(2,989)**	(6,348)
Cash and cash equivalents at the end of year	20	**(40,772)**	34,551	**(37,256)**	27,174

TBL WINS AGAIN

AT THE PRESIDENT'S MANUFACTURER OF THE YEAR AWARDS

Tanzania Breweries Limited (TBL) has won two highly regarded awards at the President's Manufacturer of the Year Awards ceremony on the 28th of March 2014. The Company was awarded the Overall Winner under the Beverages Large Industries category and the first runner-up of the 2013 President's Manufacturer of the Year Award. The President's Manufacturer of the Year Awards recognises companies for their contributions to the Country's economic development, in terms of employment and wealth creation.

According to TBL's Corporate Affairs and Legal Director, Steve Kilindo, "TBL accredits these awards to the investments and effort of shareholders, consumers, employees, distributors and retailers". The Company has won awards at this annual event over eleven times in various categories, "which illustrates how significant the Company's overall contribution to the economy has been", continued Kilindo.

The hard work TBL is putting in is clearly not only allowing them to be a highly successful Company when it comes to financial profits, but a Company that is playing an important role in taking Tanzania forward.

Index to Notes to Financial Statements

For the year ended 31 March 2014

Notes

1. GENERAL INFORMATION

Tanzania Breweries Limited is incorporated in the United Republic of Tanzania under the Companies Act as a limited liability Company. The Company is listed on the Dar es Salaam Stock Exchange and is domiciled in the United Republic of Tanzania. The principal activities of the Company and its subsidiaries are disclosed in the Annual Report. The address of its registered office is:

Uhuru Street,
Mchikichini, Ilala District,
Plot 79, Block “AA”,
PO Box 9013,
Dar es Salaam, Tanzania

2. 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

These financial statements have been 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 Tanzanian Shillings (TShs), rounded to the nearest million.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires the directors to exercise their judgment in the process of applying the Group’s and the Company’s accounting policies. The areas involving a higher degree of judgment 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) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2013 and have a material impact on the Group and Company.

Amendment to IAS 1, ‘Presentation of Financial Statements’ regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendment is effective for periods beginning on or after 1 July 2012.

IFRS 13, ‘Fair value measurement’, aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The standard is effective for periods beginning on or after 1 January 2013. The standard has no impact on the financial statement disclosures.

IFRS 10, Consolidated financial statements’, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The directors are yet to assess IFRS 10’s full impact and intend to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013. The standard has no impact on the financial statement disclosures.

Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(ii) New standards and interpretations that are not yet effective and have not been early adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company and the Group, except the following:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group and the Company.

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of their shareholders give the group the power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control passed to the Group and are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.
Acquisition-related costs are expensed as incurred

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the statement of profit or loss.

Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Consolidation (continued)

(i) Subsidiaries (continued)

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profit or losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Transactions and non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group that is recorded in profit or loss. Purchases from non-controlling interests result in goodwill, being the difference between any considerations paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as operating board that makes strategic decisions.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Tanzanian Shillings (TShs), rounded to the nearest million, which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the statement of financial position date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges. Foreign exchange gains and losses that relate to borrowing and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other exchange gain or losses are presented in the profit or loss within 'other (losses)/gains'.

Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

All property, plant and equipment are shown at cost, less subsequent depreciation and impairment. Cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group or Company and the cost of the item can be reliably measured.

Repair and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over the estimated useful life, as follows:

Buildings	Shorter of the lease term or 50 years
Plant and machinery	10 – 15 years
Furniture, equipment and vehicles	3 – 12 years

Containers in circulation are recorded within property, plant and equipment at cost net of accumulated depreciation less any impairment loss. Depreciation of returnable bottles and containers is recorded to write the cost of containers off over the course of their economic life estimated to be 3 years. The excess over deposit value is written down over a period of 3 years. Provisions are made against the deposit value for breakages and losses in trade.

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are charged to profit or loss during the financial period in which they are incurred.

Assets in the course of construction are carried at cost less any impairment loss. Cost includes professional fees and, for qualifying assets, certain borrowing costs. When these assets are ready for their intended use, they are transferred into the appropriate category. At this point, depreciation commences on the same basis as on other property, plant and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

(f) Intangible assets

(i) Goodwill

Goodwill arising on consolidation represents the excess of the costs of acquisition over the Group's interest in the fair value of the identifiable assets (including intangibles), less liabilities and contingent liabilities of the acquired entity at the date of acquisition. Where the fair value of the Group's share of identifiable net assets acquired exceeds the fair value of the consideration, the difference is recorded as negative goodwill. Negative goodwill arising on an acquisition is recognised immediately in profit or loss.

Goodwill is stated at cost less impairment losses and is reviewed for impairment on an annual basis or more frequently if events or changes in

Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible assets (continued)

(i) Goodwill (continued)

circumstances indicate a potential impairment. Any impairment identified is recognised immediately in profit or loss and is not reversed.

(ii) Software

Where computer software is not an integral part of a related item of property, plant and equipment, the software is capitalised as an intangible asset.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring them to use. Direct costs associated with the production of identifiable and unique internally generated software products controlled by the Group or Company are recognised as intangible assets, when the following criteria have been met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include software development employment costs (including those of contractors used) and an appropriate portion of overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised computer software, license and development costs are amortised over their useful economic lives of between 3 and 5 years.

Internally generated costs associated with maintaining computer software programmes are expensed as incurred.

(iii) Brands

Brands are recognised as an intangible asset where the brand has a long-term value. Acquired brands are only recognised where title is clear or the brand could be sold separately from the rest of the business and the earnings attributable to it are separately identifiable.

Acquired brands are amortised. In respect of brands currently held the amortisation period is 10 to 40 years, being the period for which the group has exclusive rights to those brands.

(g) Impairment of assets

This policy covers all assets except inventories (see note i), financial assets and deferred income tax assets (see note q).

Impairment reviews are performed by comparing the carrying value of the non-current asset to its recoverable amount, being the higher of the fair value less costs to sell and value in use.

The fair value less costs to sell is considered to be the amount that could be obtained on disposal of the asset. The value in use of the asset is determined by discounting, at a market based pre-tax discount rate, the expected future cash flows resulting from its continued use, including those arising from its final disposal. When the carrying values of non-current assets are written down by any impairment amount, the loss is recognised in profit or loss in the period in which it is incurred.

Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of assets (continued)

Where the asset does not generate cash flows that are independent from the cash flows of other assets, the group or Company estimates the recoverable amount of the cash generating unit (CGU) to which the assets belongs. For the purpose of conducting impairment reviews, CGUs are considered to be groups of assets and liabilities that have separately identifiable cash flows. They also include those assets and liabilities directly involved in producing the income and a suitable proportion of those used to produce more than one income stream.

When impairment is recognised, the impairment loss is held firstly to reduce the carrying amount of any goodwill allocated to the CGU then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

Should circumstances or events change and give rise to a reversal of a previous impairment loss, the reversal is recognised in profit or loss in the period in which it occurs and the carrying value of the asset is increased. The increase in the carrying value of the asset is restricted to the amount that it would have been had the original impairment not occurred. Impairment losses in respect of goodwill are irreversible.

Intangible non-current assets with an indefinite life and goodwill are tested annually for impairment. Assets subject to amortisation are reviewed for impairment if circumstances or events change to indicate that the carrying value may not be fully recoverable.

(h) Investments in subsidiaries

Investments in subsidiaries are carried at cost. If there is objective evidence that an impairment loss has been incurred on investments in subsidiaries, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Any subsequent reversal of an impairment loss is recognised in the statement of profit or loss and other comprehensive income.

(i) Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value, as follows:

- Raw materials: Purchase cost net of discounts and rebates on a first-in first-out basis (FIFO);
- Consumable stores and spares: Purchase cost net of discounts and rebates on a weighted average basis; and
- Finished goods and work in progress: Raw material cost plus direct costs and a proportion of manufacturing overhead expenses on a FIFO basis.

Net realisable value is the estimated selling price in an open market less further costs expected to be incurred to completion and disposal.

(j) Deposits by customers

Bottles and containers in circulation are recorded within property plant and equipment and a corresponding liability is recorded in respect of the obligation to repay customers' deposit. Deposits paid by customers for branded returnable containers are reflected in statement of financial position within current liabilities. Any estimated liability that may arise in respect of deposits for containers and bottles is shown in provisions.

(k) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost.

Provision for impairment of trade receivables is established when there is objective evidence that the Group or Company will not be able to collect all amounts due according to the terms of the receivables. The amount of the provision is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. This provision is recognised in profit or loss.

Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits payable on demand, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on statement of financial position and are included within cash and cash equivalents on the face of the cash flows as they form an integral part of the Group's or Company's cash management.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Investment in own shares (treasury and shares held by employee benefit trusts)

Shares held by employee share benefit trusts and in treasury are treated as a deduction from equity until the shares are cancelled, reissued or disposed of.

Purchases of such shares are classified in the cash flow statement of cash flows as a purchase of own shares for share trust or purchase of own shares for treasury within net cash from financing activities.

Where such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental costs and related tax effects, is included in equity attributable to the Company's equity shareholders.

(o) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

(p) Provisions

Provisions are recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount and the movement is recognised in profit or loss within finance costs.

(q) Income tax

Income tax expense is the aggregate of the charge in profit or loss in respect of current and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income tax (continued)

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(r) Operating 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 (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(s) Employee benefits

(i) Bonus plans

The Group and the Company recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group and the Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Defined contribution plan

The Group and Company pay contributions to the National Social Security Fund (NSSF) and Parastatal Pensions Fund (PPF), which are publicly, administered pension plans, on a mandatory basis. These are defined contribution schemes. A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity.

The Group and the Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's and the Company's contributions are recognised as employee benefit expense when they are due.

(t) Earnings per share

Basic earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders of the parent entity, divided by the weighted average number of ordinary shares outstanding during the year, excluding the weighted average number of ordinary shares held in the Group's and the Company's employee benefit trust during the year.

Diluted earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders, divided by the weighted average number of ordinary shares outstanding during the year, including the weighted average number of ordinary shares held in the Group's and the Company's employee benefit trust during the year, plus the weighted average number of dilutive shares resulting from share options and other potential ordinary shares outstanding during the year.

Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Dividends distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

(v) Revenue recognition

(i) Sale of goods

Revenue excludes value added tax. It is stated net of price discounts, promotional discounts and after an appropriate amount has been provided to cover the sales value of credit notes yet to be issued that relate to the current and prior periods.

The same recognition criteria also apply to the sale of by-products and waste (such as spent grain, malt dust and yeast).

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Royalty income

Royalty income is recognised on an accruals basis in accordance with the relevant agreements and is included in other income.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(w) Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group or Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(x) Derivative financial assets and financial liabilities

Derivative financial assets and financial liabilities are financial instruments whose value changes in response to an underlying variable, require little or no initial investment and are settled in the future.

Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Derivative financial assets and financial liabilities (continued)

These include derivatives embedded in host contracts. Such embedded derivatives need not be accounted for separately if the host contract is already fair valued; if it is not considered as a derivative if it was freestanding; or if it can be demonstrated that it is closely related to the host contract.

(y) Derivative financial instruments – hedge accounting

Financial assets and financial liabilities at fair value through profit or loss include all derivative financial instruments. The derivative instruments used by the Group, which are used solely for hedging purposes (i.e. to offset foreign exchange and interest rate risks), comprise interest rate swaps, cross currency swaps, forward foreign exchange contracts and other specific instruments as necessary under the approval of the board. Such derivative instruments are used to alter the risk profile of an existing underlying exposure of the group in line with the group's risk management policies. The group also has derivatives embedded in other contracts primarily cross border foreign currency supply contracts for raw materials.

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the hedging relationship.

In order to qualify for hedge accounting, the group is required to document at inception, the relationship between the hedged item and the hedging instrument as well as its risk management objectives and strategy for undertaking hedging transactions. The group is also required to document and demonstrate that the relationship between the hedged item and the hedging instrument will be highly effective. This effectiveness test is reperformed at each period end to ensure that the hedge has remained and will continue to remain highly effective.

The Group designates certain derivatives as either: hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or hedges of highly probable forecast transactions or commitments (cash flow hedge).

Cash flow hedges

Cash flow hedges comprise derivative financial instruments designated in a hedging relationship to manage currency and interest rate risk to which the cash flows of certain liabilities are exposed. The effective portion of changes in the fair value of the derivative that is designated and qualifies for hedge accounting is recognised in other comprehensive income. The ineffective portion is recognised immediately in profit or loss. Amounts accumulated in equity are reclassified to profit or loss in the period in which the hedged item affects profit or loss. However, where a forecasted transaction results in a non-financial asset or liability, the accumulated fair value movements previously deferred in equity are included in the initial cost of the asset or liability.

(z) Comparatives

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

A PERFECT PARTNERSHIP

Castle Lager signed a three-year partnership deal with Football Club Barcelona (FCB) on the 26th of July 2013 at the home of the club, Camp Nou in Barcelona, Spain. This partnership made Castle Lager the Official African Beer of FC Barcelona.

It has opened the door for FCB fans across the Country to "have more intimate experiences with the club", explained Castle Lager Brand Manager Kabula Nshimo, as well as having access to FCB merchandise and memorabilia. A promotion has been developed where fans are given a chance to win "an all expenses paid trip" to Barcelona to visit the club. In addition, Castle Lager recently launched the "Perfect Six" football tournament: a six a-side football tournament in which consumers are invited to form a team and compete to win a trip to watch a FCB match live.

The partnership will also have an impact at a grass roots level. A two day Soccer Coaches Clinic will be hosted at the National Stadium in which the FCB Technical Bench will provide training to Tanzanian Premier League coaches, which will certify them to share their learnings with upcoming coaches throughout Tanzania.

Castle Lager will not only maintain its Big Brand feel by engaging itself with one of the biggest sports clubs in the world, but can give its consumers yet another opportunity to have 'Perfect' football experiences.

CASTLE LAGER

FCB

FCBARCELONA
OFFICIAL AFRICAN BEER

Notes (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments 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.

The Group and the Company make 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.

(i) Income tax

Significant judgment is required in determining the Company's and Group's overall income tax provision or estimated future recovery of income tax losses. There are many transactions and calculations, for which the ultimate tax determination is uncertain. The Company and Group recognise liabilities for anticipated tax audit issues, based on estimates of whether additional taxes will be due. Where the final outcome of tax matters is different from the amounts that were initially recorded, such differences will have an impact on the current and any deferred income tax provisions in the periods in which the determination is made.

(ii)Impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2 (f). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

No impairment charge arose during the course of the year. The value in use as at 31 March 2014 was estimated at TShs 3,528 billion. If the budgeted EBIDTA growth rate used in the value-in-use calculation for the Clear beer segment had been 10% lower than management's estimates at 31 March 2014, the estimated value in use would have been TShs 43 billion lesser than the management estimated value and would have resulted to no impairment of goodwill.

If the estimated cost of capital used in determining the pre-tax discount rate for the Clear beer segment had been 10% higher than management's estimates, the fair value would have been TShs 639 billion higher than the estimated amount, which will result to no impairment of goodwill.

If the estimated long-term growth rate used in determining the value in use of the clear beer segment had been 10% lower than management's estimates, the fair value would have been TShs 315 billion lower than the estimated amount, which will result to no impairment of goodwill.

4. FINANCIAL RISK MANAGEMENT

4.1. Financial risk factors

The Group's and Company's activities expose it to a variety of financial risks including: market risk (including foreign exchange, interest rate and price risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimize potential adverse effects on the Group's financial performance. Risks management is carried out by the management on behalf of the Board of Directors.

For the year ended 31 March 2014

Notes (continued)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1. Financial risk factors (continued)

GROUP	Exposure in ZAR	Exposure in US$	Exposure in Euro	Total exposure
31 March 2014	**TShs`M**	**TShs`M**	**TShs`M**	**TShs`M**
Financial assets/(liabilities)				
Cash and cash equivalents	666	2,746	186	3,598
Trade and other receivables	252	3,589	306	4,147
Borrowings	(165)	(78)	-	(243)
Trade and other payable	(9,116)	(12,307)	(13,913)	(35,336)
Net monetary assets/ (liabilities)	**(8,363)**	**(6,050)**	**(13,421)**	**(24,834)**
31 March 2012				
Financial assets/(liabilities)				
Cash and cash equivalents	-	1,248	10,289	11,537
Trade and other payables	(7,997)	(4,840)	(1,823)	(14,660)
Net monetary assets/(liabilities)	**(7,997)**	**(3,592)**	**8,466**	**(3,123)**

COMPANY				
31 March 2014	**TShs`M**	**TShs`M**	**TShs`M**	**TShs`M**
Financial assets/(liabilities)				
Cash and cash equivalents	324	1,208	68	1,600
Trade and other receivables	252	3,589	306	4,147
Borrowings	(165)	(78)	-	(243)
Trade and other payable	(9,806)	(12,277)	(10,862)	(32,945)
Net monetary assets/ (liabilities)	**(9,395)**	**(7,558)**	**(10,488)**	**(27,441)**
31 March 2013				
Financial assets/(liabilities)				
Cash and cash equivalents	-	3,425	1,130	4,555
Trade and other receivables	251	3,589	305	4,145
Trade and other payables	(364)	(3,667)	(3,822)	(7,853)
Net monetary assets/(liabilities)	**(113)**	**3,347**	**(2,387)**	**847**

At 31 March 2014, if the Tanzania shilling (TShs) had weakened/strengthened by 10% (2013: 10%) against the US dollar with all other variables held constant, Group's post-tax profit for the year would have been higher or lower by TShs 424 million (2013: TShs 167 million) and the Company's post-tax profit for the year by TShs 529 million (2013: TShs 234 million), mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated cash and cash equivalents and trade and other payable.

At 31 March 2014, if the Tanzania shilling (TShs) had weakened/strengthened by 10% (2013: 10%) against the Euro with all other variables held constant, Group's post-tax profit for the year would have been higher/lower by TShs 939 million (2013: TShs 33 million) and Company's post-tax profit for the year by TShs 734 million (2013: TShs 167 million), mainly as a result of foreign exchange gains/losses on translation of Euro-denominated cash and cash equivalents and trade and other payable.

Notes (continued)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1. Financial risk factors (continued)

Market risk

(i) Foreign exchange risk

The Group and Company import raw materials, capital equipment and services and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Euro and SA Rand. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities.

Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies. The group and company are required to hedge the entire foreign risk exposure with the group treasury.

The Group adopts a policy of ensuring that net monetary assets or liabilities denominated in a non-functional currency are lower than TShs 20 billion. In addition, the Group's policy is to limit the impact to 1% of Group operating profit (excluding exceptional items) for each 10% change in foreign exchange rates.

The tables below set out the Group's currency exposures from financial assets and liabilities held by the group companies in currencies other than their functional currencies and resulting in exchange movements in profit or loss and statement of financial position.

(ii) Cash flow and fair value rate risk

The Group's and Company's interest bearing financial liabilities include its bank overdrafts, short-term loans and corporate bonds, some of which are at a variable rate, and on which it is therefore exposed to cash-flow interest rate risk. The Group and Company regularly monitor financing options available to ensure optimum interest rates are obtained. At 31 March 2014, an increase/decrease of 100 basis points (2013:100 basis points) would have resulted in a decrease/increase in post-tax profit of the Group and Company of TShs 152 million (2013: TShs 130 million).

(iii) Price Risk Disclosures

The Group and Company exposure to price risk considered negligible both to the Group and Company.

Credit risk

Credit risk is managed by the National Credit Manager. Credit risk arises from cash at bank and short-term deposits with banks, as well as trade and other receivables. The Group or Company has no significant concentrations of credit risk. The National Credit Manager assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with parameters set by the Board. The utilisation of credit limits is regularly monitored.

The counterparties to the transactions relating to the Group's and Company's cash and cash equivalents are financial institutions with a strong financial standing. The Group manages the risk by banking with financial institutions assessed as financially strong. Management does not believe there is a significant risk of non-performance by these counterparties.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. The Group and Company monitor receivables ensuring that all trade receivables are within their approved credit limits and no receivables have had their terms renegotiated.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings, if available, or historical information about counterparty default rates:

For the year ended 31 March 2014

Notes (continued)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1. Financial risk factors (continued)

Credit risk (continued)

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Trade receivables and other receivables				
Counterparties without external credit rating:				
Group 1 – New customers	**484**	860	**475**	839
Group 2 – Existing customers with no defaults in the past	**68,384**	47,619	**54,120**	36,859
Other receivables (excluding advance to suppliers and prepayments) - Not in arrears	**12,413**	16,171	**45,855**	38,382
	81,281	64,650	**100,450**	76,080
Cash at bank and short term bank deposits	10,918	49,264	6,845	41,975

There is no independent credit rating for banks operating in Tanzania. However, the Group and Company's bankers are reputable local banks and subsidiaries of reputable international banks. The Group banks with the following banks: Stanbic Bank Tanzania Limited, Standard Chartered Bank Tanzania Limited, Citibank Tanzania Limited, National Bank of Commerce Limited, CRDB Bank Plc and Microfinance Bank Plc

All major credit customers are required to give collateral in the form of cash deposits or bank guarantees. Credit risk is managed by limiting the aggregate amount of exposure to any counterparty. The trade receivable balances are net of these cash deposits and bank guarantee balances.

Collateral held comprises:	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Cash security	22,215	21,263	20,539	19,766
Bank guarantees	29,638	13,739	29,638	11,779
	51,853	35,002	50,177	31,545

None of these assets are either past due or impaired except for the following amounts in trade receivables (which are due within 30 days of the end of the month in which they are invoiced). The individually impaired receivables mainly relate to trading debt. It was assessed that a portion of the receivables is expected to be recovered. The aging of these receivables is as follows;

Notes (continued)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1. Financial risk factors (continued)

	Group		Company	
	2014	2013	**2014**	2013
	TShs'M	TShs'M	**TShs'M**	TShs'M
Past due but not impaired:				
- by up to 30 days	**10,842**	1,507	**5,574**	575
- by 31 to 60 days	**2,435**	1,209	**1,728**	1,086
- by over 60 days	**5,158**	1,948	**3,126**	1,871
Total past due but not impaired	**18,435**	4,664	**10,428**	3,532
Trade receivables individually determined to be impaired:				
Carrying amount before provision for impairment loss	**1,828**	1,511	**1,338**	1,082
Provision for impairment loss	**(1,828)**	(1,511)	**(1,338)**	(1,082)
Net carrying amount	**-**	-	**-**	-

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the group maintains flexibility in funding by maintaining availability under committed credit lines and through inter-Company short term advances. Management monitors rolling forecasts of the group's liquidity reserve on the basis of expected cash flows.

The table below analyses the group's non derivative financial liabilities and derivative financial instruments which will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The table below shows the availability of funding for the Group from banks and their related utilisation at the statement of financial position dates.

	31 March 2014		31 March 2013	
Name of bank	**Credit limit**	**Utilised**	Credit limit	Utilised
	TShs'M	**TShs'M**	TShs'M	TShs'M
Group				
Stanbic Bank Tanzania Limited	**9,050**	**-**	9,050	-
Standard Chartered Bank Tanzania Limited	**30,000**	**26,312**	30,000	7,647
Citibank Tanzania Limited	**48,750**	**80**	48,750	4
National Bank of Commerce Limited	**12,000**	**9,592**	11,000	-
CRDB Bank Plc	**25,000**	**3,104**	25,000	7,240
National Microfinance Bank Plc	**30,000**	**12,774**	30,000	-
	154,800	**51,862**	153,800	14,891

Notes (continued)

4. FINANCIAL RISK MANAGEMENT (continued)

	31 March 2014		31 March 2013	
Name of bank	**Credit limit TShs'M**	**Utilised TShs'M**	Credit limit TShs'M	Utilised TShs'M
Company				
Stanbic Bank Tanzania Limited	**9,050**	**-**	9,050	-
Standard Chartered Bank Tanzania Limited	**30,000**	**19,340**	30,000	7,647
Citibank Tanzania Limited	**48,750**	**80**	48,750	4
National Bank of Commerce Limited	**11,000**	**9,592**	11,000	-
CRDB Bank Plc	**25,000**	**3,104**	25,000	7,240
National Microfinance Bank Plc	**30,000**	**12,061**	30,000	-
	153,800	**44,177**	153,800	14,891

The table below analyses the group's non derivative financial liabilities and derivative financial instruments which will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Group		Company	
	Within 1 year TShs'M	**Between 2 and 5 years TShs'M**	**Within 1 year TShs'M**	**Between 2 and 5 years TShs'M**
At 31 March 2014				
Non derivative financial liabilities				
Borrowings and interest on borrowings	3,022	2,250	2,099	-
Trade and other payables	92,810	-	81,166	-
Derivative financial liabilities				
Cash flow hedges (net cashflow)	28,832	-	23,345	-
At 31 March 2013				
Non derivative financial liabilities				
Borrowings and interest on borrowings	59,264	1,968	59,264	1,968
Trade and other payables	101,087	-	88,280	-
Derivative financial liabilities				
Forward contracts (net cash flow)	41,685	-	35,958	-

Notes (continued)

4.2. Capital management

The Group's and Company's objectives when managing capital are to safeguard the Group's and Company's 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 Group may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

During the year ended 31 March 2014 the Group's and Company's strategy, which was unchanged from the prior year, was to maintain a gearing ratio of below 60%. The gearing ratios at 31 March 2014 and 2013 were as follows:

	Note	2014	2013
Group		**TShs'M**	**TShs'M**
Total borrowings	24	**56,892**	73,599
Less: cash at bank and in hand	20	**(11,090)**	(49,442)
Net debt		**45,802**	24,157
Total equity		**552,603**	487,602
Total capital		**598,405**	511,759
Gearing ratio		**8%**	5%
Company			
Total borrowings	24	**46,208**	73,599
Less: cash at bank and in hand	20	**(6,921)**	(42,065)
Net debt		**39,287**	31,534
Total equity		**533,271**	465,820
Total capital		**572,558**	497,354
Gearing ratio		**7%**	7%

5. BUSINESS SEGMENTS INFORMATION

The operating board have determined the operating segments based on reports reviewed by the board of directors that are used to make strategic decisions.

The operating board of directors considers the business from market and product perspectives. Market wise, management considers the main lines through which the Group derives its revenue. Costs relating to the general group management are shared between the Company and its subsidiaries based on agreed management fees. The Group is currently organised into two main operating divisions; – Clear Beer and Wines and Spirits. The segment information provided by management for the reportable segments for the year ended 31 March 2014 and 31 March 2013 is as follows:

For the year ended 31 March 2014

Notes (continued)

5. BUSINESS SEGMENTS INFORMATION (continued)

Segmental statement of profit or loss	Clear Beer	Wines & Spirits	(Eliminations)/ consolidation	Total Group
2014	**TShs'M**	**TShs'M**	**TShs'M**	**TShs'M**
Revenue				
Exports	4,273	2,912	-	7,185
Local	821,493	151,273	-	972,766
Total revenue from external customers	**825,766**	**154,185**	**-**	**979,951**
Operating profit	278,411	34,864	(15,481)	297,794
Finance cost (net)	370	(5,445)	-	(5,075)
Profit before tax	278,781	29,419	(15,481)	292,719
Income tax expense	(80,099)	(8,913)	-	(89,012)
Profit for the year	**198,682**	**20,506**	**(15,481)**	**203,707**
Depreciation amortisation and breakages	**48,194**	**1,623**	**-**	**49,817**
Segment assets, liabilities and capital expenditure				
Assets				
Investments	53,942	-	(53,854)	88
Other non-current assets	456,658	22,217	44,776	523,651
Current assets	235,532	59,178	(41,440)	253,270
	746,132	**81,395**	**(50,518)**	**777,009**
Liabilities and equity				
Current liabilities	155,097	61,275	(43,499)	172,873
Non current liabilities	49,545	1,988	-	51,533
Owner's equity	541,490	20,120	(18,652)	542,958
Non controlling interest	-	-	9,645	9,645
	746,132	**83,383**	**(52,506)**	**777,009**
Capital expenditure 2014				
Property, plant and equipment	94,211	3,262	-	97,473
Intangible assets	147	-	-	147
	94,358	**3,262**	**-**	**97,620**
Segment cash flows 2014				
From operating activities	199,193	22,733	-	221,926
From investing activities	(80,118)	(3,192)	(15,558)	(98,868)
From financing activities	(186,535)	(23,935)	15,558	(194,912)
Net decrease in cash and cash equivalents	**(67,460)**	**(4,394)**	**-**	**(71,854)**
Cash and cash equivalent at the beginning of the year	32,961	1,590	-	34,551
Exchange gain/(loss) on cash and cash equivalents	(2,757)	(712)	-	(3,469)
Cash and cash equivalents at the end of the year	**(37,256)**	**(3,516)**	**-**	**(40,772)**

Notes (continued)

5. BUSINESS SEGMENTS INFORMATION (continued)

Segmental profit and loss account	Clear Beer	Wines & Spirits	(Eliminations)/ consolidation	Total Group
2013	**TShs'M**	**TShs'M**	**TShs'M**	**TShs'M**
Revenue				
Exports	4,722	1,481	-	6,203
Local	725,253	160,561	-	885,814
Total revenue from external customers	**729,975**	**162,042**	**-**	**892,017**
Operating profit	234,101	42,938	(13,847)	263,192
Finance cost (net)	(6,649)	(2,730)	-	(9,379)
Profit before tax	227,452	40,208	(13,847)	253,813
Income tax expense	(64,343)	(12,342)	-	(76,685)
Profit for the year	**163,109**	**27,866**	**(13,847)**	**177,128**
Depreciation amortisation and breakages	**37,448**	**1,286**	**-**	**38,734**

Segment assets, liabilities and capital expenditure	Clear Beer	Wines & Spirits	(Eliminations)/ consolidation	Total Group
2013	**TShs'M**	**TShs'M**	**TShs'M**	**TShs'M**
Assets				
Investments	53,924	-	(53,836)	88
Other non-current assets	407,366	19,518	49,121	476,005
Current assets	242,130	26,683	(6,566)	262,247
	703,420	**46,201**	**(11,281)**	**738,340**
Liabilities and equity				
Current liabilities	189,959	22,610	(5,568)	207,001
Non current liabilities	42,861	876	-	43,737
Owner's equity	470,600	22,715	(16,396)	476,919
Non controlling interest	-	-	10,683	10,683
	703,420	**46,201**	**(11,281)**	**738,340**
Capital expenditure				
Property, plant and equipment	95,314	7,369	-	102,683
Intangible assets	518	-	-	518
	95,832	**7,369**	**-**	**103,201**

For the year ended 31 March 2014

Notes (continued)

5. BUSINESS SEGMENTS INFORMATION (continued)

Segment cash flows	Clear Beer	Wines & Spirits	Eliminations	Total Group
2013	**TShs'M**	**TShs'M**	**TShs'M**	**TShs'M**
From operating activities	182,769	19,021	13,954	215,744
From investing activities	(82,406)	(8,458)	(13,954)	(104,818)
From financing activities	(155,900)	(7,514)	-	(163,414)
Net increase in cash and cash equivalents	**(55,537)**	**3,049**	**-**	**(52,488)**
Cash and cash equivalent at the beginning of the year	89,059	3,842	-	92,901
Exchange gain/(loss) on cash and cash equivalents	(6,348)	486	-	(5,862)
Cash and cash equivalents at the end of the year	**27,174**	**7,377**	**-**	**34,551**

There were no revenues deriving from transactions with a single external customer that amounted to 10% or more of the Group's and Company's revenues.

6. REVENUE

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Sale of goods – Local	**972,466**	885,814	**814,422**	724,941
Sale of goods – Export	**7,185**	6,203	**4,273**	4,722
	979,651	892,017	**818,695**	729,663

7. EXPENSES BY NATURE

Excise duty	**200,789**	182,290	**153,633**	135,674
Raw materials used	**182,100**	186,476	**135,638**	142,315
Transport and vehicle running costs	**43,283**	39,735	**38,226**	34,778
Depreciation and amortisation	**40,432**	33,006	**38,502**	31,698
Royalties	**22,164**	16,272	**21,971**	16,011
Impairment loss – receivables(Note 20)	**545**	279	**482**	37
Employee benefits expense (Note 8)	**68,156**	59,431	**60,012**	53,191
Advertising and promotion costs	**49,488**	48,755	**44,098**	42,925
Office running expenses	**11,465**	9,658	**10,330**	9,240
Operating lease rentals	**7,900**	7,285	**6,056**	5,610
Operating costs	**11,114**	10,140	**9,100**	8,839
Maintenance	**19,133**	12,538	**17,318**	11,407
Managerial, technical and administrative fees	**24,275**	23,247	**21,822**	21,087
Auditorsremuneration- audit services	**455**	279	**355**	200
Auditors remuneration- non audit services	**81**	28	**81**	28
	681,380	629,419	**557,624**	513,040

Notes (continued)

5. BUSINESS SEGMENTS INFORMATION (continued)

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Classified as follows:				
Cost of sales	**477,113**	449,827	**372,408**	349,898
Selling and distribution costs	**142,650**	126,719	**132,813**	117,427
Administrative expenses	**61,617**	52,873	**52,403**	45,715
	681,380	629,419	**557,624**	513,040

8. EMPLOYEE BENEFITS EXPENSE

The following items are included within employee benefits expense				
- Wages, salaries and other benefits	**64,685**	56,340	**57,044**	50,485
- Pension costs (defined contribution plans)	**3,471**	3,091	**2,968**	2,706
	68,156	59,431	**60,012**	53,191

9. OTHER (EXPENSES)/ INCOME

Gain/(loss) on disposal of property, plant and equipment	**65**	(1,909)	**33**	(1,969)
Dividend income	**-**	-	**15,558**	13,954
Management fees	**-**	-	**2,148**	2,971
Foreign exchange gain/(loss)	**(472)**	(2,139)	**(474)**	(1,883)
Sundry (expenses)/income	**368**	245	**143**	(106)
	(39)	(3,803)	**17,407**	12,967

10. DERIVATIVE INCOME/ (LOSSES)

Fair value (loss)/gain on derivatives	**(438)**	4,397	**(438)**	4,397

11. FINANCE INCOME AND COSTS

Finance income				
Interest income on bank balances	**2,684**	4,998	**2,684**	4,998
Interest income on current account with subsidiary	**-**	-	**4,964**	3,217
Total finance income	**2,684**	4,998	**7,648**	8,215
Finance costs				
Interest expense on borrowings	**(3,905)**	(8,094)	**(3,851)**	(8,094)
Interest expenses on current account with parent	**(385)**	(421)	**(385)**	(421)
Foreign exchange (loss)/gain	**(3,469)**	(5,862)	**(2,989)**	(6,349)
Total finance cost	**(7,759)**	(14,377)	**(7,225)**	(14,864)

For the year ended 31 March 2014

Notes (continued)

12. INCOME TAX EXPENSE

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Current income tax				
- Current tax on profit for the year	**84,300**	70,040	**75,621**	57,875
- Adjustments in respect of prior years	**(2,327)**	348	**(1,100)**	145
Deferred income tax (Note 25)				
- Current tax on profit for the year	**4,969**	6,421	**4,682**	6,421
- Adjustments in respect of prior years	**2,070**	(124)	**1,246**	(124)
Income tax expense	**89,012**	76,685	**80,449**	64,317

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

Profit before income tax	**292,719**	253,813	**278,463**	227,338
Tax calculated at a rate of 30%	**87,816**	76,144	**83,539**	68,201
Income not subject to tax	**-**	-	**(4,667)**	(4,186)
Expenses not deductible for tax purposes	**1,036**	351	**1,014**	281
Adjustment to tax in respect of prior periods	**(257)**	224	**146**	21
Utilisation of previous unrecognised accumulated losses	**-**	(34)	**-**	-
Overprovision in the current deferred income tax	**417**	-	**417**	-
Income tax expense	**89,012**	76,685	**80,449**	64,317

13. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

	2014	2013
Group		
Net profit attributable to shareholders (Tshs'000)	**196,450,045**	167,344,293
Outstanding shares in issue (000's) [Note 21]	**294,928**	294,928
Less: Weighted average number of treasury shares (000's)	**(5,899)**	(5,899)
Weighted average number of share in issue excluding treasury shares (000's)	**289,029**	289,029
Basic earnings per share (TShs per share)	**679.7**	579.1

Notes (continued)

13. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is the treasury shares. These are shares held by the Company's Employees' Share Ownership Scheme.

	2014	2013
Group		
Net profit attributable to shareholders (TShs'000)	**196,450,045**	167,344,293
Weighted average number of shares for diluted earnings per share (000's)	**294,928**	294,928
Diluted earnings per share (TShs per share)	**666.1**	567.4

14. DIVIDENDS

	Company	Non-controlling interest	Group	Dividend per share
2014	**TShs'M**	**TShs'M**	**TShs'M**	**TShs/ Share**
First interim dividend	44,240	4,189	**48,429**	**150**
Second interim dividend	44,239	4,188	**48,427**	**150**
Third interim dividend	44,239	-	**44,239**	**150**
Total dividend	132,718	8,377	**141,095**	**450**
2013				
First interim dividend	44,240	3,757	**47,997**	**150**
Second interim dividend	44,239	3,757	**47,996**	**150**
Total dividend	88,479	7,514	**95,993**	**300**

Dividend of TShs 450 per share amounting to TShs 132,718 million was approved by the board of directors of the Company and paid during the year. While the Company paid the approved dividend of Tshs 132,718 million through three tranches, the approved dividend for the subsidiary (i.e. Tanzania Distilleries Limited) of TShs 23,935 million was paid through two tranches.

Notes (continued)

15. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings	Plant and machinery	Furniture, equipment and vehicles	Containers	Capital work in progress	Total
	TShs'M	TShs'M	TShs'M	TShs'M	TShs'M	TShs'M
Year ended 31 March 2014						
Opening net book value	52,875	237,687	29,072	46,614	60,414	426,662
Additions	-	-	-	-	97,473	97,473
Disposals	-	(34)	(112)	-	-	(146)
Transfers	4,016	87,620	4,197	20,936	(116,769)	-
Breakages and other losses	-	-	-	(6,511)	-	(6,511)
Container write-down	-	-	-	(2,931)	-	(2,931)
Depreciation charge for the year	(3,195)	(22,300)	(7,838)	(6,544)	-	(39,877)
Closing net book value	**53,696**	**302,973**	**25,319**	**51,564**	**41,118**	**474,670**
At 31 March 2014						
Cost	77,758	440,679	70,802	87,660	41,118	718,017
Accumulated depreciation	(24,062)	(137,706)	(45,483)	(36,096)	-	(243,347)
Net book value	**53,696**	**302,973**	**25,319**	**51,564**	**41,118**	**474,670**

The Group's buildings, plant and machinery with net book value of TShs 339,725 million have been secured against borrowings as set out in Note 24 to the financial statements.

The capital work in progress amount mainly relates to the on-going capital projects of expansion of production facilities of the Company and one of its subsidiaries which are being undertaken in Arusha and Dar es Salaam plants.

Year ended 31 March 2013						
Opening net book value	51,116	204,439	29,731	32,553	46,452	364,291
Additions	-	-	-	-	102,683	102,683
Disposals	-	(520)	(19)	(2,441)	-	(2,980)
Acquisition of Subsidiary (note 34)	2,317	612	352	105	-	3,386
Transfers	2,658	50,573	6,264	29,226	(88,721)	-
Breakages and otherlosses	-	-	-	(5,739)	-	(5,739)
Container write-down	-	-	-	(2,646)	-	(2,646)
Depreciation charge for the year	(3,216)	(17,417)	(7,256)	(4,444)	-	(32,333)
Closing net book value	**52,875**	**237,687**	**29,072**	**46,614**	**60,414**	**426,662**
At 31 March 2013						
Cost	73,742	353,562	67,105	76,166	60,414	630,989
Accumulated depreciation	(20,867)	(115,875)	(38,033)	(29,552)	-	(204,327)
Net book value	**52,875**	**237,687**	**29,072**	**46,614**	**60,414**	**426,662**

The Group's buildings, plant and machinery with net book value of TShs 276,154 million have been secured against borrowings as set out in Note 24 to the financial statements.

The capital work in progress amount mainly relates to the on-going capital projects of expansion of production facilities of the Company and one of its subsidiaries which are being undertaken in Arusha and Dar es Salaam plants

Notes (continued)

16. INTANGIBLE ASSETS

	Group				Company
	Goodwill TShs'M	Software TShs'M	Brand TShs'M	Total TShs'M	Software TShs'M
Year ended 31 March 2014					
Opening net book value	44,867	1,200	3,276	49,343	1,158
Additions	-	147	-	147	147
Amortisation charge	-	(509)	-	(509)	(500)
Closing net book value	**44,867**	**838**	**3,276**	**48,981**	**805**
At 31 March 2014					
Cost	47,576	4,090	3,276	54,942	4,048
Accumulated amortisation	(2,709)	(3,252)	-	(5,961)	(3,243)
Net book value	**44,867**	**838**	**3,276**	**48,981**	**805**
Year ended 31 March 2013					
Opening net book value	39,630	1,313	-	40,943	1,313
Additions	-	518	-	518	518
Acquisition of subsidiary (Note 34)	5,237	42	3,276	8,555	-
Amortisation charge	-	(673)	-	(673)	(673)
Closing net book value	**44,867**	**1,200**	**3,276**	**49,343**	**1,158**
At 31 March 2013					
Cost	47,576	3,943	3,276	54,795	3,901
Accumulated amortisation	(2,709)	(2,743)	-	(5,452)	(2,743)
Net book value	**44,867**	**1,200**	**3,276**	**49,343**	**1,158**

The carrying amounts of the intangible assets approximate to their recoverable amounts. The carrying amount of goodwill is TShs 44,867 million (2013: TShs 44,867 million) out of which TShs 39,630 million arose from the acquisition of Kibo Breweries Limited in 2002 and TShs 5,237 million from acquisition of Darbrew Limited in March 2013. No impairment charge arose during the year (2013: Nil).

The Group has a brand with carrying value of TShs 3,276 million which arose from the acquisition of 60% shareholding in Darbrew Limited in March 2013. The value of the brand was determined by discounting the expected future cash in-flows relating to the sales activities of the brand. No impairment charge arose during the year in relation to the brand.

The recoverable amount of all Cash Generating Units (CGUs) has been determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the third-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the clear beer business in which the CGU operates.

Key assumptions used for fair value in use calculations are as follows;

	Rate (% per annum)
Compound annual growth rate (CAGR)	14.42
Long-term growth Rate	8.00
Discount rate (WACC)	8.00

Key

CAGR	Rate growth of revenue in the initial five years
Long-term growth Rate	Weighted average growth rate used to estimate cash flows beyond the five- years.
Discount rate (WACC)	Post-tax working cost of capital rate (WACC rate) applied to cash flow projections.

Notes (continued)

17. INVESTMENTS

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
(a) Investment in subsidiaries				
• Kibo Breweries Ltd	**-**	-	**42,414**	42,414
• DarBrew Limited	**-**	-	**8,834**	8,816
• Tanzania Distillers Ltd	**-**	-	**2,606**	2,606
	-	-	**53,854**	53,836
(b) Other investments				
• Kibo Breweries Ltd	**88**	88	**88**	88
	88	88	**53,942**	53,924

Other investments refer 4% shareholding in Mountainside Farms Limited. The unquoted investment is stated at cost as its fair value cannot be reliably measured.

Set out below are the group's principal subsidiaries at 31 March 2014. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by group. The country of incorporation is also their principal place of business.

Name of undertaking	Nature of business	Country of incorporation	% of ownership held by NCI		% of issued shares held	
			2014	2013	**2014**	2013
Tanzania Distilleries Ltd	Manufacturer of spirituous liquor	Tanzania	**35%**	35%	**65%**	65%
Darbrew Ltd	Manufacturer of Opaque beer	Tanzania	**40%**	40%	**60%**	60%
Mountainside Farms Ltd	Crop farming	Tanzania	**-**	-	**4%**	4%
Kibo Breweries Ltd	Rental of assets to related parties	Tanzania	**-**	-	**100%**	100%

Notes (continued)

18. INVENTORIES

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Raw materials	**55,129**	49,340	**41,430**	38,090
Consumable stores and spares	**13,480**	52,403	**13,350**	50,645
Work in progress	**34,158**	10,187	**14,185**	10,325
Finished goods	**53,562**	20,077	**51,988**	8,493
	156,329	132,007	**120,953**	107,553
Less: Provision for impairment losses	**(11,134)**	(5,559)	**(10,068)**	(5,231)
	145,195	126,448	**110,885**	102,322

The cost of inventories recognised as an expense and included in 'cost of sales' in the Group's profit or loss amounted to TShs 182,100 million (2013: TShs 186,476 million). Similarly, this amounts to TShs 135,637 million (2013: TShs 142,315 million) in the Company's statement of profit or loss and other comprehensive income.

Inventories of engineering spares amounting to TShs 45,085 million (2013: TShs 45,231 million) are carried at net realisable value, this being lower than cost. During 2014, TShs 9,288 million (2013: TShs 1,838 million) was charged to the Group's statement of profit or loss and other comprehensive income for damaged, obsolete and lost inventories. Similarly, TShs 8,224 million (2013: TShs 1,514 million) were charged to the Company's statement of profit or loss and other comprehensive income for damages, obsolete and lost inventories.
There is no inventory pledged as security for liabilities (2013: Nil).

19. ACCOUNTS RECEIVABLE

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Trade receivables	**70,696**	49,990	**55,933**	38,780
Less: Provision for impairment losses	**(1,828)**	(1,511)	**(1,338)**	(1,082)
Trade receivables-net	**68,868**	48,479	**54,595**	37,698
Advances to suppliers	**6,173**	10,441	**6,109**	10,441
Staff advances and loans	**1,724**	1,425	**1,374**	1,118
Due from related parties (Note 34 (iv))	**3,841**	7,407	**43,432**	34,355
Other receivables	**6,848**	7,339	**1,049**	2,639
Prepayments	**9,531**	11,266	**8,246**	8,331
	96,985	86,357	**114,805**	94,582

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

At start of year	**(1,511)**	(1,310)	**(1,082)**	(795)
Provision in the year	**(545)**	(279)	**(482)**	(311)
Utilised during the year	**228**	78	**226**	24
At end of year	**(1,828)**	(1,511)	**(1,338)**	(1,082)

The carrying amounts of the above receivables approximate their fair values.

Notes (continued)

20. BANK AND CASH BALANCES

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Cash in hand	**172**	178	**76**	90
Cash at bank	**10,918**	49,264	**6,845**	41,975
Total cash and bank balances	**11,090**	49,442	**6,921**	42,065

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Cash and bank balances	**11,090**	49,442	**6,921**	42,065
Bank overdrafts (Note 25)	**(51,862)**	(14,891)	**(44,177)**	(14,891)
Net cash and cash equivalents	**(40,772)**	34,551	**(37,256)**	27,174

21. SHARE CAPITAL

21.1 ORDINARY SHARE CAPITAL

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Authorised, issued and fully paid: 294,928,463 ordinary shares of TShs 100 each	**29,493**	29,493	**29,493**	29,493
Share premium Share premium at the start and end of year	**45,346**	45,346	**45,346**	45,346

There were no movements in the share capital and share premium of the Company during the year. The Company has only one class of ordinary shares which carries no right to fixed income. The ownership structure is as set out in Note 21.2 below.

21.2 OWNERSHIP STRUCTURE

	Ordinary Shares	Ordinary Shares	% holding	% holding
	2014	2013	**2014**	2013
Resident shareholders:				
Ingawa Industries Limited	**19,149,165**	-	**6.49**	-
The Government of the United Republic of Tanzania	**11,797,139**	11,797,139	**4**	4
Parastatal Pension Fund	**14,402,720**	12,874,030	**4.88**	4.37
Unit Trust of Tanzania	**9,043,337**	13,239,696	**3.07**	4.49
Public Service Pension Fund	**4,820,581**	9,020,547	**1.63**	3.06
National Social Security Fund	**1,777,536**	9,977,436	**0.6**	3.38
General Public	**50,260,846**	44,605,529	**17.05**	15.12
Total resident	**111,251,324**	101,514,377	**37.72**	34.42
Non-resident shareholders:				
SABMiller Africa BV	**169,708,768**	169,701,838	**57.54**	57.54
Others – East African shareholders	**13,968,371**	12,475,474	**4.74**	4.23
International Finance Corporation (IFC)	**-**	11,236,774	**-**	3.81
Total non-resident	**183,677,139**	193,414,086	**62.28**	65.58
Total ordinary shares in issue	**294,928,463**	294,928,463	**100**	100

For the year ended 31 March 2014

Notes (continued)

22. OTHER RESERVES

Group	Non-controlling interest	Hedging reserves	Treasury shares	Group
		TShs'M	TShs'M	TShs'M
Year ended 31 March 2014				
At start of the year	-	(995)	(12,200)	**(13,195)**
Treasury shares purchased during the year	82	2,307	-	**2,307**
At start and end of the year	**82**	**1,312**	**(12,200)**	**(10,888)**
Year ended 31 March 2013				
At start of the year	-	-	(12,209)	**(12,209)**
Operating exchange loss during the year	(43)	(995)	-	**(995)**
Repayment of loan investment	-	-	9	**9**
At end of the year	**(43)**	**(995)**	**(12,200)**	**(13,195)**

Company	Hedging reserves	Treasury shares	Group
	TShs'M	TShs'M	TShs'M
Year ended 31 March 2014			
At start of the year	(916)	(12,200)	**(13,116)**
Treasury shares purchased during the year	2,155	-	**2,155**
At start and end of the year	**(1,239)**	**(12,200)**	**(10,961)**
Year ended 31 March 2013			
At start of the year	-	(12,209)	**(12,209)**
Operating exchange loss during the year	(916)	-	**(916)**
Repayment of loan investment	-	9	**9**
At end of the year	**(916)**	**(12,200)**	**(13,116)**

Treasury shares

In November 2011, the Company advanced a loan of TShs 12,209 million to the Trust for Tanzania Breweries Employees' Share Ownership Scheme ("the Trust"). The aim of the loan is to enable the Trust to acquire shares of the Company previously owned by East African Breweries. The Trust purchased 5,898,596 shares, representing 2% of the ordinary fully paid up shares of the Company. The Company expects the purchased shares to be offered as share options to the employees in the future. The Trust has been consolidated in the financial statements on the basis of significant control and shares acquired have been accounted for as treasury shares.

Hedging reserve

The Group and Company hedges anticipated cash flows mainly from purchase of raw materials, settling obligations dominated in foreign currency and capital expenditure.

The hedge accounting reserve represents the effective portion of changes in the fair value of the cash hedge (derivative); the ineffective portion is recognised immediately in profit or loss. All hedges during the year were effective. All cash flow hedge activities are being facilitated centrally by the SABMiller Group Treasury function since the second half of financial year ended 31 March 2013, which has resulted in significant synergies and savings for TBL Group.

The notional principal amount of outstanding forward foreign exchange contracts of the Group and Company as at 31 March 2014 was TShs 27,542 million (2013: TShs 40,175 million) and TShs 22,196 million (2013: TShs 34,612 million) respectively.

The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses recognised in the hedging reserve in equity on forward foreign exchange contracts as of 31 March 2014 are recognised in the profit or loss in the period or periods during which the hedged forecast transaction affects the profit or loss. This is generally within 12 months of the end of the reporting period at which time the respective gain and losses are transferred to property plant and equipment, receivables, payables or to the profit or loss as appropriate.

Notes (continued)

23. NON-CONTROLLING INTEREST

	2014	2013
	TShs'M	TShs'M
35% of equity of Tanzania Distilleries Limited	**7,042**	8,266
40% of equity of Darbrew Limited	**2,603**	2,417
	9,645	10,683
Movement during the year		
35% interest in the profit for the year of Tanzania Distilleries Limited	**7,178**	9,753
40% interest in the profit for the year of Darbrew Limited	**79**	31
Non-controlling interest acquired with subsidiary (note 32)	**-**	2,386
Dividends paid to non-controlling interest (note 14)	**(8,377)**	(7,514)
35% interest on loss on cash flow hedge	**82**	(43)
Net movement accounted for in non-controlling interest account	**(1,038)**	4,613

24. BORROWINGS

	Group		Company	
	2014	2013	**2014**	2013
	TShs'M	TShs'M	**TShs'M**	TShs'M
Non-current				
National Microfinance Bank loan	**-**	1,875	**-**	1,875
NBC Limited Term Loan	**2,250**	-	**-**	-
	2,250	1,875	**-**	1,875
Current				
Bank overdrafts	**51,862**	14,891	**44,177**	14,891
Short term bank loans	**2,625**	3,750	**1,875**	3,750
Corporate bonds	**-**	52,100	**-**	52,100
Interest payable on borrowings	**155**	983	**155**	983
	54,642	71,724	**46,207**	71,724
Total borrowings	**56,892**	73,599	**46,207**	73,599

For the year ended 31 March 2014

Notes (continued)

24. BORROWINGS (continued)

i) National Microfinance Bank (NMB) Loan

This is a four year loan with a limit of TShs 15,000 million. It is repayable semi-annually and carries a floating rate which is based on the Government of Tanzania 364 day Treasury Bills rate. The effective interest rate during the year was 14.51% (2013: 12.74%). The loan was taken for the purpose of financing capital expenditure and is secured over the buildings, plant and machinery at the Company's plant in Mwanza. The current portion of this loan amounting to TShs 1,875 million is included in the short term bank loans.

ii) National Bank of Commerce (NBC) Term Loan

This is a two years loan issued to the Darbrew Limited, a subsidiary of the Company to facilitate Polyethylene Terephthalate (PET) plastic bottles project line. The facility has a limit of TShs 3 billion. It is repayable on a monthly basis and carries a floating interest rate which is an aggregate of benchmark and margin as determined by the bank. The margin and benchmark amount are 7% p.a and 20% p.a respectively. The effective interest rate during the year was 13%. The current portion of the loan amounting to TShs 750 million is included in the short term bank loans.

iii) Corporate Bonds

These are three-year corporate bonds issued privately to institutional investors in September 2010. The bonds amounting TShs 48,550 million in 2013 carried fixed rates of interest whose effective interest rate during the year was 8.1% (2013: 10.93%). Bonds valued at TShs 3,550 million in 2013 carried a 16.38% variable rate of interest. They were issued primarily for the purpose of financing the construction of the Mbeya Brewery and are unsecured. The bonds were fully repaid during the year.

iv) Bank Overdrafts

Overdrafts are made up as follows:

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
National Microfinance Bank Plc	**12,774**	-	**12,061**	-
National Bank of Commerce Limited	**9,592**	-	**9,592**	-
Citibank Tanzania Limited	**80**	4	**80**	4
CRDB Bank Plc	**3,104**	7,240	**3,104**	7,240
Standard Chartered Bank Tanzania Limited	**26,312**	7,647	**19,340**	7,647
	51,862	14,891	**44,177**	14,891

The overdraft facilities are annual facilities subject to review between August 2014 and February 2015.

v) Short Term Loans

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Current portion of NMB long-term loan	**1,875**	3,750	**1,875**	3,750
Current portion of NBC term loan	**750**	-	**-**	-
	2,625	3,750	**1,875**	3,750

The carrying amount of the borrowings approximate to their fair value.

Notes (continued)

25. DEFERRED INCOME TAX LIABILITIES

Deferred income taxes are calculated on temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

Group

Deferred tax liabilities/(assets)	Plant Property and Equipment (PPE)	PPE (Capital deductions in dispute)	Provisions	Total
	TShs' M	TShs' M	TShs' M	TShs'M
1 April 2012	37,771	1,114	(4,923)	**33,962**
Charged to Profit and loss Account				
- Current year	5,866	(140)	695	**6,421**
- Prior periods	442	-	(566)	**(124)**
Deferred tax acquired on business acquisition (note 34)			1,156	**1,156**
At 31 March 2013	44,079	974	(3,638)	**41,415**
Charged to Profit and loss Account				
- Current year	6,315	-	(1,346)	**4,969**
- Prior periods	(113)	-	2,183	**2,070**
At 31 March 2014	**50,281**	**974**	**(2,801)**	**48,454**

Company

Deferred tax liabilities/(assets)				
1 April 2012	36,866	1,114	(4,895)	**33,085**
Charged to Profit and loss Account				
- Current year	5,866	(140)	695	**6,421**
- Prior periods	442	-	(566)	**(124)**
At 31 March 2012	43,174	974	(4,766)	**39,382**
Charged to Profit and loss Account				
- Current year	6,315	-	(1,633)	**4,682**
- Prior periods	(113)	-	1,359	**1,246**
At 31 March 2014	**49,376**	**974**	**(5,040)**	**45,310**

26. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
At start of the year	**447**	493	**447**	493
Increase during the year	**382**	-	**382**	-
Provision utilized during the year	**-**	(46)	**-**	(46)
At end of the year	**829**	447	**829**	447

As at the year end, there was a number of pending legal cases where the Company or its subsidiaries were defendants. The directors have considered it probable that the outcome of these cases will be unfavourable to the Group and could result into an estimated loss of TShs 829 million (2013: TShs 447 million).

According to the nature of such disputes the timing of settlement of these cases is uncertain. Contingent liabilities relating to litigations have been disclosed in note 31.

For the year ended 31 March 2014

Notes (continued)

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Trade payables	**51,934**	57,077	**44,712**	47,830
Dividends payable	**2,470**	3,437	**2,470**	3,437
VAT payable	**8,210**	10,055	**7,665**	8,689
Excise duty payable	**15,099**	18,363	**11,050**	14,147
Payable to related parties (Note 33 (iv))	**15,991**	12,961	**18,114**	14,997
Container liability	**3,715**	4,204	**3,672**	4,204
Other payables and accrued expenses	**18,637**	19,031	**12,198**	15,485
Capex accruals	**-**	4,377	**-**	2,327
	116,056	129,505	**99,881**	111,116

The carrying amounts of the above payables and accrued expenses approximate to their fair values.

28. CURRENT INCOME TAX LIABILITIES

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
At start of the year	**5,772**	5,301	**6,377**	5,455
Current income tax charge for the year (Note12)	**81,973**	70,388	**74,521**	58,020
Tax paid during the year	**(85,570)**	(69,917)	**(73,925)**	(57,098)
At end of the year	**2,175**	5,772	**6,973**	6,377

29. FINANCIAL INSTRUMENTS BY CATEGORY

(a) Group

At 31 March

	2014	2013
	Loans and receivables TShs'M	Loans and receivables TShs'M
Financial assets as per statement of financial position		
Trade and other receivables (excluding advances to suppliers and prepayments)	**81,281**	64,650
Cash at hand and bank deposits	**11,090**	49,442
	92,371	114,092

At 31 March

	Other financial liabilities at amortised cost TShs'M	Other financial liabilities at amortised cost TShs'M
Financial liabilities as per statement of financial position		
Borrowings	**56,892**	73,599
Trade and other payables (excluding advance to suppliers and statutory liabilities)	**92,747**	101,087
	149,639	174,686

Notes (continued)

29.FINANCIAL INSTRUMENTS BY CATEGORY (continued)

(b) Company

At 31 March	2014	2013
	Loans and receivables TShs'M	Loans and receivables TShs'M
Financial assets as perstatement of financial position		
Trade and other receivables (excluding advances to suppliers and prepayments)	**100,450**	76,080
Cash at hand and bank deposits	**6,921**	42,065
	107,371	118,145

	2014	2013
	Other financial liabilities at amortised cost TShs'M	Other financial liabilities at amortised cost TShs'M
Financial liabilities as per statement of financial position		
Borrowings	**46,208**	73,599
Trade and other payables (excluding advance to suppliers and statutory liabilities)	**81,166**	88,280
	127,374	161,879

30. COMMITMENTS

Capital commitments

As at 31 March 2014, the Group and Company had capital expenditure commitments as follows;

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Approved and contracted for but not recorded	**7,581**	18,312	**7,577**	17,694
Approved but not contracted for	**21,156**	8,170	**21,118**	8,170
	28,737	26,482	**28,695**	25,864

Guarantees

As at 31 March 2014, the Company had provided financial guarantees totalling TShs 3,575 million (2013: TShs 402 million), of which TShs 3 billion was provided to NBC Bank for loans granted to Darbrew Ltd, a subsidiary of the Company and the remaining for loans issued by CRDB Bank Plc to staff of the Company.

Operating lease commitments – where the Group and Company is the lessee

The future aggregate minimum lease payments under non-cancellable operating lease are as follows:

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Not later than 1 year	**6,773**	1,354	**4,942**	1,354

Notes (continued)

31. CONTINGENT LIABILITIES

As at 31 March 2014, the Company was a defendant in several lawsuits. While liability in these lawsuits is not admitted, if defence against the actions is unsuccessful, then claims in these lawsuits could amount to TShs 829 million (2013: TShs 447 million). Similarly for the Company's subsidiary, Tanzania Distilleries Limited (TDL), the amount claimed in such lawsuits could amount to TShs 400 million (2013: TShs 380 million).

On 21 May 2010, the Fair Competition Commission (FCC) issued a decision upholding a complaint against the Company and imposed a fine of 5% of the Company's annual turnover for the year ended 31 March 2010. The Company lodged a notice of appeal against this ruling on 27 May 2010. The execution of the FCC's decision including payment of the fine is stayed pending determination of the appeal by the Fair Competition Tribunal.

Based on legal advice, the directors do not expect the outcome of the actions to have material effect on the Company and Group's financial performance.

32. CASH FLOW INFORMATION

i) Cash generated from operations

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Profit before income tax	**292,719**	253,813	**278,463**	227,338
Adjusted for:				
Interest expense (Note 11)	**4,290**	8,515	**4,236**	8,515
Interest income (Note 11)	**(2,684)**	(4,998)	**(7,648)**	(8,215)
Dividend income (Note 9)	**-**	-	**(15,558)**	(13,954)
Depreciation, container write- down amortisation and breakages	**49,817**	41,380	**47,566**	40,059
Increase/(decrease) in provision for liabilities (Note 26)	**382**	(46)	**382**	(46)
Foreign exchange loss (Note 11)	**3,469**	5,862	**2,989**	6,348
Fair value gain on derivatives (Note 10)	**438**	(4,397)	**438**	(4,397)
(Gain)/loss on disposal of property, plant and equipment (Note 9)	**(65)**	1,909	**(33)**	1,969
	348,366	302,038	**310,835**	257,617
Changes in working capital excluding pre-acquisition balances				
Inventories	**(18,747)**	2,161	**(8,563)**	7,748
Trade and other receivables	**(10,707)**	(31,105)	**(20,348)**	(21,357)
Trade and other payable	**(6,298)**	21,288	**(6,333)**	4,580
Cash generated from operations	**312,614**	294,382	**275,591**	248,588

ii) Interest paid

Interest payable at 1 April	**983**	1,189	**983**	1,189
Interest expense (note 11)	**4,290**	8,515	**4,236**	8,515
Interest payable as at 31 March	**(155)**	(983)	**(155)**	(983)
Interest paid	**5,118**	8,721	**5,064**	8,721

Notes (continued)

32. CASH FLOW INFORMATION (continued)

iii) Income tax paid

	Group		Company	
	2014	2013	**2014**	2013
	TShs'M	TShs'M	**TShs'M**	TShs'M
Income tax payable at 1 April	**(5,772)**	(5,301)	**(6,377)**	(5,455)
Current income tax expense (note 12)	**(81,973)**	(70,388)	**(74,521)**	(58,020)
Income tax payable as at 31 March	**2,175**	5,772	**6,973**	6,377
	(85,570)	(69,917)	**(73,925)**	(57,098)

iv) Interest received

Interest receivable at 1 April	**337**	936	**337**	936
Interest income (Note 11)	**2,684**	4,998	**7,648**	8,215
Interest receivable as at 31 March	**(103)**	(337)	**(103)**	(337)
Interest received	**2,918**	5,597	**7,882**	8,814

v) Purchase of property, plant and equipment

Capex accrual at 1 April (Note 27)	**(4,377)**	(3,903)	**(2,327)**	(3,903)
Additions during the year (Note 15)	**(97,473)**	(102,683)	**(89,571)**	(95,314)
Capex accrual at 31 March (Note 27)	**-**	4,377	**-**	2,327
Cash utilised in purchase of property, plant and equipment	**(101,850)**	(102,209)	**(91,898)**	(96,890)

vi) Dividends paid

By the Company				
Dividends payable at 1 April	**(3,437)**	(60,524)	**(3,437)**	(60,524)
Interim dividend payable (Note 14)	**(132,718)**	(88,479)	**(132,718)**	(88,479)
Dividends payable at 31 March	**2,470**	3,437	**2,470**	3,437
	(133,685)	(145,566)	**(133,685)**	(145,566)
By subsidiaries				
Non-controlling interest's share of dividends paid (Note 14)	**(8,377)**	(7,514)	**-**	-
	(142,062)	(153,080)	**(133,685)**	(145,566)

vii) Repayment of bank borrowings

The table below shows the movement of borrowings excluding overdraft and interest payable.

At start of year	**(57,725)**	(68,068)	**(57,725)**	(68,068)
Additions (Note 24 (ii))	**(3,000)**	-	**-**	-
At end of year	**4,875**	57,725	**1,875**	57,725
Cash utilised in repayment of bank borrowings	**(55,850)**	(10,343)	**(55,850)**	(10,343)

Notes (continued)

33. RELATED PARTY TRANSACTIONS AND BALANCES

i) Sale of goods and services

	Group		Company	
Sale of goods	**2014 TShs'M**	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Other related parties	**4,610**	4,707	**4,610**	4,707

The Company exports beer to Nile Breweries Limited, Crown Beverage Limited and Zambia Breweries Limited, all subsidiaries of SABMiller Plc.

Sale of services				
Subsidiary	**-**	-	**3,722**	2,971

The Company provides management services to its subsidiaries, Tanzania Distilleries Limited and Darbrew Limited.

ii) Purchase of goods and services

Purchase of goods				
Subsidiary	**-**	-	**443**	713
Other related parties	**50,528**	38,979	**48,866**	38,979
	50,528	38,979	**49,309**	39,692

The Company purchases goods from SABEX and Brewex (Pty) Ltd, both companies are divisions of SABMiller Africa & Asia (Pty) Limited. SABEX and Brewex are responsible for procuring and selling goods from South Africa to the Group's Africa region. MUBEX, a subsidiary of SABMiller Holdings Ltd, procures and sells goods from various locations to the Group's Africa region.

Tanzania Distilleries Limited, as subsidiary of the Company supplies raw spirits to Tanzania Breweries Limited.

Purchase of services				
Subsidiary	**-**	-	**251**	256
Other related parties	**44,732**	37,053	**44,732**	37,053
	44,732	37,053	**44,983**	37,309

The Company leases certain plant and machinery, motor vehicles and furniture from its subsidiary, Kibo Breweries Limited.

Other related parties include Bevman Services A.G, a subsidiary of SABMiller Plc, the Group's management company, and SABMiller International BV. The Company produces and distributes SABMiller International BV brands under license and pays royalty fees at a percentage of sales of the brands. The Group pays profit bonus to SABMiller International BV.

Notes (continued)

33. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

iii) Interest on Intercompany accounts:

	Group		Company	
Interest on intercompany accounts	**2014 TShs'M**	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Parent (expense)	**(385)**	(421)	**(385)**	(421)
Subsidiary (income)	**-**	-	**4,964**	3,217

The Company is charged interest by its parent Company SABMiller plc for the current accounts balances and loans held.

Also the Company charges interest on current accounts held with it by its subsidiary Tanzania Distilleries Limited.

iv) Year-end balances arising from transactions with related parties:

Receivable from related parties (Note 19)				
Subsidiary	**-**	-	**39,591**	26,948
Other related parties	**3,841**	7,407	**3,841**	7,407
	3,841	7,407	**43,432**	34,355

Payable to related parties (Note 27)				
Subsidiary	**-**	-	**2,118**	2,036
Other related parties	**15,991**	12,961	**15,996**	12,961
	15,991	12,961	**18,114**	14,997

The receivables from related parties arise mainly from sale transactions and are due three months after the date of sale. The receivables are unsecured and bear no interest. No provisions are held against receivables from related parties (2013: Nil).

The payables to related parties arise mainly from purchase transactions and are due three months after date of purchase. The payables bear no interest.

v) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the group.

a) Key management compensation				
Salaries	**5,399**	4,233	**3,936**	3,030
Defined contribution plan	**520**	446	**394**	339
	5,919	4,679	**4,330**	3,369

No terminal or other long term benefits were paid to key management personnel during the year (2013: Nil).

Notes (continued)

33. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

b) Transactions with key management personnel

There were no transactions with key management personnel during the year.

c) Balances with key management personnel

As at 31 March 2014, there was a total outstanding loan amount with key management personnel of TShs 65.8 million (2013: TShs 36.5 million). None of the loans made to members of key management has been made to the Directors

d) Directors' emoluments

	Group		Company	
	2014 TShs'M	2013 TShs'M	**2014 TShs'M**	2013 TShs'M
Non-executive Chairman	**41**	38	**31**	30
Non-executive Directors	**97**	90	**90**	73
Executive Directors (Included in key management personnel above)	**267**	243	**267**	243
	405	371	**388**	346

A schedule detailing remuneration of each director will be annexed to these financial statements for presentation to the annual general meeting.

The Directors of the Company own directly and indirectly 85,402 (2013: 92,403) ordinary shares of the Company as 31 March 2014.

During the year, there were no commitments, provision of guarantees and collateral with related parties. (2013: Nil)

34. BUSINESS ACQUISITION

On 14 March 2013, the group acquired 60% of the share capital of Dar Brew Limited for TShs 8,816 million and obtained control of the Company. Dar Brew is an opaque beer manufacturing Company with its operation in Dar es Salaam. The minority shares are held by Dar es Salaam City Council.

As a result of the acquisition, the group aims to increase its presence in opaque beer markets to add to its existing opaque beer brand of Nzagamba existing in the Lake Zone. It also expects to reduce costs through economies of scale. The goodwill of TShs 5,237 million arising from the acquisition is attributable to acquired customer base and economies of scale expected from combining the operations of the group and Dar Brew Limited. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for Dar Brew Limited, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Notes (continued)

34. BUSINESS ACQUISITION (continued)

Consideration at 14 March 2013	TShs'M
Total consideration - cash	8,816
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	57
Property, plant and equipment (Note 15)	3,386
Intangible assets (Note 16)	42
Brand (Note 16)	3,276
Inventories	750
Trade and other receivables	216
Trade and other payables	(606)
Deferred income tax liabilities (Note 25)	(1,156)
Total identifiable net assets	5,965
Non-controlling interest	(2,386)
Goodwill (Note 16)	5,237
Total	**8,816**

The fair value of acquired assets and liabilities was deemed to approximate their carrying values adjusted for impairment as appropriate. Acquisition-related costs were born by the parent Company, SABMiller Plc.

35. ULTIMATE PARENT COMPANY

SABMiller Africa BV (incorporated in the Netherlands) owns 57.54% (2013: 57.54%) of the Company's issued shares. The ultimate parent Company is SABMiller plc, incorporated in the United Kingdom.

36. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on the date shown on page 29.

Administration & Notice of Meeting

For the year ended 31 March 2014

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 41st Annual General Meeting of the Shareholders of Tanzania Breweries Limited will be held at Hyatt Regency Kilimanjaro Hotel in Dar es Salaam on 25th September, 2014 at 10h00, for the following purposes:

1. Notice of Meeting

Notice convening the meeting to be taken as read.

2. Approval of Minutes

To approve and sign the minutes of the 40th Annual General Meeting held on 14th August, 2013.

3. Matters Arising from the minutes of the previous meeting

4. Financial Statements and Directors' Report

To receive and consider the Directors' Report, Auditors' Report and the audited financial statements for the year ended 31st March, 2014.

5. To ratify dividend paid for the year ended 31st March, 2014

6. Appointment of Statutory Auditors

To approve PricewaterhouseCoopers as the auditors for the next financial year ending 31st March, 2015.

7. Any other business

Any member entitled to attend and vote, if unable to attend for any reason, is entitled to appoint a proxy or proxies to attend, speak, and, on a poll, vote in his/her stead and such a proxy need not also be a member of the Company.

Proxy forms should be forwarded to reach the registered office of the Company or the office of the Company Secretary at least 48 hours before the time fixed for the holding of the meeting.

Please note that a member wishing to attend the Annual General Meeting must arrive with a copy of his/her original share certificate or depository receipt (CDR) and his/her Identification Card.

By the order of the Board

Company Secretary

Note:
i. Any other business needs to be brought to the attention of the Secretary by the 11th September, 2014.
ii. Shareholders shall meet all the costs for attending the meeting.

ADMINISTRATION

Tanzania Breweries Limited
(Registration Number 2497)

Company Secretary
Huruma Ntahena
Postal Address:
P.O. Box 9013, Dar es Salaam,
Tanzania.
Registered Office:
Uhuru Street
Plot No.79, Block "AA"
Mchikichini, Ilala Municipal,
Dar es Salam, Tanzania.
Tel: +255 764 702 905 / +255 764 702 906 / +255 764 702 907
Fax: +255 736 606 369

Transfer Secretaries:
CRDB Bank Ltd.,
Head Office: Azikiwe Street,
P.O. Box 268, Dar es Salaam.
Tel : +255 (0) 22 2117441-7

External Auditors:
PricewaterhouseCoopers,
Pemba House
369 Toure Drive
Oysterbay
P.O. Box 45, Dar es Salaam
Tel : +255 (0) 22 2192200

Shareholders:
Financial Year End: 31 March
Annual General Meeting: September

Results:
Interim announcement - November
Year end announcement - July
Annual financial statements - September
Dividends:
1st Interim:
declaration – July, 2013
Payment – August, 2013

2nd Interim:
declaration – November, 2013
payment – December, 2013

Final Dividend:
declaration – February, 2014
payment – March, 2014


KIBURUDISHO CHA
KIKWETU KWETU
KILIMANJARO
PREMIUM LAGER
BONGE LA KIBURUDISHO
KWA WATANZANIA
HAIUZWI KWA WENYE UMRI CHINI YA MIAKA 18.

TANZANIA BREWERIES

The home of fine beer