31st March 2009

Annual Report & Financial Statements

National Breweries PLC

A subsidiary of SABMiller plc

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National Breweries PLC

Working **together**

Our vision

To be the most admired company in the global beer industry.

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

Our mission

To be the most admired and respected company as judged by our stakeholders.

Our 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 favor decentralized management and practical maximum of local autonomy
- Goals and objectives are aligned and clearly articulated
- We prize both intellectual rigor 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 choice of products and services
- 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

Chibuku "Taste the goodness"

Management Team

David Cason
General Manager

James Webb
Finance Director

Ronny Palale
Operations Director

Yuyo Nachali-Kambikambi
Corporate Affairs Manager

Anthony Malenga
Finance Manager

Guntila Muleya
National Sales Manager

Fanie Olivier
Technical Manager

Johannes Scriven
National Sales &
Distribution Manager

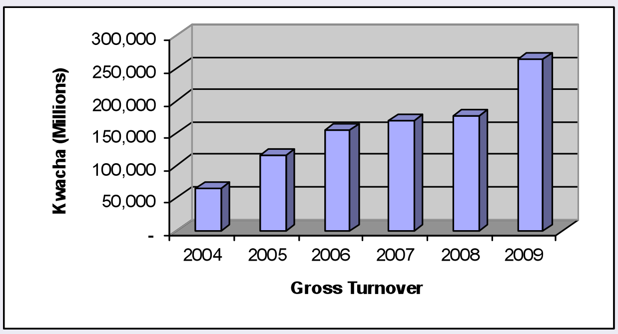
Probby Mwela
Information Technology
Manager

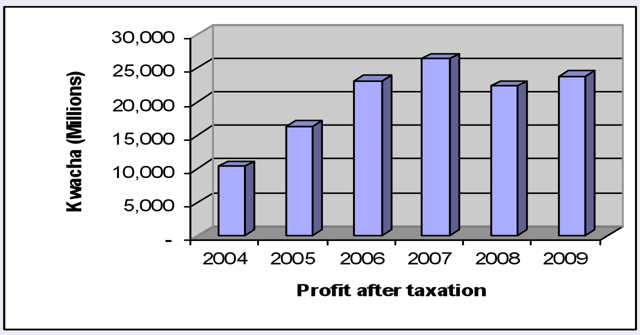
Joshua Mukwaila
Internal Audit Manager

Mwape Chisanga
Human Resource Manager

Company Financial Review
for the year ended 31st March 2009

	Year ended 31 March 2009	Year ended 31 March 2008	Year ended 31 March 2007	Year ended 31 March 2006	Year ended 31 March 2005	Year ended 31 March 2004
K Million						
Gross turnover	264 983	177 416	168 908	154 414	116 016	65 116
Product taxes/excise duty	(76 331)	(54 059)	(51 523)	(46 902)	(37 798)	(19 459)
Net turnover	188 652	123 357	117 385	107,512	78 218	45 657
Profit before taxation	37 514	35 323	41 025	36 879	25 224	15 464
Profit after taxation	23 814	22 377	26 401	23 192	16 277	10 340
Non current assets	31 264	21 012	16 722	11 864	8 517	5 429
Net current (liabilities)/assets	(7 187)	3 179	9 017	12 133	19 174	16 040
Deferred income tax	(4 473)	(2 886)	(2 382)	(1 881)	(1 101)	(532)
Shareholders interest	(19 604)	(21 305)	(23 196)	(21 616)	(25 986)	(20 500)
Kwacha						
Earnings per share	377.99	355.18	419.06	368.12	258.38	164.13
Dividends per share	377.99	355.18	419.06	368.12	258.38	164.13





Chairman's Statement
for the year ended 31st March 2009

Financial Performance

I am pleased to report to our shareholders that the Company posted good results for the year improving on previous year's performance. The Company regained its lost share of the market and record volumes were reported in this financial year. Our strategy to price aggressively coupled with a well managed distribution network, yielded positive results. Investment in technical areas ensured that our product quality was consistent in line with our mission. The Company did face challenges, however, in the form of high commodity prices in particular crude oil. This resulted in high fuel prices adversely affecting our distribution costs. The weakening of the kwacha in the second quarter put pressure on certain input costs further eroding our trading margin. Despite all this, the Company came out with a reasonable performance adding more value to shareholder investment.

The opaque beer industry will continue to be highly competitive. The Company captured lost share in 2008 to end the year in a reasonable position. The Company's objective will be to maintain its position and add to the current growth while meeting customer expectations with a quality product and service delivery of the highest calibre.

Key Results

- Pre-tax profit of K 37,514 million for the year (2008: K 35,323 million) up 6.2%
- Gross turnover increase of 49.4% compared to previous year
- Earnings per share of K377.99 (2008: K355.18)
- The Company continues to be debt free
- An interim dividend of K220.93 (2008: K171.11) was paid in February 2009
- A proposed final dividend of K157.06 bringing total dividends for the year to K377.99 (2008: K355.18)

Dividends

An interim dividend of K220.93 per share was paid during the year. A final dividend of K157.06 per share is recommended for approval at the annual general meeting which will be paid by 31 August 2009. This will be paid to ordinary shareholders registered at close of business on 30 June 2009. This represents 100% distribution of profits.

Corporate Governance

The existence of good corporate governance principles is important in running an organisation. The Company's Board of Directors and Audit Committee continue to set high standards of Corporate Governance. The Company continues to adhere to the Listing Rules and Securities Rules as enforced by the Lusaka Stock Exchange and Security and Exchange Commission respectively. The Company has also continued to comply with principles on corporate governance and internal control as set out in the Combined Code and Turnbull Report. The Company is part of a large multinational group that provides considerable support in ensuring that high standards of corporate governance are maintained.

The Company has made tremendous strides in instilling a change of work ethic throughout the business. Employees are always encouraged to execute their duties with due diligence, honesty and integrity. Through the Integrity Club formed in 2006, the Company has received positive response from employees in the fight against fraud.

Chairman's Statement
for the year ended 31st March 2009 cont.

Human Resource

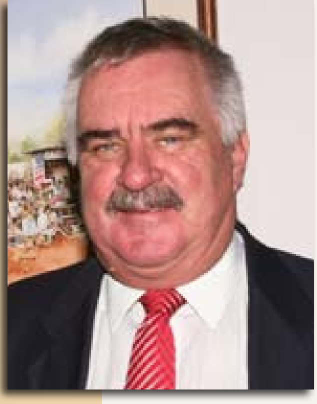
The Company made key recruitments during the year in line with our strategy of Strategic People Resourcing (SPR). As per our mission statement, people are our enduring advantage and we strive to improve staff welfare all the time. This is in line with our objectives and goals. Training continues to be a key part our strategy; equipping staff with latest technologies ensuring that we are always ahead of our competitors.

We continue to train more peer educators within the business and maintain zero tolerance towards stigmatisation. The Company remains one of the few that procure anti-retroviral drugs for affected employees. We encourage employees to undergo voluntary testing and counselling and a centre is available within the Company premises.

A challenging year lies ahead for every business in the wake of the current economic conditions and depressed commodity prices, in particular copper. I have all the confidence that, with the team available, the Company will be guided professionally and wisely.

In conclusion, I thank the Managing Director, Management, staff and the Board of Directors for their support and efforts during this challenging year and I look forward to more success in the 2010 financial year.

V Chitalu
Chairman
8th June 2009



Operating and Economic Environment

The Zambian economy continued to show growth during the first quarter of the financial year with copper prices at their peak. This had an impact on all sectors of the economy as production volumes in the mining industry resulted in excess liquidity and a stronger Kwacha. The Country's economy experienced uncertainties at the beginning of the second quarter following the President's illness and eventual death. This caused panic in the financial markets as foreign investors rushed to change their portfolio mix and notably the Kwacha started to depreciate rapidly. The world economy collapsed with most nations admitting that a recession was imminent. This did not help the cause locally and commodity prices tumbled as global demand stalled. This impacted the mining industry adversely resulting in massive job cuts and closure of some mines. The stock market suffered a similar fate and share prices fail reversing gains achieved earlier in the year. Surprisingly, the property market continued to hold with reasonable gains being posted.

Crude oil prices had mixed results after reaching the US$ 140 per barrel mark putting more pressure on world economies as the cost of production and distribution increased substantially. The Zambian economy was not spared with fuel prices hitting the US$3 dollar per litre mark in mid September 2008.

In the agriculture sector, the flooding experienced in late 2007 and early 2008 resulted in a shortage of the maize crop. This sent prices rocketing, doubling on previous year's levels. The annual inflation rate increased from 9.8% in March 2008 to 13.1% in March 2009, comprising 6.8% food inflation and 6.3% non-food inflation. The annual food inflation increased to 13.9% from 9.1% in March 2008. Annual non-food inflation followed a similar trend rising from 10.4% in March 2008 to 12.3% in March 2009.

The Zambian Kwacha has depreciated following the collapse of the copper price on the world market. The local currency reached peak levels of K3,200 in June 2008 to close at K5,620 in March 2009.

Performance

The Company has posted good results on the back of economic challenges highlighted above. The weakening Kwacha resulted in rise in input costs in particular packaging and energy costs. Soaring maize prices increased production costs and the effect of high fuel prices cannot go without mention. The Company met these challenges with well planned distribution strategies and competitive pricing not undermining consistent quality in the production process. The Company posted record volumes establishing itself in the market and regaining lost share to end the year strongly. Whilst we recorded a double digit growth in gross turnover, operating profit did not follow suit due to increased costs as explained above.

Our strategy to grow packed beer volume continued with a strong performance out of the total portfolio. Despite the uncertainty and speculation surrounding the mining industry, the Copperbelt recorded good volume.

In ensuring that we produce a consistent quality product, the Company continues to maintain its equipment to the highest levels through planned and preventative refurbishment. Our electronic process monitoring continues at all our production plants and this is yielding positive results. We aim to benchmark ourselves with our regional partners to ensure that high standards are maintained. The Company invested K10 billion in distribution resources increasing and replacing vehicles in the delivery fleet. This has paid off with our network growing substantially. Vehicle monitoring equipment is installed on all the delivery fleet. This has resulted in improved service delivery and cost saving in fuel usage and vehicle maintenance costs.

Managing Director's report
for the year ended 31st March 2009 (cont.)

We have achieved pre-tax profits of K37,514 million (2008: K35,323 million).

The Company's contribution to the State, in the form of VAT, Excise Duty and Corporate tax during the year was K90 billion (2008: K67 billion) a 34% increase.

As mentioned in the Chairman's report, the Company paid an interim dividend during the year of K220.93 per share. A final dividend of K157.06 per share will be paid bringing the total dividend for the year to K377.99 per share. This represents an increase of 6.4% against 2008.

Current and future prospects

Our main objective will be to maintain volume and post more growth to add more value to our shareholders' investment. The outlook for the economy is positive as commodity prices start to pick up. Copper prices have touched US$ 4,800 per ton levels last seen in November 2008. This is good news for the Copperbelt as further job losses will be curtailed and economic activity restored.

The maize crop is expected to be in abundance with a good harvest season predicted. This will be welcome in as far as the Company's input costs are concerned. The outlook for the Kwacha remains gloomy with financial market experts supporting a recovery. This has a direct impact on certain inputs.

More will depend on the recovery of the global economy. This will lead to more Foreign Direct Investment (FDI) trickling into the economy to revamp the manufacturing industries. Expansion for most business entities will be dependent on availability of credit at the right price as current borrowing costs are relatively high.

The Company has a strong management team in place and is well positioned to meet the challenges that lie ahead in the new financial year. Key focus areas for management will incorporate the following:

- to maintain volumes and explore growth opportunities
- to continue with our high service delivery and customer satisfaction with a consistent and quality product
- continue with training initiatives for our employees
- planned preventative maintenance to maintain production equipment to high standards
- more community support in the markets we operate in
- maintain group standards in IT infrastructure and explore opportunities to improve MIS

W J Tiedt
Managing Director
8th June 2009

Sustainable Development

Because Sustainable Development is ‘a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also in the future generations to come,’ National Breweries believes it can make a difference in many spheres through various sustainable development activities in line with SABMiller’s most valued 10 priorities.

Activities and Projects

Alcohol Policy:

Bearing in mind that we work for a beer company it is imperative for all our members of staff especially to know the effects of alcohol abuse, the dangers of drink & driving and also dangers of under age drinking. Therefore National Breweries Plc embarked on a roll out of the Alcohol Behaviour Communication (ABC), which will this year be rolled out to every member of staff including some key stakeholders and partners so that we are in the long run able to communicate meaningful messages to the wider public with us being in the lead to discourage the above vices.

HIV/AIDS:

Understanding that HIV/AIDS is the biggest killer of Zambia’s workforce, National Breweries Plc embarked on a sensitisation program which included the training of several Peer Educators from all area offices.

Corporate Social Investment (CSI):

The company invested in several projects and gave monies to orphanages like Cheshire Homes, the Zambia Federation for the Blind, and also managed to assist in giving cartons of Maheu to the flood victims in Kazungula district.

Enterprise Development:

In a bid to support enterprise development, National Breweries Plc supported over 3,000 small scale farmers from across Zambia by choosing to buy their maize for the production of Chibuku Shake Shake over the already established farmers. Realising that agriculture is one of Zambia’s mainstays with more than 30% of the total population living in the rural area and depending on agriculture for their livelihood, National Breweries Plc saw it fit to try and make the lives of the small scale farmers better by supporting them through the buying of the maize and also help create employment for the communities in the surrounding catchment areas where the small scale farmers draw their manpower to harvest the fields.

Litter:

Admittedly, litter is one of National Breweries main challenges owing to its packed beer. In 2009, the company embarked on sensitisation ‘edutainment’ programs which included drama acts in some communities to emphasise the need for the communities to be wary of litter around their homes and other surrounding areas. Bins were also donated to various institutions and markets in a bid to curb the scourge.

W J Tiedt
Managing Director
8th June 2009

Report of the Directors
for the year ended 31st March 2009

The Directors present their report and the audited financial statements of National Breweries Plc for the year ended 31 March 2009, which disclose the state of affairs of the Company.

Principal Activities

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

Share capital

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

Shareholder	***%***	***Number of shares held***
Heinrich's Syndicate Limited	70	44 100 000
Widely held on Lusaka Stock Exchange	30	18 900 000
Total	**100**	**63.000.000**

Results and dividends

	2009	2008
Sales	**188.652**	123.357
Net profit for the year	**23.814**	22.377

During the year an interim dividend of K 13,919 million (2008: K10,780) was paid. The directors recommend the approval of a final dividend of K 9,895 million (2008: K11,596 million), bringing total dividend for the year to K 23,814 million (2008: K22,377 million).

Average number and remuneration of employees

The total remuneration of employees during the year amounted to K19,819 million (2008: K14,976 million) and the average monthly number of employees during the year was as follows:

Month	Number	Month	Number	Month	Number	Month	Number
April	504	July	559	October	613	January	642
May	509	August	582	November	630	February	609
June	507	September	594	December	653	March	609

Gifts and Donations

During the year the Company made donations of K36 million (2008: Nil) to charitable organisations.

Exports

The Company exported Top One Maheu to Democratic Republic of Congo of K 53 million (2008: K 236 million) during the year.

Property, plant and equipment

The Company purchased property, plant and equipment amounting to K15,554 million (2008: K 8,555 million) during the year.

In the opinion of the directors, the carrying value of property, plant and equipment is not more than their recoverable value.

Research and development

The Company did not incur any research and development costs in the year.

Health and safety

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

Statement on corporate governance

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

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

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

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

Report of the Directors
for the year ended 31st March 2009 (cont.)

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

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

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

Ultimate parent company

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

Directors

The directors who held office during the year and to the date of this report were:

V. Chitalu - **Chairman**
W. J. Tiedt - **Managing Director**
P. Gowero
R Goetzsche - **(Resigned 21 October 2008)**
G. Sokota
S Burroughs - **(Resigned 30 April 2008)**

Auditor

The auditor, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the annual general meeting.

By order of the Board
A Malenga
Company Secretary
8th June 2009

Directors' Responsibilities & Statement for the year ended 31st March 2009

The Zambia Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of the Zambia Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit in accordance with International Financial Reporting Standards. 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.

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.

V Chitalu
Chairman
8th June 2009

W J Tiedt
Managing Director

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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NATIONAL BREWERIES PLC

Report on the financial statements

We have audited the accompanying financial statements of National Breweries Plc for the year ended 31 March 2009 set out on pages 18 to 40. These financial statements comprise the balance sheet at 31 March 2009, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the company's financial affairs at 31 March 2009 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Zambia Companies Act.

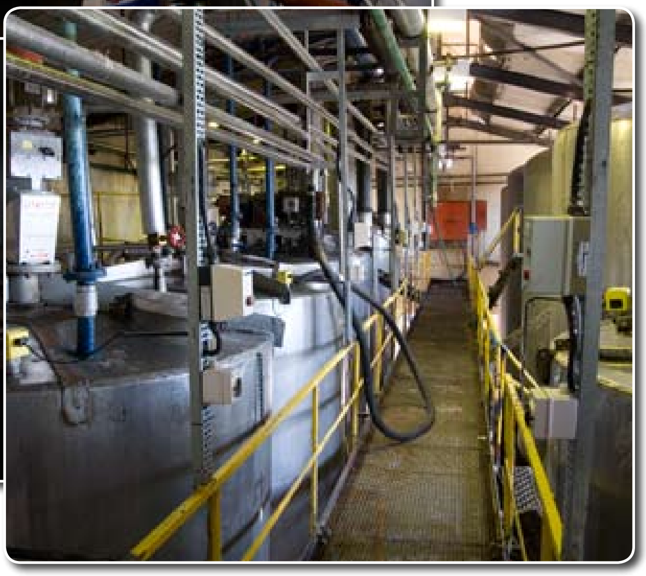
Report on other legal requirements

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

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

Chartered Accountants
Mark Libakeni
Partner
8th June 2009


PUSH UP
SPOUT
SPOUT
PUSH UP
OPEN
OPEN
SHAKE THE PACK
Enriched flavour
Chibuku
SHAKE SHAKE
1Litre



Profit and loss account

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

	Notes	2009	2008
Revenue	5	188 652	123 357
Cost of sales		(99 257)	(45 977)
Gross profit		89 395	77 380
Other income	6	1 589	719
Distribution costs		(6 572)	(8 058)
Administrative expenses		(10 040)	(7 594)
Other operating expenses		(36 185)	(27 790)
Finance (costs)/income	7	(673)	666
Profit before income tax	8	37 514	35 323
Income tax expense	10	(13 700)	(12 946)
Profit for the year		23 814	22 377
Earnings per share for profit attributable to the equity holders of the Company			
- basic and diluted (Kwacha per share)	11	378	355
Dividends:			
Interim dividends – paid in the year	12	13 919	10 781
Proposed final dividend for the year	12	9 895	11 596
		23 814	22 377

Balance sheet

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

	Notes	31 March 2009	31 March 2008
EQUITY			
Share capital	13	63	63
Retained earnings		9 646	9 646
Proposed dividend	12	9 895	11 596
Total equity		19 604	21 305
Non-current liabilities			
Deferred income tax	14	4 473	2 886
		4 473	2 886
		24 077	24 191
REPRESENTED BY			
Non-current assets			
Property, plant and equipment	15	31 264	21 012
		31 264	21 012
Current assets			
Inventories	16	20 422	12 978
Receivables and prepayments	17	4 656	4 645
Current income tax	10	68	-
Cash and bank balances	18	2 661	8 311
		27 807	25 934
Current liabilities			
Payables and accrued expenses	19	31 198	20 411
Current income tax	10	-	2 344
Bank overdraft	20	3 796	-
		34 994	22 755
Net current (liabilities)/ assets		(7 187)	3 179
		24 077	24 191

The financial statements on pages 18 to 40 were approved for issue by the board of directors on 8th June 2009 and signed on its behalf by:

V Chitalu
Chairman

W J Tiedt
Managing Director

Statement of changes in equity

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

Year ended 31 March 2008	Note	Share capital K'million	Retained earnings K'million	Proposed dividends K'million	Total K'million
At start of year		63	9 645	13 488	23 196
Profit for the year		-	22 377	-	22 377
Total recognised income for 2008		-	22 377	-	22 377
Dividends:					
- Final for 2007		-	-	(13 488)	(13 488)
- Interim for 2008	12	-	(10 780)	-	(10 780)
- Proposed final for 2008	12	-	(11 596)	11 596	-
At end of year		63	9 646	11 596	21 305
Year ended 31 March 2009					
At start of year		63	9 646	11 596	21 305
Profit for the year		-	23 814	-	23 814
Total recognised income for 2009		-	23 814	-	23 814
Dividends:					
- Final for 2008		-	-	(11 596)	(11 596)
- Interim for 2009	12	-	(13 919)	-	(13 919)
- Proposed final for 2009	12	-	(9 895)	9 895	-
At end of year		63	9 646	9 895	19 604

Cash flow statement

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

	Notes	2009	2008
Operating activities			
Cash generated from operations	23	44 265	47 802
Interest received	7	104	414
Interest paid	7	(257)	-
Income tax paid	10	(14 525)	(14 426)
Net cash generated from operating activities		29 587	33 790
Investing activities			
Purchase of property, plant and equipment	15	(15 554)	(8 555)
Proceeds from disposal of property, plant and equipment		2 036	176
Net cash used in investing activities		(13 518)	(8 379)
Financing activities			
Dividends paid		(25 515)	(24 268)
Net cash used in financing activities		(25 515)	(24 268)
(Decrease)/increase in cash and cash equivalents		(9 446)	1 143
Movement in cash and cash equivalents			
At start of year		8 311	7 168
(Decrease)/increase		(9 446)	1 143
At end of year	18	(1 135)	8 311

Notes

1 General Information

National Breweries Plc is incorporated in Zambia under the Zambia Companies' Act as a limited liability company and is domiciled in Zambia. The address of its registered office is:

Plot number 1609
Sheki Sheki Road
Light Industrial Area
P O Box 35135
Lusaka

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations effective in 2008

In 2009 new and revised standards and interpretations became effective for the first time and have been adopted by the Company where relevant to its operations. The adoption of these new and revised standards and interpretations had no material effect on the Company's accounting policies or disclosures:

- IFRIC 11 – IFRS 2 - Group and treasury share transactions
- IFRIC 12 – Service Concession Arrangements
- IFRIC 14 – IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
- IAS 39 and IFRS 7 – Reclassification of financial assets.

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

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

The Directors have assessed the relevance of the new standard and interpretations, and amendments to existing standards with respect to the company's operations and concluded that they will not have any impact on the company's financial statements, other than for the amendments to IAS 1 - Presentation of Financial Statements, which will require non-owner changes in equity to be presented in a 'Comprehensive Statement of Income'.

(b) Revenue recognition

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

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

(i) Sales of goods are recognised in the period in which the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured;

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

(c) Functional currency and translation of foreign currencies

Transactions are recorded on initial recognition in Zambia Kwacha, being the currency of the primary economic environment in which the company operates (the functional currency). Transactions in foreign currencies are converted into Zambia Kwacha using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

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

(d) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. All property, plant and equipment are subsequently stated at historical cost less depreciation. Historical cost includes expenditure that is directly attribut able 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts less their residual values over their estimated useful lives, as follows:

• Buildings	20 years
• Plant and machinery	10 years
• Equipment and motor vehicles	4 – 6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit.

(e) Accounting for leases

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

(f) Inventories

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

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

(h) Payables

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

(i) Borrowings

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

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

(j) Share capital

Ordinary shares are classified as 'share capital' in equity.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, 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 the balance sheet.

(l) Employee benefits

(i) Retirement benefit obligations

The company operates a defined contribution scheme for its employees. The company and all its employees also contribute to the National Pension Scheme Authority (NAPSA), which is a defined contribution scheme. A defined contribution plan is a retirement benefit plan under which the company pays fixed contributions into a separate entity. The company has 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 company's contributions to the defined contribution schemes are charged to the profit and loss account in the year in which they fall due.

(ii) Other entitlements

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

(m) Income tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Tax is recognised in the profit and loss account unless it relates to items recognised directly in equity, in which case it is also recognised directly in equity.

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

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

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

(n) Dividends

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

3 Critical accounting estimates and judgements

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

(i) Critical accounting estimates and assumptions

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

Receivables

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

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

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

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

4 Financial risk management objectives and policies

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

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

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

Market risk

(i) Foreign exchange risk

The company imports certain raw materials and services and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the South African Rand. Foreign exchange risk arises from bank balances 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.

At 31 March 2009, if the Kwacha had weakened/strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year would have been K 57 million (2008: K 223 million) higher/lower, mainly as a result of US Dollar denominated trade payables and bank balances.

At 31 March 2009, if the Kwacha had weakened/strengthened by 10% movement against the South African Rand with all other variables held constant, post tax profit for the year would have been K 138 million (2008: nil) lower/higher, mainly as a result of South African Rand denominated trade payables and bank balances.

(ii) Price risk

The company does not hold any financial instruments subject to price risk.

(iii) Cash flow and fair value interest rate risk

The company's only interest bearing financial liability is the bank overdraft, which is at variable rate, and on which it is therefore exposed to cash flow interest rate risk. The company regularly monitors financing options available to ensure optimum interest rates are obtained. At 31 March 2009, an increase/decrease of 2% would have resulted in a decrease/increase in post tax profit of K 4 million (2008: Nil).

Credit risk

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

The amount that best represents the company's maximum exposure to credit risk at 31 March 2009 is made up as follows:

	2009	2008
Cash at bank and short term bank deposits	2 661	8 311
Trade receivables	202	395
Receivables from related companies	436	2 000
Other receivables	318	-
	3 617	10 706

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

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines. Exposure in this aspect is limited as the Company is purely a cash business.

Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flow.

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

	Within 3 months	
At 31 March 2009:		
- bank overdraft	3 796	
- trade and other payables	31 198	
At 31 March 2008:		
- bank overdraft	-	
- trade and other payables	20 411	

Capital management

The company's objectives when managing capital are to safeguard the 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 company may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

5 Revenue

	2009	**2008**
Sale of goods	188 652	123 357

6 Other income

Sundry income	**55**	609
Gain on disposal of property, plant and equipment	**1 534**	110
	1 589	719

7 Finance (costs)/ income

Interest income	**104**	414
Interest expense - bank overdraft	**(257)**	-
Net foreign exchange (losses)/gains on cash and cash equivalents	**(520)**	252
Net finance (costs)/income	**(673)**	666

8 Expenses by nature

The following items have been charged in arriving at the profit before income tax:

	2009	2008
Depreciation on property, plant and equipment (Note 15)	4 800	4 199
Operating lease rentals expensed	857	786
Write down of inventories	2 591	997
Employee benefits expense (Note 9)	19 819	14 976
Auditors' remuneration	165	159

9 Employee benefits expense

The following items are included within employee benefits expense:		
Retirement benefits costs:		
- Defined contribution scheme	461	(91)
- National Pension Scheme Authority	594	477

10 Income tax expense

Current income tax	**12 113**	12 442
Deferred income tax (Note 13)	**1 587**	504
Income tax expense	**13 700**	12 946

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

	2009	**2008**
Profit before income tax	37 514	35 323
Tax calculated at the statutory income tax rate of 35% (2008 – 35%)	13 130	12 363
Tax effect of:		
Income not subject to tax	(2 313)	(1 132)
Expenses not deductible for tax purposes	2 883	1 715
Income tax expense	13 700	12 946

Current income tax movement in the balance sheet	**2009**	**2008**
At start of year	2 344	4 328
Charge for the year	12 113	12 442
Payments during the year	(14 525)	(14 426)
At end of year	(68)	2 344

Income tax assessments have been agreed with the Zambia Revenue Authority (ZRA) up to and including the year ended 31 March 2003. A self assessment system for income tax was introduced for periods subsequent to 31 March 2003. Income tax returns have been filed with the ZRA for the years ended 31 March 2004, 2005, 2006, 2007 and 2008. Quarterly tax payments for the year ended 31 March 2009 were made on the due dates during the year.

11 Earnings per share

	2009	2008
Profit attributable to equity holders of the Company	23 814	22 377
Weighted average number of ordinary shares in issue	63	63
Basic earnings per share	378	355

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. There were no potentially dilutive shares outstanding at 31 March 2009 or 2008. Diluted earnings per share are therefore the same as basic earnings per share.

12 Dividends per share

At the annual general meeting to be held on 29 June 2009, a final dividend in respect of the year ended 31 March 2009 of K 157.06 (2008: K184.07) per share amounting to a total of K 9,895 million (2008: K 11,596 million) is to be proposed. During the year an interim dividend of K 220.93 per share (2008: K171.11), amounting to a total of K 13,919 million (2008: K10,780 million) was paid. The total dividend for the year is therefore K 377.99 per share (2008: K 355.18), amounting to a total of K 23,814 million (2008: K 22,377 million).

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

13 Share capital

	Number of shares (Thousands)	Ordinary shares K'million
Balance at 1 April 2007, 31 March 2008 and 31 March 2009	63 000	63

The total authorised number of ordinary shares is 75 million with a part value of K 1 per share. All issued shares are fully paid.

14 Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 35% (2008: 35%). The movement on the deferred income tax account is as follows:

	2009	2008
At start of year	2 886	2 382
Charge to profit and loss account (Note 10)	1 587	504
At end of year	4 473	2 886

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

Year ended 31 March 2009	1.4.2008	Charged to P & L	31.03.2009
Deferred income tax liabilities			
Property, plant and equipment	2 886	1 587	4 473
Net deferred income tax liability	2 886	1 587	4 473

Year ended 31 March 2008	1.4.2007	Charged to P &L	31.03.2008
Deferred income tax liabilities			
Property, plant and equipment	2 382	504	2 886
Net deferred income tax liability	2 382	504	2 886

15 Property, plant and equipment

	Land and Buildings	Plant, machinery and vehicles	Furniture and fittings	Capital work in progress	Total
Year ended 31 March 2008					
Opening net book amount	3 416	10 132	1 560	1 614	16 722
Additions	39	4 393	270	3 853	8 555
Transfers	1 627	2 738	114	(4 479)	-
Disposals	-	(1 165)	(264)	-	(1 429)
Depreciation charge for the year	(314)	(3 189)	(696)	-	(4 199)
Depreciation on disposals	-	1 107	256	-	1 363
Closing net book amount	4 768	14 016	1 240	988	21 012
At 31 March 2008					
Cost	6 598	24 270	3 416	988	35 272
Accumulated depreciation	(1 830)	(10 254)	(2 176)	-	(14 260)
Net book amount	4 768	14 016	1 240	988	21 012
Year ended 31 March 2009					
Opening net book amount	4 768	14 016	1 240	988	21 012
Additions	-	7 350	361	7 843	15 554
Transfers	1 630	6 038	667	(8 335)	-
Disposals	(335)	(920)	(84)	(65)	(1 404)
Depreciation charge	(347)	(3 713)	(740)	-	(4 800)
Depreciation on disposals	90	731	81	-	902
Closing net book amount	5 806	23 502	1 525	431	31 264
At 31 March 2009					
Cost	7 893	36 738	4 360	431	49 422
Accumulated depreciation	(2 087)	(13 236)	(2 835)	-	(18 158)
Net book amount	5 806	23 502	1 525	431	31 264

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

16 Inventories

	2009	2008
Raw materials	15 876	10 219
Finished goods	160	84
Other stores and spares	4 386	2 675
	20 422	12 978

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to K 97, 881 million (2008: K 45,004 million).

17 Receivables and prepayments

	2009	2008
Trade receivables	202	395
Receivables from related companies (Note 24)	436	2 000
Other receivables and prepayments	4 018	2 250
	4 656	4 645

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

18 Cash and cash equivalents

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

	2009	2008
Cash and bank balances	2 661	8 311
Bank overdraft (Note 20)	(3 796)	-
	(1 135)	8 311

19 Payables and accrued expenses

	2009	2008
Trade payables	12 323	5 446
Amounts due to related companies (Note 24)	8 991	7 120
Other payables and accrued expenses	9 884	7 845
	31 198	20 411

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

20 Bank overdraft

The company has an overdraft facility up to a limit of K 8 billion. The facility is renewable quarterly and is subject to review on 30 June 2009. The bank facility is unsecured.

The carrying amount of the bank overdraft approximates to the fair value.

21 Contingent liabilities

(i) Guarantees

At 31 March 2009 the Company had given excise bond guarantees amounting to K 4,500 million (2008: K 4,500 million) to the Zambia Revenue Authority. The directors do not that any anticipate that any significant loss will arise from these contingent liabilities.

(ii) Legal proceedings

The Company is the subject of a number of legal claims relating primarily to employment issues. In the director's opinion, after taking appropriate legal advice, the outcome of these claims will not give raise to any significant loss.

22 Commitments

Capital commitments

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

	2009	2008
Property, plant and equipment	2 378	1 684

Operating lease commitments

	2009	2008
Not later than 1 year	1 095	900

23 Cash generated from operations

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

	2009	2008
Profit before income tax	37 514	35 323
Adjustments for:		
Interest income (Note 7)	(104)	(414)
Interest expense (Note 7)	257	-
Depreciation (Note 15)	4 800	4 199
(Profit) on sale of property, plant and equipment	(1 534)	(110)
Changes in working capital		
– receivables and prepayments	(11)	10 954
– inventories	(7 444)	(4 094)
– payables and accrued expenses	10 787	2 105
– retirement benefit obligations	-	(161)
Cash generated from operations	44 265	47 802

24 Related party transactions

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

The following transactions were carried out with related parties:

i) Interest on loans to related parties

	2009	2008
Fellow subsidiary	59	302

ii) Purchase of services

SABMiller Management BV	3 417	2 365

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

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

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

	2009	2008
Receivables from related parties		
Amounts due from fellow subsidiaries	436	2,000
Payables to related parties		
Amounts due to fellow subsidiaries	8 991	7 120

iv) Key management compensation

	2009	2008
Salaries and other short-term employment benefits	1 707	1 789

v) Directors' remuneration

Fees for services as a director (included in key management compensation above)	117	70


NATIONAL
BREWERIES PLC


SPOUT
SPOUT
SHAKE THE PACK
Chibuku
SHAKE SHAKE
1 Litre

Principal Shareholders and Share Distribution for the year ended 31st March 2009

Principal shareholders

The ten largest shareholdings in the Company and the respective number of shares held as at 31 March 2009 are as follows:

	Name of shareholder	%	Number of shares
1.	Heinrich Syndicate Limited	70.00	44,100,000
2.	Barclays Lusaka Nominees	9.73	6,131,630
3.	Public Service Pension Fund	8.17	5,147,500
4.	National Pension Scheme Authority	2.26	1,421,017
5.	Saturnia Regna Pension Trust Fund	2.08	1,312,861
6.	Local Authorities Superannuation Fund	1.11	700,000
7.	Madison Pension Fund	0.81	510,326
8.	Barclays Bank Plc - Staff Pension Fund	0.70	438,908
9.	Standard Chartered Pension Trust Fund	0.47	297,626
10.	Workers Compensation Fund	0.40	250,000
	Total	**95.73**	**60,309,868**

Distribution of shareholders

	Number of shareholders	%	Number of shares
Less than 500 shares	323	0.07	46,452
500 – 5,000 shares	730	1.62	1,022,348
5,001 – 10,000 shares	40	0.49	308,099
10,001 – 100,000 shares	37	1.88	1,185,301
100,001 – 1,000,000 shares	9	6.49	4,091,764
Over 1,000,000 shares	5	89.44	56,346,036
Total	**1,144**	**100**	**63,000,000**


SHAKE SHAKE
SHAKE SHAKE

Directorate and Corporate Information for the year ended 31st March 2009

CHAIRMAN
*V Chitalu **

DIRECTORS
*G Sokota**
*W Tiedt***
*S Burroughs**(Resigned 30 April 2008)*

DIRECTORS
*P Gowero****
*R Goetzsche***
(Resigned 21 October 2008)

COMPANY SECRETARY
*A Malenga**

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

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

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

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

AUDITORS
PricewaterhouseCoopers
PricewaterhouseCoopers Place
Thabo Mbeki Road
P O Box 30942
Lusaka

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

* Zambian ** South African ***Zimbabwean

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 41st ANNUAL GENERAL MEETING of NATIONAL BREWERIES PLC will be held at the Southern Sun Ridgeway Hotel, Lusaka, Zambia on Monday 29 June 2009 at 09:00 hours for the following purposes:

1. To approve the minutes of the 40th Annual General Meeting held on 19 June 2008.

2. To receive and adopt the audited financial statements for the year ended 31 March 2009.

3. To declare a final dividend of K157.06 per share, this will be paid by 31 August 2009 (to ordinary shareholders who are on the register at the close of business on 30 June 2009).

4. To re-appoint PricewaterhouseCoopers as external auditors from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

5. To authorise the Board of Directors to fix the remuneration of the Directors.

6. To elect Directors in place of those retiring in accordance with the provision of the Company's articles of association.

7. To transact any other business that may properly be transacted at the annual general meeting.

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

By order of the Board
A MALENGA
Company Secretary

NOTICE TO SHAREHOLDERS

Please be advised that the audited financial statements for the year ended 31 March 2009 in respect of National Breweries PLC, will be distributed to our registered shareholders as at 31 March 2009 in the week commencing 8 June 2009.

The Company will make the financial statements available for viewing in PDF format, on the web site of the Lusaka Stock Exchange – www.luse.co.zm from 10 June 2009.

By order of the Board
A MALENGA
Company Secretary
P.O Box 35135
Plot 1609 Sheki Sheki Road
Lusaka


KEEP ZAMBIA CLEAN