March 2011
Annual Report & Financial Statements

National Breweries PLC

Chibuku
"Taste the goodness"

A subsidiary of SABMiller plc


SHAKE SHAKE


Chibuku
SHAKE SHAKE
Over 40 Great Years
"Taste the goodness"
ABM 2246
Chibuku
SHAKE SHAKE
"Taste the goodness"
ABJ 1770
TRUCKBODIES

Top Left - Mainza Madubansi (Regional Manager - North), Fanie Olivier (Technical Manager), Probby Mwela (IT Manager), Guntila Muleya (Marketing Manager), Ronny Palale (Operations Director) and Yuyo Nachali-Kambikambi (Corporate Affairs Manager)

Bottom Left - Anthony Malenga (Finance Manager), David Cason (General Manager), Wes Tiedt (Managing Director), James Webb (Finance Director) and Mwape Chisanga (Human Resources Manager)

TABLE OF CONTENTS

OUR VISION, MISSION & VALUES 1

COMPANY FINANCIAL REVIEW 2

CHAIRMAN'S STATEMENT 3

MANAGING DIRECTOR'S REPORT 4

SUSTAINABLE DEVELOPMENT REPORT 5

DIRECTORS' REPORT 7

STATEMENT OF THE DIRECTORS' RESPONSIBILITES 10

REPORT OF THE INDEPENDENT AUDITOR 12

FINANCIALS STATEMENTS :

PROFIT AND LOSS ACCOUNT 14

STATEMENT OF COMPREHENSIVE INCOME 15

BALANCE SHEET 16

STATEMENT OF CHANGES IN EQUITY 17

CASH FLOW STATEMENT 18

NOTES 19

PRINCIPAL SHAREHOLDERS AND SHARE DISTRIBUTION 36

DIRECTORATE AND CORPORATE INFORMATION 37

NOTICE OF ANNUAL GENERAL MEETING 38


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

OUR VISION

Our group vision is to the most admired company in the global beer industry, by being the

- Investment of choice
- Employer of choice
- Partner of choice

MISSION

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

VALUES

Our people are our enduring advantage

- The calibre, passion and commitmentt 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 decentralised management and practical maximum 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

K Million	Year ended 31 March 2011	Year ended 31 March 2010	Year ended 31 March 2009	Year ended 31 March 2008	Year ended 31 March 2007	Year ended 31 March 2006
Gross turnover	359,022	308,256	264,983	177,416	168,908	154,414
Product taxes/excise duty	(88,874)	(79,627)	(76,331)	(54,059)	(51,523)	(46,902)
Net turnover	260,777	228,629	188,652	123,357	117,385	107,512
Profit before taxation	57,757	49,788	37,514	35,323	41,025	36,879
Profit after taxation	**37,170**	**30,928**	**23,814**	**22,377**	**26,401**	**23,192**

Non current assets	35,361	31,872	31,264	21,012	16,722	11,864
Net current assets /(liabilities)	1,279	637	(7,187)	3,179	9,017	12,133
Deferred income tax	6,380	(5,633)	(4,473)	(2,886)	(2,382)	(1,881)
Shareholders interest	**(23,880)**	**(26,876)**	**(19,604)**	**(21,305)**	**(23,196)**	**(21,616)**

Kwacha						
Earnings per share	590.00	490.93	377.99	355.18	419.06	368.12
Dividends per share	**590.00**	**490.93**	**377.99**	**355.18**	**419.06**	**368.12**

Financial Performance

It is pleasing to report that the Company experienced strong growth to post further record profits in the financial year to 31 March 2011. The strong performance of the Zambian economy during the year combined with a competitive pricing strategy, assisted by a favourable maize price, drove volume growth through a large part of the year in spite of increasing competition. Prices were increased in December in a need to defend margins which slowed down the growth but with a satisfactory final profit for the year.

Summary of Key Results

- Pre-tax profit of K 57,757 million for the year (2010: K49,788 million) up 16%
- Gross turnover increase of 16.5% compared to previous year
- Earnings per share of K590.00 (2010: K490.93)
- An interim dividend of K263.79 per share (2010: K218.43) was paid in March 2011
- A proposed final dividend of K326.21 per share bringing total dividends for the year to K590.00 (2010: K490.93)

Dividends

An interim dividend of K263.79 per share was paid during the year. A final dividend of K326.21 per share is recommended for approval at the annual general meeting which will be held on 29 June 2011. This will be paid to ordinary shareholders registered at close of business on 29 July 2011. This represents 100% distribution of profits.

Corporate Governance

The Board of Directors and Audit Committee continue to set the high standards of Corporate Governance necessary for the effective management of the Company. 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 continues to promote sound work ethic and encourage employees to maintain honesty and integrity in discharging their duties. All employees have been asked to subscribe to the Company's ethics policy.

Human Resource

Our strategy of Strategic People Resourcing (SPR) continues and key recruitments were made during the year.

We continue to fully support employees affected by HIV/Aids with provision of anti-retroviral drugs. Employees are continually sensitized through trained peer educators and encouraged to undergo voluntary counselling and testing.

An anti-malaria campaign was launched during the year to assist employees in defending themselves from this ever-present threat.

In conclusion, I thank the Managing Director, Management, staff and the Board of Directors for their support and efforts during this year and I look forward to more success in the 2012 financial year.

Valentine Chitalu
Board Chairman

Operating and economic environment

The Zambian economy has performed well during the year with a strong copper price benefiting the mining industry and with the Zambian Kwacha being stable and relatively strong. Evidence of construction work and infrastructural development has contributed to employment levels.

With the Central Bank reducing domestic borrowing, the money market has seen excess liquidity resulting in lower interest rates and borrowing costs.

The annual inflation rate decreased from 10.2% in March 2010 to 9.2% in March 2011. The Zambian Kwacha marginally depreciated on a year on year basis. The local currency closed at K4, 710 having opened the financial year at K4, 690 in March 2010.

Performance

I am pleased to report to the shareholders that the company posted further growth to record profits during the financial year. A competitive pricing strategy adopted for a large part of the year, supported by enhancements to the distribution strategy, and assisted by a favourable maize price, contributed to good volume growth. A price increase to support margins effected in the last part of the year, along with increasing competition in the market, impacted on sales volume levels but the year closed with a satisfactory growth in earnings.

During the year minor packaging alternatives were introduced to the market to broaden the offering to additional sectors of the market.

Following relatively high capital expenditure in 2009 and 2010, the programme for this year was reduced to consolidate the benefits to be gained from the expenditure. The Company invested K9.7 billion (2010: K6.5 billion) in Property, Plant and Equipment (PPE) with K5.4 billion (2010:K4 billion) in distribution resources.

We have achieved pre-tax profits of K57,757 million (2010: K49,788 million).

The Company's contribution to the State, in the form of VAT, Excise Duty and Corporate tax during the year was K109 billion (2010: K98 billion), an increase of 11%.

As mentioned in the Chairman's report, the Company paid an interim dividend during the year of K263.79 per share. A final dividend of K326.21 per share will be paid bringing the total dividend for the year to K590 per share. This represents an increase of 20% against 2010.

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 maize crop is expected to be abundant with a good harvest season predicted. This will be welcome in continuing to control the Company's input costs. The outlook for the Kwacha remains positive as long as the copper price remains strong.

The Company will focus on the following key areas:
- 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;
- more community support in the markets we operate in; and
- maintain group standards in IT infrastructure and explore opportunities to improve MIS.

Wes Tiedt
Managing Director

Sustainable Development

As a subsidiary of SABMiller, we, like any other company have 10 priorities that help us make sustainable development part of everything we do. We believe that for National Breweries Plc to achieve a competitive advantage and ultimately better profitability, sustainable development needs to be part of what we do everyday therefore the need to integrate the ten Sustainable Development Priorities (SDP's) into our decision-making and the way we run our business.

Activities and Projects:

Anti-Under-Age Drinking Campaign

The company in conjunction with the Ministry of Education (MOE) launched a K150 million Campaign against Under-age drinking on September 25th, 2010. This campaign has thus far seen the MOE instruct all provincial heads to include in their school programs, activities that address issues of under-age drinking. The company also distributed over 10,000 educational posters to all the schools in the nine provinces while radio jingles in English, Bemba and Nyanja were produced and are currently being aired on local community radio stations.

Alcohol Behaviour Communication:

National Breweries Plc sees the importance of educating its staff on issues concerning the product that they sell. It is our belief that beer adds to the enjoyment of life for the overwhelming majority of consumers but in addition to bringing social pleasure on the other side alcohol is associated with certain diseases, health conditions, and negative social consequences, especially when consumed excessively or irresponsibly.

Journalists Alcohol Reporting Workshop:

Seeing that the media is a key stakeholder in the area of combating alcohol abuse National Breweries Plc (NB) and Zambian Breweries (ZB) as producers and retailers of alcohol thought it beneficial to bring together the media who report and create strong opinions in the public about issues of alcohol.

The two companies held a very successful alcohol reporting workshop where 27 local journalists representing the various print and broadcast media were in attendance.

National Alcohol Policy

The formulation of the suspended National Alcohol Policy is back on track with SABMiller having been given an opportunity to serve on the technical committee of the final drafting and re-working of the document that was started over four years ago. The MOH has already put in place a roadmap with the hope of concluding the document by the end of June, 2011.

Road Safety

As per the last few years, National Breweries Plc continued to work with the Road Transport and Safety Agency (RTSA), in sponsoring sensitization programs on national radio and television. In the year 2011, the company went further by also providing 100 reflective safety jackets for the Zambia Policemen and women stationed along the line of rail.

Litter Campaign

Litter remains to be a major concern for National Breweries Plc. During the year, the company sponsored the Eastern Province based Seka Theatre Club to carry out sensitization programs in the area.

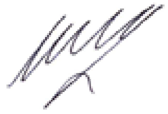
The company has also continued to work with the Ministry of Local Housing and Government and also continues to provide 210 litres branded bins for its major outlets in a bid to help in reducing the litter improperly discarded of in many areas.

Bringing benefit to communities (Corporate Social Investment)

The prosperity of the communities in which we work and operate in is co-dependent. Our corporate social investment (CSI) activities aim to improve the quality of life for local people, helping to build strong relationships with suppliers, consumers and our employees. It is in this regard that we continue supporting culture and tradition. National Breweries Plc spent more than K30 million towards various local traditional ceremonies in the year 2011, while over K60million was spent on donations to various worthy causes in society.

The TEN Sustainable priorities are listed below:

1. Discourage irresponsible drinking
2. Make more beer using less water
3. Reduce our energy and carbon footprint
4. Have a vibrant packaging re-use and recycling economy
5. Work towards zero waste operations
6. Have supply chains that reflect our own values and commitment
7. Have respect for human rights
8. Bring benefit to our communities
9. Contribute to the reduction of HIV/Aids within our sphere of influence
10. Be transparent in reporting our progress on these sustainable development priorities



Wes Tiedt
Managing Director

Pearson Gowero
Board Director

George Sokota
Board Director

Gerard Besson
Board Director

Wes Tiedt
Board Director

Valentine Chitalu
Board Director

Anthony Malenga
Board Secretary

Anthony Malenga
Company Secretary

The Directors present their report and the audited financial statements of National Breweries Plc for the year ended 31 March 2011, 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.

In the opinion of the directors, all the activities of the Company substantially fall within the same industry categorisation.

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.

Results and dividends

	2011 K' Million	2010 K' Million
Revenue	**260,777**	**228,629**
Profit for the year	**37,170**	**30,928**

During the year an interim dividend of K16,619 million (2010: K13,761) was paid. The directors recommend the approval of a final dividend of K20,551 million (2010: K17,167 million), bringing total dividend for the year to K37,170 million (2010: K30,928 million).

Average number and remuneration of employees

The total remuneration of employees during the year amounted to K28,188 million (2010: K23,919 million) and the average monthly number of employees during the year was as follows:

Month	Number	Month	Number
April	640	October	675
May	640	November	685
June	640	December	690
July	665	January	701
August	667	February	696
September	684	March	673

Gifts and donations

During the year, the Company made donations of K90 million (2010: K158 million) to various charitable organisations.

Exports

The Company did not export any products during the year (2010: nil).

Property, plant and equipment

The Company purchased property, plant and equipment amounting to K9,729 million (2010: K6,503 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 (2010: Knil).

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

The Board meets at least four times a year. 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.

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.

Directors

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

V Chitalu	-	Chairman
B Hirsch	-	Alternate Director
G Besson	-	Director
G Sokota	-	Director
P Gowero	-	Director
W Tiedt	-	Managing Director

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

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

W J Tiedt
Managing Director

Chibuku
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ISUZU
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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 set out on pages 14 to 35. These financial statements comprise the balance sheet at 31 March 2011, the profit and loss account and statement of comprehensive income, 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 of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Zambia Companies Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 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 2011 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 proper accounting record and other registers required by this Act.

In our opinion, based on our examination of those records, the Company has maintained proper accounting records and other records and registers as required by the Zambia Companies Act.

Chartered Accountants

Lusaka, ... **2011**

Mark Libakeni
Partner signing on behalf of the firm

Profit and Loss Account

	Notes	Year ended 31 March 2011	2010
Revenue	**5**	**260,777**	**228,629**
Cost of sales		(124,691)	(119,851)
Gross Profit		**136,086**	**108,778**
Other income	6	264	2,567
Distribution costs		(7,268)	(3,899)
Administrative expenses		(12,787)	(12,718)
Other operating expenses		(58,614)	(43,994)
Finance income/(costs)	7	76	(946)
Profit before income tax	**8**	**57,757**	**49,788**
Income tax expense	10	(20,587)	(18,860)
Profit for the year		**37,170**	**30,928**
Earnings per share attributable to the equity holders of the Company			
- Basic and diluted (Kwacha per share)	11	590	491
Dividends			
Interim dividends - paid in the year	12	16,619	13,761
Proposed final dividend for the year	12	20,551	17,167
		37,170	**30,928**

Statement of Comprehensive Income

	Year ended 31 March	
	2011	**2010**
Profit for the year	37,170	30,928
Other comprehensive income	-	-
Total comprehensive income	**37,170**	**30,928**

Balance Sheet

	Notes	31 March 2011	31 March 2010
EQUITY			
Share capital	13	63	63
Retained earnings		30,197	9,646
Proposed dividend	12	-	17,167
Total equity		**30,260**	**26,876**
Non-current liabilities			
Deferred income tax	14	6,380	5,633
		36,640	**32,509**
REPRESENTED BY			
Non-current assets			
Property, plant and equipment	15	35,361	31,872
Current assets			
Inventories	16	31,902	29,105
Trade and other receivables	17	9,297	5,648
Cash and bank balances	18	4,624	6,979
		45,823	**41,732**
Curent liabilities			
Trade and other payables	19	27,293	28,702
Current income tax	10	5,674	3,425
Bank overdraft	20	11,577	8,968
		44,544	41,095
Net current assets		**1,279**	**637**
		36,640	**32,509**

The financial statements on pages 14 to 35 were approved for issue by the board of directors on May 13th 2011 and signed on its behalf by:

V Chitalu
Chairman

W J Tiedt
Managing Director

Statement of Changes in Equity

	Note	Share capital K million	Retained earnings K million	Proposed dividends K million	Total K million
Year ended 31 March 2010					
At start of year		63	9,646	9,895	19,604
Comprehensive income					
Total comprehensive income for the year		-	30,928	-	30,928
Total recognised income for 2010		**-**	**30,928**	**-**	**30,928**
Transactions with owners					
Dividends:					
- Final for 2009		-		(9,895)	(9,895)
- Interim for 2010	12	-	(13,761)	-	(13,761)
- Proposed final for 2010	12	-	(17,167)	17,167	-
Total distribution to owners		**-**	**(30,928)**	**7,272**	**(23,656)**
At end of year					
		63	**9,646**	**17,167**	**26,876**
Year ended 31 March 2011					
At start of year		63	9,646	17,167	26,876
Comprehensive income					
Total comprehensive income for the year		-	37,170	-	37,170
Total recognised income for 2011		**-**	**37,170**	**17,167**	**37,170**
Transactions with owners					
Dividends:					
- Final for 2010		-		(17,167)	(17,167)
- Interim for 2011	12	-	(16,619)	-	(16,619)
Total distribution to owners		**-**	**(16,619)**	**(17,167)**	**(33,786)**
At end of year		**63**	**30,197**	**-**	**30,260**

Cash Flow Statement

	Notes	2011	2010
Operating activities			
Cash generated from operations	22	56,736	44,958
Interest received	6	188	66
Interest paid	7	(876)	(1,759)
Income tax paid	10	(17,591)	(14,207)
Net cash generated from operating activities		**38,457**	**29,058**
Investing activities			
Purchase of property, plant and equipment	15	(9,729)	(6,503)
Proceeds from disposal of property, plant and equipment		94	247
Net cash used in investing activities		**(9,635)**	**(6,256)**
Financing activities			
Dividends paid	12	**(33,786)**	**(23,656)**
Net cash used in financing activities		**(33,786)**	**(23,656)**
Decrease in cash and cash equivalents		**(4,964)**	**(854)**
Movement in cash and cash equivalents			
At start of year		(1,989)	(1,135)
Decrease		(4,964)	(854)
At end of year	18	**(6,953)**	**(1,989)**

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:

Stand No. 2744/45 & 6249
Malambo 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.

- Adoption of new and revised standards

In 2010, the following new and revised standards and interpretations became effective for the first time and have been adopted by the Company. The adoption of these new and revised standards and interpretations had no material effect on the Company's accounting policies or disclosures.

- IFRS 8 "Operating segments" effective for financial years beginning on/ after 1 January 2010
- IFRIC 17 "Distribution of non-cash assets to owner effective for financial years beginning on/ after 1 July 2009

2. **Summary of significant accounting policies (cont)**

(a) **Basis of preparation (cont)**

b) New and amended standards, and interpretations mandatory for the financial year beginning 1 January 2010 but not relevant to the Company:

Standard/ Interpretation	Title	Applicable for financial years beginning on/after
IFRS 1	First-time Adoption of International Financial Reporting Standards - Additional exemptions for first-time adopters	1 July 2009
IFRS 2 (amended)	Share-based payment – Group cash-settled share-based payment transaction	1 January 2010
IFRS 2	Share-based Payment (part of Annual Improvement Project 2009) - Scope of IFRS 2 and revised IFRS 3	1 July 2009
IFRS 3	Business combinations	1 July 2009
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (part of Annual Improvement Project 2009) – Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations	1 January 2010
IAS 27 (revised)	Consolidated and Separate Financial Statements	1 July 2009
IAS 38	Intangible assets (part of Annual Improvement Project 2009) – Additional consequential amendments arising from revised IFRS 3	1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement (part of Annual Improvement Project 2009) – (i) Treating loan prepayment penalties as closely related embedded derivatives (ii) Scope exemption for business combination contracts	1 Jauary 2010
IFRIC 9 & IAS 39	Reassessment of embedded derivatives & Financial Instruments: Recognition and Measurement	30 June 2009
IFRIC 18	Transfers of assets from customers	1 July 2009

2. **Summary of significant accounting policies (cont)**

(a) Basis of preparation (cont)

(c) Standards and interpretations issued but not yet effective

The following new standards, amendments to existing standards and interpretations have been issued and are mandatory for the Company's accounting periods beginning on or after 1 January 2011 or later periods and are not expected to be relevant to the Company:

Standard/ Interpretation	**Title**	**Applicable for financial years beginning on/after**
IFRS 1 (amended)	First-time Adoption of International Financial Reporting Standards – Limited exemption from comparative IFRS 7 disclosures for first-time adopters	1 July 2010
IFRS 9	Financial instruments part 1: Classification and measurement	1 January 2013
IAS 24 (amended)	Related party disclosures	1 January 2011
IAS 32 (amended)	Financial instruments: Presentation – Classification of rights issue	1 February 2010
IFRIC 14 (amended)	IAS 19 – The limit on a defined benefit asset, minimum funding requirement and their interaction	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

Improvements to IFRS

'Improvements to IFRS' were issued in May 2010. The amendments that are relevant to the Company's operations relate to IAS 1, 'Presentation of financial statements' and IFRS 7'Financial Instruments: Disclosures'. Most of the amendments are effective for annual periods beginning on or after 1 January 2011 with early application permitted.

(d) Early adoption of standards

The Company did not early-adopt new or amended standards in 2010.

(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.

2. Summary of significant accounting policies (cont)

(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'.

(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 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 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.

2. Summary of significant accounting policies (cont)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the Standard 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) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non- current assets.

A provision for impairment of trade 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) 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.

(i) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

(j) 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.

(k) Share capital

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

(l) 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 in current liabilities on the balance sheet.

2. Summary of significant accounting policies (cont)

(m) 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 assets of all schemes are held in separate trustee administered funds, which are funded by contributions from both the company and employees.

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.

(n) 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.

(o) Dividend distribution

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

2. Summary of significant accounting policies (cont)

(p) Segmental 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, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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.

Trade receivables

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

4. Financial risk management objectives and policies (cont)

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 2011, 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 K20 million (2010: K188 million) higher/lower, mainly as a result of US Dollar denominated trade payables and bank balances.

At 31 March 2011, 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 K54 million (2010: K35 million) 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 2011, an increase/decrease of 2% would have resulted in a decrease/increase in post tax profit of K 15 million (2010: K117 million).

Credit risk

Credit risk arises from 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 2011 is made up as follows:

	2011	2010
Cash at bank and short term bank deposits	4,624	6,915
Trade receivables	430	500
Receivables from related companies	3,229	-
Other receivables	2,197	107
	10,480	**7,522**

4. Financial risk management objectives and policies (cont)

No collateral is held for any of the above assets. None of the above assets are past due or impaired. The management do not use external credit ratings to asses the credit quality of the financial assets.

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 March 2011:	
- bank overdraft	11,577
- trade and other payables	27,293
	38,870
At 31 March 2010:	
- bank overdraft	8,968
- trade and other payables	28,702
	37,670

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.

Total capital is calculated as equity plus net debt.

5. Revenue

	2011	2010
Sale of goods	**260,777**	**228,629**

6	Other income	2011	2010
	Sale of maize	-	2,324
	Gain on disposal of property, plant and equipment	45	177
	Interest income	188	66
	Sundry income	31	-
		264	**2,567**

7 Finance income/(costs)

Interest expense - bank overdraft	(876)	(1,759)
Net foreign exchange gain on cash and cash equivalents	952	813
Net finance income/ (costs)	**76**	**(946)**

8 Expenses by nature

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

	2011	2010
Depreciation on property, plant and equipment (Note 15)	6,191	5,825
Operating lease rentals expensed	21	654
Write down of inventories	3,504	3,947
Employee benefits expense (Note 9)	28,188	23,919
Auditor's remuneration	202	182

9 Employee benefits expense

The following items are included within employee benefits expense:

	2011	2010
Retirement benefits costs:		
- Defined contribution scheme	723	411
- National Pension Scheme Authority	885	703

10 Income tax expense

Current income tax	19,840	17,700
Deferred income tax (Note 14)	747	1,160
Income tax expense	**20,587**	**18,860**

10 Income tax expense (continued)

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:

	2011	2010
Profit before income tax	57,757	49,788
Tax calculated at the statutory income tax rate of 35% (2010 – 35%)	20,215	17,426
Tax effect of:		
Income not subject to tax	-	(61)
Expenses not deductible for tax purposes	372	1,495
Income tax expense	**20,587**	**18,860**

Current income tax movement in the balance sheet		
At start of year	3,425	(68)
Charge for the year	19,840	17,700
Payments during the year	(17,591)	(14,207)
At end of year	**(5,674)**	**3,425**

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, 2008, 2009 and 2010. Quarterly tax payments for the year ended 31 March 2011 were made on the due dates during the year.

11 Earnings per share

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.

	2011	2010
Profit attributable to equity holders of the Company	37,170	30,928
Weighted average number of ordinary shares in issue (millions)	63	63
Basic earnings per share	590	491

12. Dividends per share

At the annual general meeting to be held on 29 June 2011, a final dividend in respect of the year ended 31 March 2011 of K326.21 (2010: K 272.50) per share amounting to a total of K20,551 million (2010: K17,167 million) is to be proposed. This amount has not been included in the financial statements. During the year, an interim dividend of K 263.79 per share (2010: K218.43), amounting to a total of K16,619 million (2010: K13,761 million) was paid. The total dividend for the year is therefore K590.00 per share (2010: K490.93), amounting to a total of K37,170 million (2010: K30,928 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 and payable to an individual are exempt from withholding tax.

13 Share capital

	Number of shares (Thousands)	Ordinary shares K'million
Balance at 31 March 2010 and 31 March 2011	63,000	63

The total authorised number of ordinary shares is 75 million with a par 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% (2010: 35%). The movement on the deferred income tax account is as follows:

	2011	2010
At start of year	5,633	4,473
Charge to profit and loss account (Note 10)	747	1,160
At end of year	**6,380**	**5,633**

Deferred income tax liabilities and deferred income tax charge in the profit and loss account are attributable to the following items:

Year ended 31 March 2011 **Deferred income tax liabilities**	**1.4.2010**	**Charged to P & L**	**31.03.2011**
Property, plant and equipment	5,633	747	6,380

Year ended 31 March 2010 **Deferred income tax liabilities**	**1.4.2008**	**Charged to P & L**	**31.03.2010**
Property, plant and equipment	4,473	1,160	5,633

15 Property, plant and equipment

	Buildings	Plant, machinery and vehicles	Furniture and fittings	Capital work in progress	Total
At 1 April 2009					
Cost	7,893	36,738	4,360	431	4,9,422
Accumulated depreciation	(2,087)	(13,236)	(2,835)	-	(18,158)
Net book amount	**5,806**	**23,502**	**1,525**	**431**	**31,264**
Year ended 31 March 2010					
Opening net book amount	5,806	23,502	1,525	431	31,264
Additions	-	4,044	426	2,033	6,503
Transfers	428	1,162	36	(1,626)	-
Disposals	-	(70)	-	-	(70)
Depreciation	(410)	(4,788)	(627)	-	(5,825)
Closing net book amount	**5,824**	**23,850**	**1,360**	**838**	**31,872**
At 31 March 2010					
Cost	8,321)	40,247	4,815	838	54,221
Accumulated depreciation	(2,497)	(16,397)	(3,455)	-	(22,349)
Net book amount	**5,824**	**23,850**	**1,360**	**838**	**31,872**
Year ended 31 March 2011					
Opening net book amount	5,824	23,850	1,360	838	31,872
Additions	-	4,032	255	5,442	9,729
Transfers	345	4,195	140	(4,680)	-
Disposals	11	(53)	-	(7)	(49)
Depreciation	(421)	(5,154)	(616)	-	(6,191)
Closing net book amount	**5,758**	**26,871**	**1,139**	**1,593**	**35,361**
At 31 March 2011					
Cost	8,665	48,036	5,209	1,593	63,502
Accumulated depreciation	(2,907)	(21,165)	(4,070)	-	(28,141)
Net book amount	**5,758**	**26,871**	**1,139**	**1,593**	**35,361**

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	2011	2010
	Raw materials	26,345	24,723
	Finished goods	289	315
	Other stores and spares	5,268	4,067
		31,902	**29,105**

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to K113, 524 million (2010: K 97,881 million).

17	Trade and other receivables	2011	2010
	Trade receivables	430	500
	Receivables from related companies (Note 25)	3,229	-
	Other receivables and prepayments	5,638	5,148
		9,297	**5,648**

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

18 Cash and cash equivalents

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

	2011	2010
Cash and bank balances	4,624	6,979
Bank overdraft (Note 20)	(11,577)	(8,968)
	(6,953)	**(1,989)**

19 Trade and other payables

Trade payables	10,796	13,787
Amounts due to related companies (Note 25)	5,924	2,684
Other payables and accrued expenses	10,573	12,231
	27,293	**28,702**

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

20 Bank overdraft

The Company has two overdraft facilities up to a limit of K 20 billion. The facilities are renewable quarterly and are subject to review on 30 June 2011. The bank facilities are unsecured.

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

21 Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The board considers the activities of the Company to substantially fall within the same product range and within Zambia.

The board assesses the performance of the Company based on adjusted EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and legal expenses.

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

22 Cash generated from operations

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

	2011	2010
Profit before income tax	57,757	49,788
Adjustments for:		
Interest income (Note 6)	(188)	(66)
Interest expense (Note 7)	876	1,759
Depreciation (Note 15)	6,191	5,825)
Profit on sale of property, plant and equipment (Note 6)	(45)	(177
Changes in working capital:		
– trade and other receivables	(3,649)	(992)
– inventories	(2,797)	(8,683)
– Trade and other payables	(1,409)	(2,496)
Cash generated from operations	**56,736**	**44,958**

23 Contingent liabilities

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.

24 Commitments

Capital commitments

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

	2011	2010
Property, plant and equipment	-	800

25 Related party transactions

The Company is controlled by Heinrich's Syndicate Limited (incorporated in Zambia). The ultimate parent of the Company is SABMiller Plc (incorporated in England and Wales). There are other companies that are related to National Breweries Plc through common shareholdings or common directorships.

The following transactions were carried out with related parties:

i) Interest on loans to related parties	**2011**	**2010**
Fellow Subsidiary	186	57

The loan is unsecured and interest is charged based on the 182 treasury bill rates plus 200 basis points which is the interest rate National Breweries Plc pays on its borrowings.

ii) Purchase of Services	**2011**	**2010**
SABMiller Management BV	5,737	4,835

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) Exploitation and Brewing Rights	**2011**	**2010**
SABMiller International BV	7,810	-

Exploitation rights are based on one long-term contract for the use of the Chibuku brand.

25 Related party transactions (continued)

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

	2011	2010
Receivables from related parties Amounts due from fellow subsidiaries	3,229	-
Payables to related parties Amounts due to fellow subsidiaries	5,925	2,684

v) Key management compensation	**2011**	**2010**
Salaries and other short-term employment benefits	2,455	1,989

vi) Directors' remuneration		
Fees for services as a director (included in key management compensation above)	186	113

26 Financial instruments by category

Financial instruments by category	**2011**	**2010**
Financial assets		
Trade and other receivables	8,167	5,172
Cash and bank balances	4,642	6,979
	12,809	**12,151**

Financial liabilities		
Trade and other payables	27,293	28,702
Bank overdraft	11,577	8,968
	38,870	**37,670**

Principal shareholders

The ten largest shareholdings in the Company and the respective number of shares held at 31 March 2011 is as follows:

	Name of shareholder	%	Number of shares
1.	Heinrich's Syndicate Limited	70.00	44,100,000
2.	Standard Chartered Securities Nominees Ltd	10.68	6,730,856
3.	Public Service Pension Fund	8.17	5,147,500
4.	Saturnia Regna Pension Trust Fund	2.51	1,581,144
5.	National Pension Scheme Authority	2.22	1,400,000
6.	Local Authorities Superannuation Fund	1.11	700,000
7.	Madison Pension Trust Fund	0.81	510,326
8.	Workers Compensation Fund	0.40	250,000
9.	Mukuba Pension Trust Limited	0.40	250,000
10.	Standard Chartered Bank Pension Trust Fund	0.34	211,071
	Total	**96.64**	**60,880,897**

	Number of Shareholders	%	Number of shares
Less than 500 shares	300	0.07	41,999
500 - 5,000 shares	682	1.48	934,782
5,001 - 10,000 shares	38	0.45	281,589
10,001 - 100,000 shares	28	1.45	913,151
100,001 - 1,000,000 shares	9	5.81	3,662,165
Over 1,000,000 shares	5	90.74	57,166,314
Total	**1,062**	**100**	**63,000,000**

CHAIRMAN V Chitalu *	
DIRECTORS G Sokota* W Tiedt** B Hirsch**(Alternate)	DIRECTORS P Gowero*** G Besson**
COMPANY SECRETARY A Malenga*	
REGISTERED OFFICE Plot No 2744/5 & 6249 Malambo 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 Barclays Bank Zambia Plc Citibank Zambia Limited Stanbic Bank Zambia Limited Standard Chartered Bank Plc Lusaka	AUDITOR 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	

National Breweries PLC

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 43rd ANNUAL GENERAL MEETING of NATIONAL BREWERIES PLC will be held at the Southern Sun Ridgeway Hotel, Lusaka, Zambia on Wednesday 29 June 2011 at 09:00 hours for the following purposes:

1. To approve the minutes of the 42nd Annual General Meeting held on 8 July 2010.
2. To receive and adopt the audited financial statements for the year ended 31 March 2011.
3. To declare a final dividend of K 326.21 per share, this will be paid by 30 September 2011 (to ordinary shareholders who are on the register at the close of business on 29 July 2011).
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

*Please bring valid identification to the meeting.

NOTICE TO SHAREHOLDERS

Please be advised that the audited financial statements for the year ended 31 March 2011 in respect of National Breweries PLC, will be distributed to our registered shareholders as at 31 March 2011 in the week commencing 13 June 2011.

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 13 June 2011.

By order of the Board
A MALENGA
Company Secretary
P.O Box 35135
Stand No 2744/45 & 6249, Malambo Road
Lusaka

Drink Responsibly. Not to be sold to persons under the age of 18.

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

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"Taste the goodness"

National Breweries PLC