2010 ANNUAL REPORT AND ACCOUNTS

The new packaging line at TBL can produce 50,000 bottles an hour at full capacity.

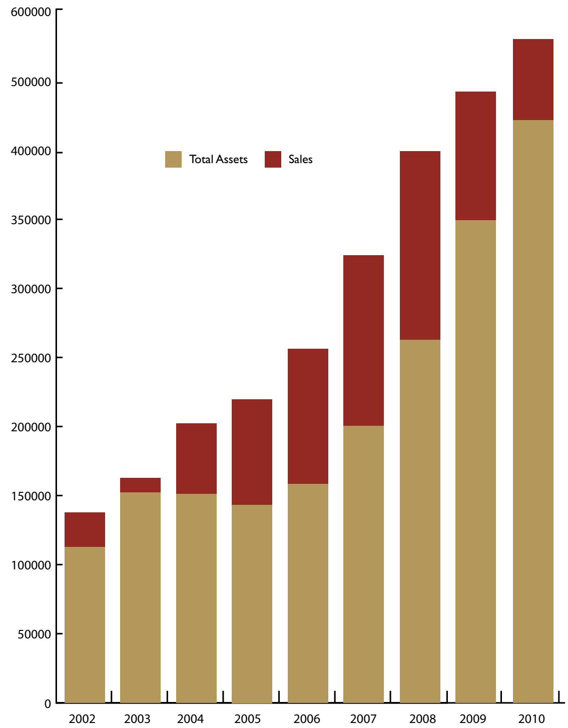
Contents

10 Year Review

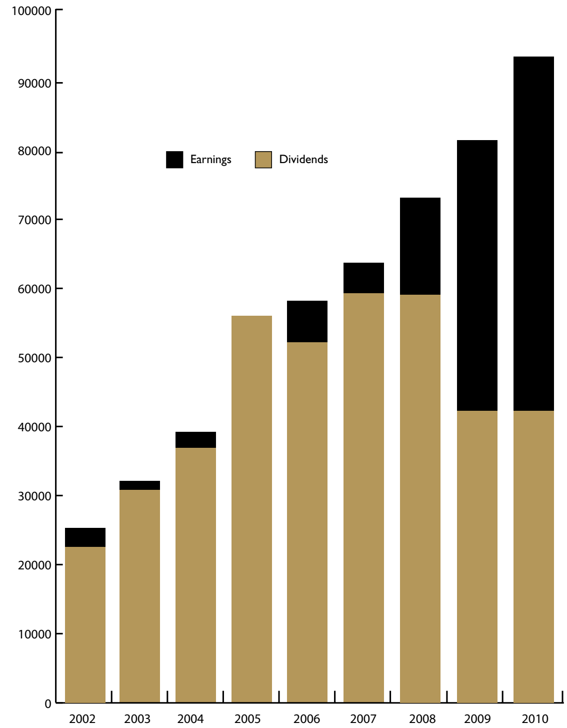
For the year ended 31 March 2010

		2010	2009	2008	2007	2006	2005	2004	2003	*2002	2001
Sales	Tshs M	527,768	464,199	383,181	314,878	260,628	229,644	197,982	174,048	135,059	125,082
Profit before income tax	Tshs M	133,842	115,188	109,168	95,603	85,584	69,332	57,471	47,635	34,218	29,121
Dividends declared	Tshs M	44,239	44,239	58,986	58,986	52,202	56,036	36,866	30,790	25,835	25,246
Cash flow from operations	Tshs M	120,124	73,800	83,467	79,011	60,099	67,489	42,248	43,242	30,069	32,127
Net cash invested to expand operations	Tshs M	113,488	74,741	58,723	30,475	15,121	3,771	4,822	2,723	3,309	827
Total borrowings	Tshs M	143,345	105,702	57,899	36,774	25,270	5,760	19,701	13,740	12,434	11,181
Gearing	%	71	67	48	34	24	6	18	12	15	14
Market capitalisation	Tshs Bn	513	531	490	466	442	436	395	472	330	132
Earnings per share	Tshs	297	262	242	209	193	157	128	122	110	119
Earnings per share growth	%	13	8	16	9	23	22	5	11	(8)	(8)

Sales and Total Assets
Tshs millions



Earnings and Dividends
Tshs millions

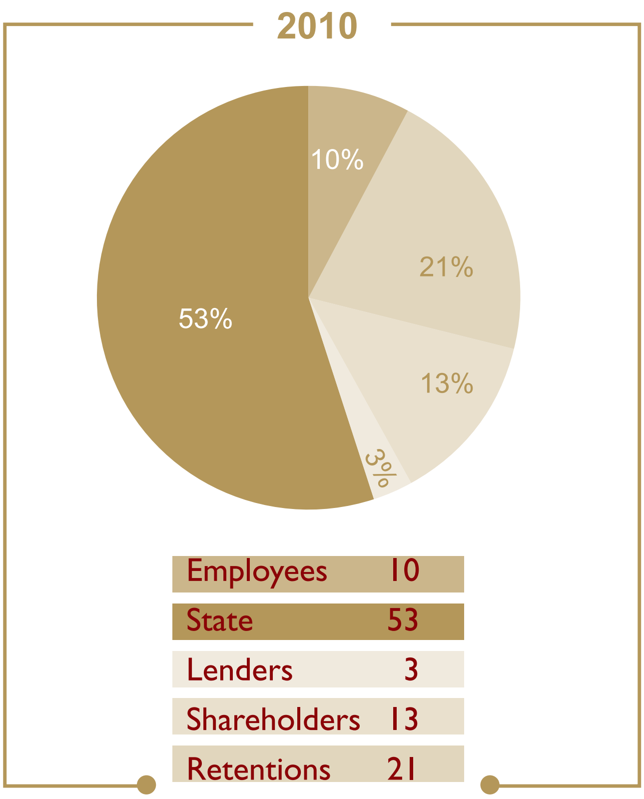


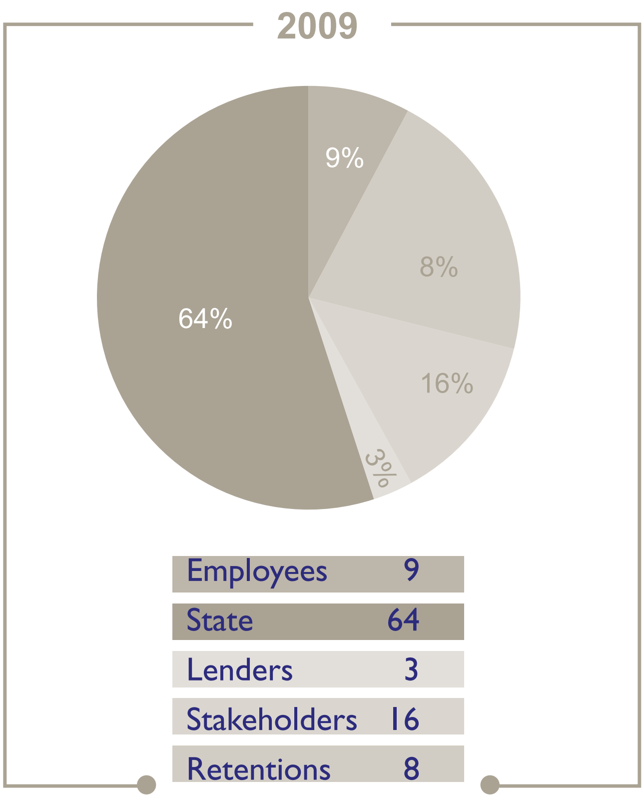
**Tax holiday ended July 2001*

Group Cash Value Added

For the year ended 31 March 2010

	31 March, 2010 Tshs M	%	31 March, 2009 Tshs M	%
Cash generated				
Cash derived from sales	621,962		557,645	
Other income	-		-	
Cash value generated	621,962		557,645	
Cash paid to suppliers	(266,443)		(258,108)	
Cash value added	355,519	100	299,537	100
Cash utilised to				
Remunerate employees for their services	(36,109)	10	(27,032)	9
Pay direct taxes to Government	(35,138)	10	(29,307)	10
Pay excise duty and Value Added Tax	(153,242)	43	(161,149)	54
Provide lenders with a return on borrowings	(10,906)	3	(10,070)	3
Provide shareholders with cash dividends	(47,421)	13	(47,671)	16
Cash disbursed among stakeholders	(282,816)	80	(275,229)	92
Cash retained to fund replacement of assets and facilitate further growth	72,703	20	24,308	8





The labels for all TBL Brands are made by Tanzania Printers Ltd, who can produce about 2 million label sets a day for TBL Breweries around the country.

Chairman s Statement

Tanzania Breweries Limited group of Companies, despite challenges in the market place delivered yet another excellent performance in the financial year ending on the 31st March 2010. Sales revenue registered a 14% growth with corresponding operating profit of Tshs. 146 billion due to share gains in a declining market.

The Tanzania beer industry declined by 6% during the year as a direct impact of softer consumer spending and reduced economic growth. TBL's volume ended 4% below prior year, while Group volume output declined by 3% to 2.85 million hectolitres with Wine and Spirits volume growing by 28% over the year. TBL maintained its proud record of annual growth in profit since the Company listed on the Dar es Salaam Stock Exchange in 1998. Earnings per share increased to Tshs. 297 per share, an improvement of 13% over the last year. Dividend per share for the year was maintained at Tshs. 150 due to capital expenditure on an expansion and facility upgrade programme which required internal funding to supplement external loans.

TBL continues to make a significant contribution to Government revenues by way of corporate, excise and value added taxes. Payments to Government were Tshs 188 billion for the year.

Delivery on time of additional capacity and capability including a new brewery in Mbeya and additional packaging line and rehabilitation of the third packaging line at Dar es Salaam Plant was achieved giving the Company the capacity it requires. A total of Tshs. 114.2 billion was invested in fixed assets compared to Tshs.75.5 billion in prior year. These achievements are a testimony to the successful joint venture which was consummated when SABMiller, one of the largest brewers in the world, the Tanzanian Government and other shareholders invested in TBL. The joint venture has since benefited all shareholders, the national economy and the consumers of TBL products, as well as the committed and skilled labour force which makes TBL a truly world class Company.

Looking ahead, TBL is committed to focusing on the following strategic objectives:

(i) To provide world class quality brands, quality of products and service to the consumer at affordable prices.

(ii) To achieve the next year target volumes and turnover by expanding market share through competitive marketing activities and opening new market with the commissioning of Mbeya Brewery in the south west and the completion of the all weather Dar es Salaam – Mtwara Road which opens up new markets formerly not reachable in Mtwara and Lindi regions.

(iii) To continue with efforts to integrate TBL Group activities into the national economy. Specifically we shall expand the use of local raw materials. SAIDIANA Project launched last year to develop barley for brewing shall be expanded and consolidated by recruiting more small, medium and large scale farmers. Parallel to this objective sorghum cultivation will be promoted to supply inputs into a special local beer brand.

(iv) To promote exports of the selected TBL brands to neighbouring and other niche markets.

As a corporate citizen of the nation, TBL has continued to make contributions to community projects and the emphasis in the past year has been on educational, environmental, job creation and health projects. In the period ahead, TBL has decided to depart from the previous trend of supporting a wide range of projects and instead emphasis now is to focus on a few key themes in support of our Corporate Social Investment. For this year we have : There is no water there is no life", (Hakuna Maji, Hakuna Uhai).

In order for TBL to grow, the country's infrastructuremust be continuously improved and upgraded. Transport, water and electricity supplies require sustained improvement and upgrading. TBL shall co-operate with the Government in pursuit of this objective.

I remain optimistic about what the future holds, not only for Tanzania Breweries Limited but also for the national economy. I am confident that TBL will continue its proud record of positive growth in earnings and dividends and its contribution to the economy of Tanzania. These achievements have been attained because of the commitment, dedication and hard work by the management and staff of TBL Group. I would like to thank them all for their achievements.

I would like to thank the directors of TBL for their wise counsel and dedicated service during the past year. The good performance of the Group in the year under review is a testimony to their service. I look forward to their continued exemplary contribution to TBL, as well as towards the development of Tanzania, in the years to come.

Cleopa David Msuya
Chairman

Taarifa ya Mwenyeketi

Kampuni ya Bia Tanzania na kampuni yake tanzu kwa mwaka mwingine tena inafurahi kutangaza matokeo ya utendaji kazi mzuri kwa kipindi cha mwaka uliomalizika Machi 31 2010. Pamoja na kutetereka kwa uchumi na hali mbaya ya hewa; mapato yatokanayo na mauzo yalikua kwa asilimia 14% ikilinganishwa na kipindi kama hicho mwaka jana na faida kufikia shillingi 146 billioni.

Soko la bia Tanzania lilianguka kwa asilimia 6% kwa kipindi hicho, hii imetokana na wateja kupunguza matumizi yao kwenye bidhaa hizi kufuatia kuanguka kwa hali ya uchumi nchini. Kulinganisha na mauzo yetu na mwaka jana, mauzo ya vinywaji aina ya bia yalianguka kwa asilimia 4%, wakati huo mauzo yote ya Kampuni mama na tanzu yalianguka kwa asilimia 3% kufikia hectolita 2.85 millioni, licha ya mauzo ya vinywaji vikali na mvinyo kuongezeka kwa asilimi 28%. Kwa mara nyingine tena Kampuni ya Bia Tanzania inajivunia kujiwekea rekodi yake nzuri ya kukuza faida yake kwa kila mwaka tokea Kampuni ilipoorodheshwa katika Soko la Hisa la Dar es Salaam mwaka 1998. Mapato kwa hisa yameongezeka na kufikia shilling 297 mwaka huu, ikiwa ni ongezeko la asilimia 13%. Gawio kwa hisa lilibakia shillingi 150, ambayo ni sawa na kiwango cha mwaka 2009 hii imetokana na uwekezaji katika shughuli za upanuzi na ukarabati wa majengo na mitambo ambapo zinahitajika fedha za ndani zikisaidiana na mikopo kutoka nje kwa ajili ya kugharamia mipango hii.

Kampuni ya Bia Tanzania imeendelea kutoa mchango wake mkubwa kwa Serikali kwa kulipa kodi ya mapato, ushuru na kodi ya ongezeko la thamani. Jumla ya malipo ya aina mbali mbali za kodi kwa Serikali yalifika shilling 188 billioni kwa mwaka jana.

Mwaka jana ulishuhudia umalizaji wa ujenzi wa Kiwanda cha Bia Mbeya; ujenzi wa Mtambo mpya wa ujazaji wenye uwezo wa kujaza chupa na ukarabati wa mtambo watatu wa Ujazaji kwenye Kiwanda cha Dar es Salaam kumeipa Kampuni uwezo wa uzalishaji inachohitajika. Kiasi cha Tshs 114.2 billioni kiliwekezwa kwenye miradi hii kwa kipindi hiki ukilinganisha na kiasi cha Tshs 75.5 billioni mwaka jana. Hii ni ishara kubwa ya mafanikio ya ubia wetu kati ya SAMiller, moja ya Makampuni makubwa ya bia ulimwenguni, Serikali ya Tanzania na wabia wengine waliowekeza kwenye Kampuni ya Bia Tanzania. Ubia huu umenufaisha kila mwekezaji, uchumi wa nchi yetu, wateja wetu pamoja na wafanyakzi wanaojishughulisha na shughuli mbalimbali za Kampuni moja kwa moja au kwa njia mbadala kuifanya Kampuni kuwa na sifa za kipekee.

Kwa mtazamo wa kipindi kilicho mbele yetu, Kampuni yetu imejidhatiti kutekeleza malengo yafuatayo:

- Kuzalisha na kusambaza bidhaa zilizo bora na zenye hadhi ya kimataifa pamoja na kutoa huduma kwa wateja wake kwa hali ya juu na gharama zinazokubalika
- Kufikia malengo ya mauzo na mapato kutokana na kuimarisha na kupanua wigo wa soko kwa kuongeza mbinu na nguvu zetu kwa kuangalia fusra iliyoletwa kwa ufunguzi wa kiwanda cha Mbeya na ujenzi wa barabara kwa kiwango cha lami kutoka Dar es salaam kwenda Mtwara, fusra inayowezesha masoko ya mikoa Mtwara na Lindi kufikika kwa wakati wo wote ukilinganisha natulikotoka.
- Kuendeleza juhudi za kuingiza shughuli za Kampuni kwenye uchumi mzima wa nchi haswa utumiaji wa mali ghafi zizalishwazo hapa nchini. Mradi wa "Saidina" ambao matokeo yake ni kusaidia wakulima wadogo waweze kuwa na uwezo wa kuzalisha shayiri kwa wingi na kwa faida utapanuliwa zaidi. Sanjari na hili Kilimo cha mtama kitatiliwa maanani ili tuweze kupata mali ghafi inayohitajika kuzalisha bia yetu ya aina ya Eagle.
- Kuendeleza juhudi na mbinu za kuuza bidhaa zetu nje ya nchi hasa kwenye nchi jirani.

Kama raia mwema, "Corporate Citizen", Kampuni ya Bia Tanzania imeendeleza juhudi zake kuchangia katika kuleta maendeleo kwa jamii kwa kuwekeza kwenye nyanja za elimu, mazingira, ajira na afya kwa jamii. Kwa kipindi kijacho Kampuni imebidi kuchukua mtazamo mpya kabisa kuhusu sera yake ya huduma kwa jamii ambayo hapo awali ilikuwa ikichangia kidogo kidogo kwenye miradi mbalimbali na kwa sasa kwenda kwenye kuwekeza nguvu na rasilimali zake kwenye mradi mmoja kwa ajili ya kuwezesha upatikanaji wa maji ya uhakika na usalama kwa jamii ihitajiyo huduma hii. Kampuni imechagua kuwa na mradi unaoitwa "Hakuna Maji, Hakuna Uhai" ambapo asilimia 70% ya bajeti ya Huduma kwa Jamii itaelekezwa kwenye mradi huu.

Ili Kampuni yetu iendelee kukua, ni lazima miundombinu ya nchi ipatiwe kipaumbele ya kupanuliwa na kuhudumiwa. Usafiri wa aina ye yote ile, upatikanaji wa maji yakutosha na kuaminika, uhakika wa umeme ni muhimu sana na hizi ni lazima zipatiwe umuhimu unaostahili wakati wote. Kampuni ya Bia itaendelea kushirikiana na Serikali yetu ili malengo yake yatimizwe kwa manufaa ya wote.

Nina imani kubwa na hali nzuri ya kuridhisha ya baadae sio tu kwa Kampuni ya Bia, bali kwa uchumi wa nchi. Nina imani kubwa Kampuni ya Bia Tanzania itaendeleza rekodi yake ya mafanikio na ufanisi bora kiuzalishaji, kimasoko na kifedha ili kuiwezesha kuendelea kukua kwa mapato yake na gawio kwa wanahisa.

Ningelipenda kuwashukuru Wakurugenzi wa Bodi ya Kampuni kwa ushauri wao wa busara na kujitolea kutoa ushauri katika kipindi chote cha mwaka uliopita. Utendaji mzuri huu niliouelezea ni ushahidi tosha wa juhudi zao. Nawashukuru kwa dhati kabisa. Ni matumaini yangu kuwa wataendeleza juhudi zao ili kuiwezesha Kampuni izidi kupata mafanikio na kuleta maendeleo ya nchi yetu ya Tanzania kwa miaka mingi ijayo.

Cleopa David Msuya

Mwenyekiti wa Bodi

Vision

To be the most admired Company in the beer industry in East Africa

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

Mission

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

Values

Our people are our enduring advantage

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

Accountability is clear and personal

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

We work and win in teams

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

We understand and respect our customers and consumers

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

Our reputation is indivisible

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

Brand led...
Consumer focused.

Board of Directors

For the year ended 31 March 2010

The Directors of the Company at the date of this report, all of whom have served since 1 April 2009, unless otherwise stated, are:

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

Mr. M. Bowman (South African)
Managing Director of SABMiller Africa appointed on the TBL Board in December 2007. He is an appointee of SABMiller, Africa and Asia.

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

Mr. R. Goetzsche (South African)
Director of Operations, East Africa, for SABMiller Africa & Asia and the Managing Director, Tanzania Breweries Limited. He was appointed to the Board in January 2009. He is representing SABMiller Africa & Asia.

Ambassador A.R. Mpungwe (Tanzanian)
Businessman and Director of several companies, appointed by SABMiller Africa & Asia, in October 2001.

Mr. J. Haule (Tanzanian)
He is the Deputy Permanent Secretary, Ministry of Finance, sitting on the Board as the Government's representative with effect from March 2009.

Mr. R.O.S. Mollel (Tanzanian)
(Rtd) Permanent Secretary, Vice President's Office. Appointed to the Board in 1997, representing the Government of Tanzania up to April 2000, and from May 2002 to date, he is an appointee of SABMiller Africa & Asia, and is the Chairman of the Audit Committee.

Ms J. Mapunjo (Tanzanian)
She is the Permanent Secretary, Ministry of Industry, Trade and Marketing. She was appointed to the Board in February 2009, representing the Government of Tanzania.

Mr. A.B.S. Kilewo (Tanzanian)
Former Executive Managing Director of Tanzania Breweries Limited, and the managing director of Tanzania Oxygen Limited. He was appointed in September 1999.

Directors who resigned during the year:

Mr. J.G. Kiereini (Kenyan)
Chairman of East African Breweries Limited, who have appointed him to the Board with effect from January 2003. – resigned 13 November 2009

In accordance with the Company's Articles of Association, the directors are not required to retire by rotation.

Operating Board:
Mr. R. Goetzsche (South African),
Managing Director, Tanzania Breweries Limited

Mr. K.H. O'Flaherty (South African), Finance Director

Mr. D. Minja (Tanzanian), Marketing Director

Mr. P.J.I. Lasway (Tanzanian),
External Affairs and Special Projects Director

Mr. S.F. Kilindo (Tanzanian),
Human Resources and Communications Director

Mr. T.W. Gray (South African), Technical Director

Mr. N. Brooks (British), Sales and Distribution Director

Mr. D. Mgwassa (Tanzanian),
General Manager, Tanzania Distilleries Limited

The crowns for all TBL brands are now made locally by Nampak Tanzania Ltd, using highly technical equipment.

Report of the Directors

For the year ended 31 March 2010

PRINCIPAL ACTIVITIES

The Company's principal activities are the production, distribution and sale of malt beer and alcoholic fruit beverages (AFB's) in Tanzania. It operates breweries in Dar es Salaam, Arusha, Mwanza and Mbeya and thirteen depots throughout the country. It also produces malt at its malting plant in Moshi.

The Company partially owns and manages Tanzania Distilleries Limited, a spirituous liquor company that is situated in Dar es Salaam.

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

Safari Lager
Kilimanjaro Premium Lager
Ndovu Special Malt
Konyagi

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

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Sales for the year amounted to Tshs 527,768million (2009: Tshs 464,199million), resulting in a profit after taxation of Tshs 92,449million (2009: Tshs 80,797million).

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

DIVIDEND

The total dividend for the year was Tshs 150 per share, compared with Tsh 150 per share paid last year. Similar to last year, no special dividend has been proposed by the Board for the year under review. The dividend, as was the case last year, has been paid by way of a first and second interim dividend, of Tshs 60 and Tshs 90 per share, respectively.

EMPLOYEE WELFARE

The Company provides medical services through its dispensary and other outside hospitals. Staff are entitled to access referral hospitals as the need arises.

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees. This is achieved through formal and informal meetings.

DISABLED PERSONS

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

POLITICAL AND CHARITABLE DONATIONS

The company did not make any political donations during the year. Donations made to charitable organizations during the year amounted to Tshs 294 million (2009: Tshs 392 million).

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office as auditors and are eligible for re-appointment. A resolution proposing the re-appointment of PricewaterhouseCoopers as auditors of the Company for the year 2011 will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

Hon. C.D. Msuya

Chairman

SHUGHULI KUU

Shughuli kuu za Kampuni hapa Tanzania ni kuzalisha, kusambaza na kuuza bia itengenezwayo kwa kimea; na vinywaji vilivyo na ladha ya matunda. Kampuni inamiliki viwanda vya bia kwenye miji ya Dar es Salaam, Arusha, Mwanza na Mbya, pamoja na kuwa na maghala na vituo vya kuhifadhi na kuuza bia kumi na tatu kwenye mikoa mbali mbali hapa nchini. Pia Kampuni ina mtambo wa kusindika shayiri ili kupata kimea huko Moshi.

Kampuni inamiliki hisa nyingi kwenye Kampuni ya kutengeneza vinywaji vikali (TDL) iliyoko Dar es Salaam.

Kampuni ya Bia Tanzania na Kampuni yake tanzu inamiliki aina mbali mbali ya vileo hapa nchini; kama Safari Lager, Kilimanjaro Premium Lager, Konyagi.

Aidha Kampuni inatengeneza na kusambaza bia aina ya Castle Lager, Castle Milk Stout, Castle Lite na Redds Premiun Cold kwa lisensi na kibali cha SABMiller plc. Kampuni ya Kutengeneza Vinywaji Vikali (TDL) ambayo ni kampuni tanzu ya Kampuni ya Bia Tanzania, inazambaza Amarula na aina nyingine mbali mbali za kimataifa za vinywaji vikasli, mvinyo kwa kibali cha Distell (Pty) kutoka Afrika ya Kusini.

TAARIFA FUPI YA KIBIASHARA NA MATARAJIO YA BAADAYE

Mauzo kwa mwaka ulioishia Machi 31 2010 yalifikia kiasi cha shillingi 527,768 millioni (shillingi 464,199 millioni mwaka 2009); faida baada ya kodi ya mapato shillingi 92,449 millioni (shillingi 80,797 millioni mwaka 2009) .

Hali ya kibiashara kwa kumalizia mwaka ni yakuridhisha kabisa. Kwa hali hii Kamuni itaendelea na mipango yake ya kupanua na kukarabati wa miundo mbinu ya uzalishaji na usambazaji. Wakurugenzi wana imani na matumaini makubwa kwa mafanikio ya kuridhisha ya Kampuni yetu kwa sasa na hapo baadaye.

GAWIO LILILOPENDEKEZWA NA KULIPWA

Jumla ya gawio kwa mwaka lilikuwa shillingi 150 kwa kila hisa, kama ilivyokuwa mwaka uliotangulia. Sawa na mwaka uliopita hakukuwa na gawio maalumu ambalo lilipendekezwa na Bodi kwa kipindi cha mwaka wa mapitio. Gawio kama ilivyokuwa kwa mwaka uliopita, limelipwa kama gawio la kwanza na la pili la shillingi 60 na shillingi 90 kwa kila hisa kwa mfuatano huo.

MASLAHI YA WAFANYAKAZI

Kila mfanyakazi anapatiwa matibabu bure kupitia vituo vyetu vya matibabu na ikibidi kwenye hospitali nje ya Kampuni na hospitali za rufaa.

Kampuni inatilia maanani na kudhamini sana ushirikishaji na michango ya wafanyakazi katika uendeshaji wa Kampuni kwa kuhakikisha wanajulishwa kwa dhati kabisa mabo na matokeo yanayowahusu katika shughuli zao. Hii inafanyika katika mikutano na vikao vya mara kwa mara.

WALEMAVU

Maombi ya kazi ya wenzetu walemavu hupewa nafasi sawa sawa kama walio na hali kamili, kulingana na uwezo na utaalamu wa mwombaji. Ikiwa mfanyakazi ye yote atapata ajali ya kumfanya kuwa kilema, kila juhudi zitafanywa kulinda ajira yake kwa kumpatia mafunzo yatayomwezesha kuendelea na ajira yake. Kumsomesha, kumwendeleza na kumpandisha cheo kwa mfanyakazi mlemavu hakutofautiani na mfanyakazi mwingine kwani wote hupewa nafasi sawa kabisa.

MICHANGO YA KISIASA NA HUDUMA KWA JAMII

Kampuni haikutoa wala kushirika kuchangia kwenye shughuli zo zote za kisiasa kwa mwaka uliopita. Mchango wa Kampuni katika kuendeleza Jamii ilikuwa kiasi cha shillingi 294 millioni (shillingi 392 millioni 2009).

WAKAGUZI WA HESABU

PricewaterhouseCoopers, ambao ni wakaguzi wetu wa mahesabu kama walivyochagulwa mwaka jana, wameonyesha nia yao yakuendelea na kazi ya kukagua mahesabu yetu mwakani na ni mapendekezo wateuliwe tena kuendelea. Azimio la kuwakukabalia kuendelea kuwa Wakaguzi wetu wa Mahesabu litapendekezwa kwenye Mkutano Mkuu wa Mwaka.

AGIZO LA BODI YA WAKURUGENZI

Mh C D Msuya

Mwenyekiti

Tanzania Breweries Limited continued to be committed to the highest standards of corporate governance set out in the Turnbull Report on Internal Control and appropriate best practice that has evolved from guidance issued by leading institutional investor bodies.The Board strives to provide the right leadership, strategic oversight, and control environment to produce and sustain delivery of value to all of the company's shareholders. The Board applies integrity, principles of good governance and accountability throughout its activities and each director brings independence of character and judgment to the role. All of the members of the board are individually and collectively aware of their responsibilities to the company shareholders.

THE BOARD OF DIRECTORS

The Board consists of Non-Executive Directors and the Managing Director and meets quarterly and has a formal schedule of matters referred to it for decision but otherwise delegates specific responsibilities to the Operating Board and Group Audit Committee. It retains, however, overall responsibility for the activities of the Company, including the implementation of corporate strategy.

GROUP AUDIT COMMITTEE

The Group Audit Committee monitors and reviews the effectiveness of the internal control and the internal financial control of the Company and its subsidiaries.

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

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

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

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

REMUNERATION COMMITTEE

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

FINANCIAL STATEMENTS AND ANNUAL REPORT

The responsibility for the preparation of the financial statements is that of the Company's Operating Board. The financial statements are prepared in accordance with generally accepted accounting practices, consistently applied, and in accordance with the requirements of the Tanzania Companies Act 2002 and International Financial Reporting Standards (IFRS). Reasonable judgment and estimates support the information contained in the financial statements.

The Board of Directors is responsible for the integrity, objectivity, and reliability of the Annual Report. The Board of Directors believe that the financial statements fairly represent the financial position of the Company and the Group as at the end of the financial year and the results of its operations and cash flow information for the period then ended.

EXTERNAL AUDITORS AND OUR RELATIONSHIP WITH THEM

The external auditors are responsible for the independent review and the expression of an opinion on the truth and fairness of the financial statements.

During the year, PricewaterhouseCoopers continued as the auditors of the Company. The Group Audit Committee has kept under review its policy on, and the independence and objectivity of, the external auditors. The committee examines the processes for and the nature and quantum of non-audit projects awarded to the auditors for compliance with the committee's policies. The committee is satisfied that the auditors have established internal policies and procedures to ensure services are not provided to the Company and its subsidiaries that would impair auditor independence. As a reassurance, the auditors are required to provide summary details highlighting relationships which the auditors consider might have a bearing on their independence and objectivity as well as written confirmation of independence and an assurance that all requirements for partner rotation have been met. The Group Audit Committee is satisfied that, for the period under review, the auditors have remained independent and objective in their assessments.

RELATIONSHIP WITH SHAREHOLDERS

During the year the Company held the statutory Annual General Meeting (AGM). A mandatory 21 days notice was issued together with annual reports detailing the Company's operations under the year of review. The Company paid considerable care and attention to ensure that the AGM was once again an informative, productive and positive experience for all involved. The Company considers the AGM a key event in disseminating information to shareholders which gives them the opportunity to ask questions to the Board.

Prior to the meeting all members duly filed the registration forms including those who had proxy forms. The financial results were communicated directly to the various stakeholders including the regulator via the newspapers.

SHARE DEALINGS BY DIRECTORS AND OFFICERS

The Company operates closed periods prior to publications of its interim and final results.The closed periods are from 1st October and 1st April until the date of publication of the results. During these periods, directors, officers and employees of the Company may not deal in shares or any other instrument pertaining to the shares of the Company.

Managing Directors Report

Tanzania Breweries Group (TBL) is once again pleased to report outstanding performance for the twelve months ended 31 March 2010 despite increased cost and market share pressures.

Sales revenue grew by 14% on the same period last year due to gains in market share, tremendous performance of our wine and spirit business as well as from annual price increase. Improved efficiencies and lower imported raw materials costs allowed trading profit to end the period , a pleasing 16% ahead of prior year.

The effects of the global slowdown on economic growth and the drought impact in agriculture saw Tanzania Beer Industry declining by 6.1%. TBL clear beer volumes declined by 4% over the same period with a welcoming return to growth in the final quarter of the year.

Marketing spend on all brands was increased with great deal of focus on brand innovation. Outlet coverage was improved with 1 333 being upgraded. Cooler penetration increased by 40% over the year; we increased trade discounts, thereby managing retail prices to the benefit of consumers and outlet owners. We recruited additional sales force representatives to develop and leverage relationships with our market. Safari Lager converted to the stylish "long neck bottle in the North. We restructured our Route To Market to ensure efficiency on our supply side. The arrangements with EABL for brewing and distributing their products in our market were terminated in the final quarter.

We are well placed on the competitive front and have introduced a number of new brands and packs, improved our brand portfolio positioning including the introduction of Ndovu Special Malt in 375 ml gold foiled green bottle performing significantly well, Redds in 375 ml green bottle, Castle Milk Stout in 375 ml brown bottle, Eagle Dark in 375 ml and 500 ml in North East, rollout of Safari Sparkling Water.

The year was notable for the delivery of additional capacity through the timely commissioning in record time Mbeya Brewery in November 2009, installation of the top of the art 48,000 bottles per hour packaging line and modernization of the third packaging line in Dar es Salaam has enabled the Company to have the capacity and capability it requires to meet future demand. A total of Tshs 114.2 billion was invested in capital investment compared to Tshs 75.5 billion in prior year.

The fire at the Dar es Salaam Brewery on 29th July 2009, that led to considerable loss of more than 1.4 million 375 ml returnable green bottles, which delayed of that pack by a few months. Together with interruptions in electricity supply during the year had an impact on production efficiencies and costs. Despite increased operational cost pressures resulting from a combination of rising oil and raw materials prices, together with a depreciating shilling which made imports even more expensive, as well as unfavourable trading conditions resulting from uncharacteristic weather conditions, the group's cash generated from operating activities still exceeded Tshs 165 billion reflecting a 45% increase on prior year. Of this amount Tshs 35 billion was utilized to pay corporate tax, Tshs 114.2 billion funded capital expenditure and interest while Tshs 47 billion was paid as dividends to shareholders.

The enterprise development initiative intended to secure our "license to trade" not only supports our supply chain through localization, but delivers socio-economic benefits to the communities and is well underway. The Company has continued promoting sourcing of its key raw materials locally, a policy that has also created new livelihoods for many in our communities. Project Saidiana was launched to promote barley growing and the development of a self sufficient malting industry in the Southern Highlands of Tanzania. With this project we expect Tanzania to be more self sufficient in due course in providing this critical raw material, thereby saving precious foreign exchange, while providing income to a significant number of small scale farmers. In line with this initiative, 5800 tons of sorghum has been contracted in different parts of the country to support the growth of the Eagle brand. The winery development in Central Dodoma region where grapes produced from small scale farmers are used by Tanzania Distilleries in the production of Valeur brandy and Overmeer box wine, with similar benefits to TBL's barley and sorghum initiatives .

Total production volumes for the year were 4.5% below last year. Water usages in all Plants is being closely monitored and we have deployed new monitoring techniques and are targeting substantial savings in this area in the next financial year.

Wines and spirits recorded good volume growth of 28.4% compared to last year. The Company has been fighting counterfeit branding to ensure brand integrity and availability of genuine quality product. Although we continued to affix tax stamps on finished products, counterfeit products still continue to pose a threat. Exports to Uganda have assisted in Vladimir's volume growth.

During the year the Route to Market (RTM) Project was launched with a view to developing profitable and sustainable beer distribution centers, reducing price to retail eventually leading to better retail pricing and products availability. In the long term, the project's vision is to transform Wholesalers and Bulk buyers into Distribution Centers that will focus on distributing beer to retail outlets at Recommended Prices.

The company continued adhering to SABMiller's "The Responsible Way" principles and policies relating to alcohol. This included the adoption of a Policy on Commercial Communication and Employee Alcohol Policy. It also included a training program for all employees, educating them about alcohol and its role in society. As one of the leading brewers in East Africa, TBL believes that our brands contribute to the enjoyment of life for the overwhelming majority of our consumers, who drink responsibly. We also care about the harmful effect of irresponsible alcohol consumption on individuals and society, and we are committed to working with all stakeholders to reduce the impact of alcohol abuse. We have continued with our program of educating retailers to sell our products responsibly.

We are one of key stake holders in National Road Safety through our contributions to the National Road Safety Council which encourages consumers to plan responsibly to avoid drink and driving. The company has lived up to its promise of investing in the social cause to the community in the areas of Health, Water, Education and Job Creation. We being one of the main users of water, we are duty bound to ensure we are taking positive move in ensuring responsible usage of water and preservation, and that would entail supporting basically the communal self initiated projects towards that end. This being a big departure from what we used to do in yester years the Company has decided to depart from the previous trend of supporting various projects and the emphasis now is to pick a one key theme for the year in support of our Corporate Social Investment, and we have an initiative "HAKUNA MAJI, HAKUNA UHAI" "No Water, No Life" in which 70% of the CIS budget annually will be dedicated to this initiative.

During the year Dar es Salaam Plant participated in the NOSA grading program in terms of Health and Safety at the work place and maintained its 4 star status. This demonstrates the Company commitment to workplace and employee's safety, health as well as environment. The Disabling Injury Frequent rate (DIFR) was 0.5 which was within acceptable NOSA standard.

TBL strongly believes that "People make the difference" and the company continues to invest in the development of its employees. Progress with The Performance Management Way initiative which was launched in 2008 has been going on.

During the past year; we spent approximately 3% of our payroll on training and development, very commendable by any international measure. On average each employee underwent 9.82 days of training, more than the American Society for Training and Development's benchmark of 7 days. Training ranged from technical, hands-on training in all aspects of our production engineering disciplines, to marketing, sales and customer service and management training and development.

The company remains committed to the fight against HIV/AIDS, continuing with HIV/AIDS education and awareness campaigns aimed at equipping employees with life skills that will influence behaviour change and prevent infection amongst employees. The treatment of opportunistic infections and Sexual Transmitted Diseases' (STD's) is provided free of charge at all TBL medical facilities.

The treatment of opportunistic infections (OIs) and sexual transmitted infections (STIs) is provided free of charge at TBL medical facilities. Free antiretroviral drugs (ARVs) (for eligible clients) together with vitamin supplements are also provided to all infected staff and family members. As a part of preventive measures we provide free condoms to our staff and contactors who are working at our surrounding.

Voluntary counselling and test for HIV is still going on at our health facilities, up the end of FO10 more than 80% of all staff had voluntary counselling and test (VCT) hence know their health status. As a part of TB/HIV management one of our health facilities (DSM) managed to open a TB clinic whereby anti - TB drugs are provided free of charge (supplied by TZ Government).

The outlook for the year ahead will depend on the sustainability of the economy and the utilities infrastructure, the strength of the Tanzanian shilling and the impact of excise and other direct tax increases. However, the Board remains optimistic that the Tanzania Breweries Group will maintain its proud record of achieving positive earnings and dividend growth in the year ahead

Mr. Robin Goetzsche
MANAGING DIRECTOR

Kampuni ya Bia Tanzania na kampuni yake tanzu kwa mwaka mwingine tena inafurahi kutangaza matokeo ya utendaji kazi mzuri kwa kipindi cha mwaka uliomalizika Machi 31 2010; licha ya kutetereka kwa uchumi na hali mbaya ya hewa.

Mapato ya mauzo yaliongezeka kwa asilimia 14% ikilinganishwa na kipindi kama hicho mwaka jana kutokana na mafanikio makubwa kwenye vinywaji vikali na mvinyo ambavyo mauzo yake yaliongezeka kwa asilimia kubwa na ongezeko la mauzo ya bidhaa zenye dhamani kubwa. Kuongezeka kwa ufanisi, na kupungua bei ya mali ghafi zinazoagizwa nje kumewezesha ongezeko la asilimia 16% ya faida.

Athari za mitikizo ya uchumi duniani na hali ya ukame iliyoadhiri Kilimo ilisababisha kushuka kwa asilimia 6.1 kwa soko la bia nchini Tanzania.Mauzo ya bia yalishuka kwa asilimia 4% ukilinganisha na kipindi kama hiki mwaka jana, pamoja na kujitokeza hali ya matumaini ya kukongezeka katka robo ya nne ya mwaka.

Gharama za mauzo kwa aina zote za vinywaji vyetu kwa kuwekeza kwenye mbinu mbalimbali za kuimarisha bidhaa zetu, na kupendezesha sehemu mbalimbali za kuuzia bidhaa zetu. Kwa kipindi hicho zaidi ya vituo 1333 viliboreshwa na idadi ya majokofu yaliongezwa kwa kiwango cha 40% kulinganisha na kipindi hicho mwaka jana. Ongezeko la punguzo ya bei kwa wanunuzi wajumla, udhibiti wa bei za rejareja. Tuliongeza idadi ya wafanyakazi wapya kwenye Idara ya Masoko ili kuweza kuwa karibu zaidi na wateja wetu. Bia yetu Safari Lager ilianza kujazwa kwenye chupa zenye shingo ndefu katika Kanda za Kaskazini Mashariki na Mag'haribi. Makubaliano ya kuzalisha na kusambaza bia zinazomilikiwa na Kampuni ya Bia ya Afrika Mashariki (EABL) yalisitishwa kwenye robo ya nne ya mwaka na hii inatazamiwa kuleta ushindani mkubwa kwenye soko kwa kipindi kijacho.

Tumejiandaa ipasavyo kupambana na ushindani kwenye soko kwa kuzindua aina mpya za bia na aina mbali mbali za chupa ili kuziweka mahali zinapostahili kwenye soko.Kwa mfano Ndovu Special Malt 375 ml ikiwa na gamba la dhahabu kwenye shingo imeiwezesha kupendwa sana na wateja, vivyo hivyo kwa Redds 375 ml ikijazwa kwenye chupa ya kijani, Castle Milk Stout 375 ml, Eagle Dark 375 ml na 500 ml zote zikiwa kwenye chupa ya rangi ya jani kavu; na kwa mara ya kwanza uzalishaji na uzambazaji wa maji ya aina Safari "Safari Sparkling Water kwenye chupa nyeupe.

Kipindi cha mwaka jana kilishuhudia umalizaji wa ujenzi wa Kiwanda cha Bia Mbeya mwezi wa Novemba 2009; ujenzi wa Mtambo mpya wa ujazaji wenye uwezo wa kujaza chupa 48,000 kwa saa na ukarabati wa mtambo watatu wa Ujazaji kwenye Kiwanda cha Dar es Salaam kumeiwezesha Kampuni kuwa na uwezo wote wa uzalishaji kiasi kile kinachohitajika kwenye soko kwa uhakika zaidi . Kiasi cha Tshs 114.2 billioni kiliwekezwa kwenye miradi hii kwa kipindi hiki ukilinganisha na kiasi cha Tshs 75.5 billioni mwaka jana.

Ajali ya moto uliotokea kwenye Kiwanda cha Dar es Salaam mnamo Julai 2009 ulisababisha kuteketeza kabisa zaidi ya chupa 1.4 millioni zilizokuwa sikingojea kujazwa bia mpya ya Ndovu Special malt kwa miezi kadhaa. Licha ya kuongezeka kwa gharama za uendeshaji na uzalishaji kutokana na ongezeko la bei ya mafuta na gharama za mali ghafi, kukichangiwa na kushuka kwa sarafu ya Tanzania kulichangia kwa kiasi kikubwa kwa matokeo yetu pamoja na kwamba mtiririko wa kifedha kutoka kwenye shughuli zetu ulikuwa mzuri na kufikia shillingi 165 billioni; ongezeko la asilimia 45% ikilinganishwa na kipindi hicho mwaka jana. Kiasi cha shillingi 35 billioni kilitumika kulipia kodi ya mapato, shilling 114.2 billioni kwenye miradi na riba kwenye mabenki wakati huo shillingi 47 billioni zililipwa kama zalio kwa wenyehisa.

Mikakati ya kuendeleza biashara kwa ajili ya kujihakikishia fursa ya kuendelea na biashara yetu; upatikanaji kwa wingi wa mali ghafi zizalishwazo nchini na kuleta maendeleo kwa jamii iliendelezwa kwa ari kubwa. Mradi wa "Saidiana" ambao matokeo yake ni kusaidia wakulima wadogo waweze kuwa na uwezo wa kuzalisha shayiri kwa wingi na kwa faida na kuiwezesha Kampuni iweze kujenga kiwanda cha kimea, ulianzishwa kwenye Kanda ya Kusini. Sanjari na mkakati huu, uamuzi wakuzalisha bia aina ya Eagle kwenye Kiwanda cha Mbeya umefanya mahitaji ya zao la mtama kwa mwaka ujao kuwa makubwa. Kiasi cha tani 5,800 kinatarajiwa kupatikana kutoka kwa wakulima mbali mbali ambao wameingia mkataba na Kampuni kulima na kuiuzia Kampuni nafaka hii. Mbinu kama hizi zimeendelezwa pia na kampuni yetu tanzu ya Konyagi ambapo wakulima wa zao la zabibu Dodoma wameshawishiwa kulima zabibu kwa wingi kwa ajili ya matumizi ya kutengeneza mvinyo aina ya brandy ya Valuer na mvinyo wa Overmeer unaowekwa kwenye makasha ya karatasi.

Uzalishaji wa bia ulishuka kwa kiwango cha asilimia 4.5%. Jitihada kubwa zinafanywa ili kupunguza matumizi ya maji kwa kila Kiwanda na mbinu za kuchunguza mtandao wote wa maji kiwanda umewekwa ili kuweza kupunguza zaidi matumizi haya kwa kiasi kikubwa.

Mauzo ya vinywaji vikali na mvinyo yaliongezeka kwa asilimia 28.4% ukilinganisha na mwaka jana. Mapambano dhidi ya "konyagi" itengenezwayo majumbani kinyemela bila ya utaalamu yalisisitizwa kwa minajili ya kuhakikisha umakini, ubora na upatikanaji wa Konyagi halisi. Uwekaji wa stampu na Mamlaka ya Kodi inavyosisitiza umesaidia kupunguza kuenea kwa uzambazaji wa kinywaji hiki haramu, licha ya kwamba hili bado ni tishio kubwa sokoni. Mauzo yetu kwa nchi ya Uganda yaliwezesha kukuza mauzo ya kinywaji cha Vladmir.

Kwa kipindi hicho, mradi wa Route to Market (RTM) uliendelezwa zaidi kwa minajili ya kuanzisha njia mbadala ya usambazaji wenye faida zaidi, kupunguza bei za reja reja, wakati huo kudhibiti bei kwa mlaji wa reja reja na upatikanaji wa bia kwa wingi. Baada ya mafanikio ya utekelezaji wa mradi huu huko Kahama, sehemu nyingine nchini zilianzishwa. Lengo la muda mrefu la mradi huu ni kuwabadilisha wauzaji wa jumla na wanunuzi wa jumla kuwa vituo vya usambazaji, ambavyo vitaweka maanani usambazaji wa bia kwa wauzaji wa rejareja kwa bei zilizodhibitiwa na kuhakikiwa. Nia ni "kumiliki" njia zote za usambazaji hadi ngazi ya reja reja.

Kampuni iliendeleza mfumo wa SABMiller "The Responsible Way", ambao ni mkusanyiko wa maelekezo mbalimbali ambayo yanaipa biashara yetu mwelekeo na maelekezo yote yanayohitajika kwa kutekeleza dira yetu kuhusu kilevi na kanuni kuhusu mawasiliano ya biashara yetu. Hii ilijumlisha na utekelezaji wa Sera ya Mawasiliano ya namna ya Kuendesha biashara hii ya Pombe "Commercial Communication" na sera kuhusu utumiaji wa kilevi kwa wafanyakazi wetu "Employee Alcohol Policy". Hii ilihusu kutoa mafunzo kwa wafanyakazi wetu kuhusu madhara yatokanayo na ulevi na namna ya kusaidia kuishirikisha jamii kfurahia unywaji wa bidhaa zetu kwa kujali. Kama mmoja wa watengenezaji wakubwa wa kileo katika Afrika ya Mashariki, Kampuni inaamini na kusisitiza kwamba aina zetu mbali mbali za bia zinasaidia kuleta furaha na raha kwa wengi wa wateja wetu ambao wanakifurahia kimywaji chetu kwa uangalifu.

Kampuni imekuwa mmoja ya wadau wazuri wa Wiki ya Nenda kwa Usalama Barabarani kwa kuchangia kwa hali na mali kwenye Baraza la Taifa la Nenda kwa Usalama. Kampuni imetimiza ahadi zake kwa kuwekeza katika maeneo muhimu kwa jamii hasa Afya, Maji, Elimu, na Ajira. Mwaka uliomalizika, Kampuni imeshiriki kikamilifu kwenye jitihada za Kitaifa za kujenga shule za sekondari kwenye mikoa mbali mbali.Kampuni ikiwa ni moja ya watumia maji mengi kwa ajili ya uzalishaji wa bidhaa zetu, inatubidi kuchukua hatua madhubuti kuhakikisha matumizi ya maji yanakuwa ya uangalifu na vyanzo vya maji vinatunzwa.Hii inamainisha kwamba Kampuni itabidi kuchukua mtazamo mpya kabisa kuhusu sera yake ya huduma kwa jamii ambayo hapo awali ilikuwa ikichangia kidogo kidogo kwenye miradi mbalimbali na kwenda sasa kwenye kuwekeza nguvu na rasilimali zake kwenye mradi mmoja kwa ajili ya kuwezesha upatikanaji wa maji ya uhakika na usalama kwa jamii ihitajiyo huduma hii. Kampuni imechagua kuwa na mradi unaoitwa "HAKUNA MAJI HAKUNA UHAI" ambapo asilimia 70% ya bajeti ya Huduma kwa Jamii itaelekezwa kwenye mradi huu.

Kwa kipindi hicho cha mwaka jana viwanda vyote vilishiriki kwenye mpango wa Usalama na Afya Kazini (NOSA) na kiwanda cha Dar es Salaam kiliweza kulinda tuzo yake ya alama iliyoshinda mwaka juzi. Hii imedhihirisha kwa wazi kwamba Kampuni inajali afya na usalama wa wafanyakazi wake mahali pa kazi na kwenye mazingira yake.

Kampuni ya Bia Tanzania inaamini kwa dhati kabisa "Watu ndio waletao mabadiliko", hivyo Kampuni imeendeleza uwekezaji kwenye maendeleo ya wafanyakazi wake.Mfumo wa kila mfanyakazi kujiwekea malengo yake ya ufanisi na kujipima kila mara "Performance Management Way" ulioanzishwa toka 2008 umeleta mafanikio makubwa na yakuridhisha.

Kwa kipindi hicho kiasi cha asilimia 3% ya mishahara yetu kilitumika katika mafunzo na kuendeleza wafanyakazi. Kiasi hiki kinalingana na kiwango kinachokubalika kimataifa. Kwa wastani, kila mfanyakazi alipata siku 9.82 za mafunzo ambacho ni kiasi kikubwa ukilinganisha na siku 7 ambazo ndio kigezo kinachotumika na American Society for Training and Development. Mafunzo haya yalikuwa kwenye fani mbali mbali kuanzia na mafunzo ya kiufundi , utendaji wa kazi kwa mifano, mauzo na namna yakumhudumia mteja na hata uongozi.

Kampuni inaendelea na dhamira yake ya kupambana na maambukizi ya virusi vya UKIMWI na kampeni ya kutoa na kuongeza elimu ya ugonjwa huu ambayo inawapa wafanyakazi na jamii zao mbinu mbalimbali zitakazowafanya wabadili tabia na kuzuia maambukizi mapya ya UKIMWI. Matibabu ya magonjwa yanayoambatana na UKIMWI pamoja na yale yanayoambukizwa kwa njia ya zinaa huwa yanatolewa bure katika zahanati za Kampuni. Katika juhudi za kuboresha afya ya wafanyakazi wetu, moja ya kituo chetu cha afya katika Kiwanda cha Dar es Salaam kilianzisha kitengo cha kushughulikia ugonjwa wa kifua kikuu ambapo madawa ya kutibu na kuzuia ugonjwa hutolewa bure kwa wale waliodhurika. Shukrani ziende kwa Serikali Yetu ambayo inatoa madawa haya bure kwenye kitengo hiki.

Mtazamo wa huko mbele unategemea hali ya uchumi na ufanisi wa mamlaka husika katika kufanikisha na kuongeza ubora wa miundo mbinu, kuimarika kwa sarafu ya Tanzania na faida au hasara zinazotokana na ongezeko la kodi ya forodha na kodi nyinginezo. Pamoja na hayo, Baraza la Wakurugenzi lina imani na matumaini makubwa, TBL na Kampuni yake tanzu itaendelea na rekodi yake safi na ya kujivunia ya kupata matokeo mazuri ya mapato na ongezeko la gawio katika mwaka unaokuja.

Goetzsche -

Robin Goetzsche
Mkurugenzi Mkuu

1. Responsible alcohol use

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

2. Alcohol policy

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

3. Employees' behavior

TBL group companies have an alcohol policy in place, which provides guidelines on responsible behavior.

4. Commercial communication

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

5. Drinking and driving

In partnership with the National Road Safety Council and Tanzania Police Force we have continued to remind drivers and the community through our campaign Drink Responsibly, Drive Responsibly. Annually we sponsor branded T-shirts on responsible drinking, and also part of the Road Safety Week.

6. Under age drinking

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

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

7. Trade Brewing

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

1. Matumizi mazuri ya vileo

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

2. Sera ya vileo

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

3. Tabia za wafanyakazi

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

4. Mawasiliano ya kibiashara

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

5. Kunywa vileo na kuendesha gari

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

6. Unywaji vileo katika umri mdogo

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

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

7. Biashara ya Utengenezaji wa Vileo

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

MBEYA BREWERY

The new Mbeya Brewery was opened in October 2009, bringing the total number of TBL Breweries to four around the country; Dar es Salaam, Arusha, Mwanza and Mbeya.

Statement of Directors Responsibilities

For the year ended 31 March 2010

The Tanzanian Companies Act 2002 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 and the group as at the end of the financial year and their 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. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and the group and of their 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 and the group will not remain a going concern for at least twelve months from the date of this statement.

Hon. C. D. Msuya
Chairman

Report of the Independent Auditor

to the members of Tanzania Breweries Limited
For the year ended 31 March 2010

We have audited the accompanying financial statements of Tanzania Breweries Limited("the Company") and its subsidiaries Tanzania Distilleries Limited and Kibo Breweries Limited (together "the Group"), which comprise the balance sheets as at 31 March 2010, and the profit and loss accounts, statements of comprehensive income, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Statement of Directors' Responsibilities, the company's 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 Tanzanian Companies Act 2002. 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 these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of the company's and group's affairs as at 31 March 2010 and of their profits and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the Tanzanian Companies Act 2002.

Report on Other Legal and Regulatory Requirements

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Tanzanian Companies Act 2002 and for no other purposes.

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

PRICEWATERHOUSECOOPERS

Certified Public Accountants
Dar es Salaam

Signed by Michael M. Sallu

10th June, 2010

Profit & Loss Accounts

For the year ended 31 March 2010

(All amounts in Tshs M)

	Notes	Group 2010	Group 2009	Company 2010	Company 2009
Revenue	6	527,768	464,199	462,830	418,561
Cost of sales	7	(273,526)	(264,157)	(242,760)	(239,967)
Gross profit		254,242	200,042	220,070	178,594
Selling and distribution costs	7	(75,188)	(51,145)	(71,356)	(49,580)
Administrative expenses	7	(36,662)	(26,496)	(29,838)	(22,040)
Other income	9	4,703	2,982	13,216	9,485
Other losses	10	(1,150)	(63)	(1,150)	(63)
Operating profit		145,945	125,320	130,942	116,396
Net finance costs	11	(12,103)	(10,070)	(10,783)	(9,406)
Share of loss from associate	17	-	(62)	-	(62)
Profit before income tax		133,842	115,188	120,159	106,928
Income tax expense	12	(41,393)	(34,391)	(34,664)	(30,254)
Profit for the year		92,449	80,797	85,495	76,674
STATEMENT OF COMPREHENSIVE INCOME					
Profit for the year		92,449	80,797	85,495	76,674
Total comprehensive income		92,449	80,797	85,495	76,674
Attributable to:					
Minority interests		5,000	3,639		
Equity holders of the Company		87,449	77,158		
		92,449	80,797		
Basic earnings per share (Tshs)	13	296.5	261.6		
Diluted earning per share (Tshs)	13	296.5	261.6		
Dividend per Share (Tshs)	14	150.0	150.0		

Notes and related statements forming part of these financial statements appear on pages 26 to 48

Balance Sheets

As at 31 March 2010

(All amounts in Tshs M)

	Notes	Group 2010	Group 2009	Company 2010	Company 2009
ASSETS					
Non-current assets					
Property, plant and equipment	15	290,322	198,787	285,101	194,966
Intangible assets	16	40,913	40,632	1,283	1,002
Investments	17	88	49	45,108	45,068
		331,323	239,468	331,492	241,036
Current assets					
Inventories	18	83,510	71,234	73,784	64,633
Accounts receivable	19	25,585	28,407	25,470	29,277
Income tax recoverable		5,222	-	5,665	-
Bank and cash balances	20	8,027	9,274	6,141	7,813
		122,344	108,915	111,060	101,723
Total assets		453,667	348,383	442,552	342,759
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	21	29,493	29,493	29,493	29,493
Share premium		45,346	45,346	45,346	45,346
Retained earnings		122,508	79,298	120,220	78,964
		197,347	154,137	195,059	153,803
Minority interests		3,878	2,718	-	-
Total equity		201,225	156,855	195,059	153,803
LIABILITIES					
Non-current liabilities					
Borrowings	25	41,842	-	41,842	-
Deferred income tax liabilities	22	29,340	10,217	28,836	9,790
Provisions for liabilities and charges	23	301	355	301	355
		71,483	10,572	70,979	10,145
Current liabilities					
Trade and other payables	24	79,456	67,608	75,861	65,548
Borrowings	25	101,503	105,702	100,653	105,557
Income tax payable		-	7,646	-	7,706
		180,959	180,956	176,514	178,811
Total liabilities		252,442	191,528	247,493	188,956
Total equity and liabilities		453,667	348,383	442,552	342,759

Notes and related statements forming part of these financial statements appear on pages 26 to 48

Directors approved the financial statements on pages 22 to 48 on 9th June, 2010 and they were signed on their behalf by:-

C D Msuya

Hon. C. D. Msuya

Statement of Changes in Equity

For the year ended 31 March 2010

(All amounts in Tshs M)

	Notes	Attributable to equity holders of the Company				
GROUP		**Share Capital**	**Share Premium**	**Retained Earnings**	**Minority interest**	**Total**
Year ended 31 March 2009						
Balance at 1 April 2008		29,493	45,346	46,379	2,041	**123,259**
Comprehensive income						
Profit for the year		-	-	77,158	3,639	**80,797**
Transactions with owners						
Dividends paid	14	-	-	(44,239)	(2,962)	**(47,201)**
Balance at 31 March 2009		**29,493**	**45,346**	**79,298**	**2,718**	**156,855**
Year ended 31 March 2010						
Balance at 1 April 2009		29,493	45,346	79,298	2,718	**156,855**
Comprehensive income						
Profit for the year		-	-	87,449	5,000	**92,449**
Transactions with owners						
Dividends paid	14	-	-	(44,239)	(3,840)	**(48,079)**
Balance at 31 March 2010		**29,493**	**45,346**	**122,508**	**3,878**	**201,225**
COMPANY						
Year ended 31 March 2009						
Balance at 1 April 2008		29,493	45,346	46,529	-	**121,368**
Comprehensive income						
Profit for the year		-	-	76,674	-	**76,674**
Transactions with owners						
Dividends paid	14	-	-	(44,239)	-	**(44,239)**
Balance at 31 March 2009		**29,493**	**45,346**	**78,964**	**-**	**153,803**
Year ended 31 March 2010						
Balance at 1 April 2009		29,493	45,346	78,964	-	**153,803**
Comprehensive income						
Profit for the year		-	-	85,495	-	**85,495**
Transactions with owners						
Dividends paid	14	-	-	(44,239)	-	**(44,239)**
Balance at 31 March 2010		**29,493**	**45,346**	**120,220**	**-**	**195,059**

Notes and related statements forming part of these financial statements appear on pages 26 to 48

Cash Flow Statement

For the year ended 31 March 2010
(All amounts in Tshs M)

	Notes	Group 2010	Group 2009	Company 2010	Company 2009
Cash flows from operating activities					
Cash generated from operations	28(i)	165,337	113,177	152,538	103,859
Interest paid		(10,906)	(10,340)	(9,586)	(10,361)
Interest received		831	270	831	955
Income tax paid	28(ii)	(35,138)	(29,307)	(28,989)	(25,001)
Net cash inflow from operating activities		120,124	73,800	114,794	69,452
Cash flows from investing activities					
Purchase of property, plant and equipment	15	(113,488)	(74,741)	(111,665)	(73,457)
Purchase of intangible assets	16	(728)	(795)	(728)	(795)
Proceeds from disposal of investment in associate company		2,347	-	2,347	-
Proceeds from disposal of property, plant and equipment		276	305	223	261
Net cash used in investing activities		(111,593)	(75,231)	(109,823)	(73,991)
Cash flows from financing activities					
Dividends paid to company shareholders	28(iii)	(43,581)	(44,708)	(43,581)	(44,708)
Dividends paid to minority interests	28(iii)	(3,840)	(2,962)	-	-
Proceeds from bank borrowings		44,780	-	44,780	-
Proceeds from parent company loan		41,842	-	41,842	-
Net cash generated from/(used in) financing activities		39,201	(47,670)	43,041	(44,708)
Net increase/(decrease) in cash and cash equivalents		47,732	(49,101)	48,012	(49,247)
Cash and cash equivalents at the start of year		(96,428)	(47,327)	(97,744)	(48,497)
Cash and cash equivalents at the end of year	20	(48,696)	(96,428)	(49,732)	(97,744)

Notes and related statements forming part of these financial statements appear on pages 26 to 48

1 GENERAL INFORMATION

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

Changes in accounting policy and disclosures

New and amended standards adopted by the Group- effective 1 January 2009

IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. There were no significant changes resulting from the adoption of this standard and there was no impact on earnings per share.

IAS 1 (Revised), 'Presentation of financial statements' The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

IFRS 7 'Financial Instruments – Disclosures' (Amendment). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the adoption of the amendment results in additional disclosures, there is no impact on earnings per share.

IAS 23 (amendment), 'Borrowing costs'. The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. In accordance with transition provisions of the standard the comparative figures have not been restated. The impact of change in accounting policy was capitalisation of borrowing costs amounting to TShs 5,763 million respect the Mbeya plant and other qualifying capital expenditure incurred during the year.

Amendments to existing standards effective in 2009 but not relevant

In 2009, the following amendments to existing standards became effective but are not relevant to the Group's operations.

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

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

Two revised standards (IFRS 3 – Business combinations and IAS 27 – Consolidated and separate financial statements) and numerous amendments to existing standards and new interpretations have been published and will be effective for the Group's accounting periods beginning on or after 1 January 2010, but the Group has not early adopted any of them.

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies. This generally accompanies a shareholding of more than one half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control passed to the Group and are de-consolidated from the date that control ceases. The Group uses the purchase method of accounting to account for the acquisition of subsidiaries.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets and liabilities and contingent liabilities assumed are measured at fair value, at acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit and loss account.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(iii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

(c) Segment reporting

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

The Group's segmental analyses are in accordance with the basis the businesses are managed. The Group presents its segment analysis in Note 5.

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(e) Property, plant and equipment

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

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

Freehold buildings	20 – 50 years
Leasehold buildings	Shorter of the lease term or 50 years
Plant and machinery	10 – 15 years
Furniture, equipment and vehicles	3 – 12 years

Containers in circulation are recorded within property, plant and equipment at cost net of accumulated depreciation less any impairment loss. Depreciation of returnable bottles and containers is recorded to write the containers off over the course of their economic life. This is typically undertaken in a two stage process:

- The excess over deposit value is written down over a period of 1-5 years.
- Provisions are made against the deposit values for breakages and loss in trade together with a design obsolescence provision held to write off the deposit value over the expected bottle design period which is a period of no more than 10 years from inception of a bottle design. This period is shortened where appropriate by reference to market dynamics and the ability of the entity to use bottles for different brand.

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(f) Intangible assets

(i) Goodwill

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

Goodwill is stated at cost less impairment losses and is reviewed for impairment on an annual basis. Any impairment identified is recognised immediately in the income statement and is not reversed.

(ii) Software

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

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring them to use. Direct costs associated with the production of identifiable and unique internally generated software products controlled by the Group or Company that will probably generate economic benefits exceeding costs beyond one year are capitalised. Direct costs include software development employment costs (including those of contractors used) and an appropriate portion of overheads. Capitalised computer software, license and development costs are amortised over their useful economic lives of between 3 and 5 years.

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

(g) Impairment of assets

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

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

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

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

When an impairment is recognised, the impairment loss is held firstly against any specifically impaired assets of the CGU, then taken against goodwill balances and if there is a remaining loss it is set against the remaining intangible and tangible assets on a pro-rata basis.

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

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

(h) Inventories

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

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

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

(i) Deposits by customers

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

(j) Trade receivables

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

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

(k) Cash and cash equivalents

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

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

(l) Share capital

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

(m) Income tax

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

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

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

(n) Employee benefits

(i) Bonus plans

The Group or Company recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments.

The Group or Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Defined contribution plan

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

The Group 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 Group's contributions are recognised as an employee benefit expense when they are due.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value in a similar manner to all long term employee benefits.

(o) Provision

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

(p) Revenue recognition

(i) Sale of goods

Revenue represents the fair value of consideration received or receivable for goods sold to third parties and is recognised when the risks and rewards of ownership are substantially transferred.

The Group or Company presents revenue gross of excise duties because unlike value added tax, excise is not directly related to the value of sales. It is not generally recognised as a separate item on invoices, increases in excise are not always directly passed on to customers, and the Group or Company cannot reclaim the excise where customers do not pay for product received. The Group or Company therefore considers excise as a cost to the entity and reflects it as a production cost. Consequently any excise that is recovered in the sale price is included in revenue.

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

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

(ii) Interest income

Interest income is recognised on an accruals basis using the effective interest method.

(iii) Royalty income

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

(iv) Dividend income

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

(q) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(r) Earnings per share

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

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

(s) Dividends distribution

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

(t) Derivative financial assets and financial liabilities

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

These include derivatives embedded in host contracts. Such embedded derivatives need not be accounted for separately if the host contract is already fair valued; if it is not considered as a derivative if it was freestanding; or if it can be demonstrated that it is closely related to the host contract. There are certain currency exemptions which the Group and Company have applied to these rules which limit the need to account for certain potential embedded foreign exchange derivatives, namely where a contract is denominated in the functional currency of either party or in a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place.

Derivative financial assets and liabilities are analysed between current and non-current assets and liabilities on the face of the balance sheet, depending on when they are expected to mature.

(u) Financial assets

The financial assets are classified as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's loans and receivables comprise trade and other receivables in the balance sheet unless recoverable after 12 months.

(v) Comparatives

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In determining and applying accounting policies, judgment is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported results or net position of the Group or Company, should it later be determined that a different choice would be more appropriate.

Management considers the following to be areas of significant judgment for the Group and Company:

(i) The determination of the carrying amount of goodwill;

(ii) The determination of the carrying amount of plant, property and equipment and related depreciation, capitalisation of costs, estimation of useful economic life and recoverability of such assets;

(iii) The calculation of the Group's total tax charge where tax treatment cannot be finally determined until a formal resolution has been reached with the relevant tax authority;

4 FINANCIAL RISK MANAGEMENT

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

Market risk

(i) Foreign exchange risk

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

Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies. Occasionally, when considered prudent, exposure to foreign currency risk is hedged, by forward contracts.

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

31 March 2010	**Total in functional currency**	**Exposure in ZAR**	**Exposure in US$**	**Exposure in Euro**	**Exposure in GBP**
Financial Assets					
Current Assets					
Cash & Cash Equivalents	3,801	256	1,023	2,522	-
Current Liabilities					
Trade & Other Payables	(4,964)	(408)	(4,510)	(46)	-
Non-monetary Assets	(1,163)	(152)	(3,487)	(2,476)	-

31 March 2009	**Total in functional currency**	**Exposure in ZAR**	**Exposure in US$**	**Exposure in Euro**	**Exposure in GBP**
Financial Assets					
Current Assets					
Cash & Cash Equivalents	7,137	319	3,249	3,569	-
Current Liabilities					
Trade & Other Payables	(3,067)	161	(2,260)	(977)	-
Non-monetary Assets	4,061	480	989	2,592	-

At 31 March 2010, if the Tanzania shilling (Tshs) had weakened/ strengthened by 10% (2009: 10%) against the US dollar with all other variables held constant, Group's post-tax profit for the year would have been Tshs 244 million (2009: Tshs 69 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated cash and cash equivalents on hand, trade and other payables. Similarly the effect on the Company's post-tax profit for the year would have been Tshs 212 million (2009: Tshs 45 million).

At 31 March 2010, if the Tanzania shilling (Tshs) had weakened/ strengthened by 10% (2009: 10%) against the Euro with all other variables held constant, Group's post-tax profit for the year would have been Tshs 174 million (2009: Tshs 181 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro-denominated cash and cash equivalents on hand, trade and other payables. Similarly the effect on the Company's post-tax profit for the year would have been Tshs 114 million (2009: Tshs 129 million).

At 31 March 2010, if the Tanzania shilling (Tshs) had weakened/ strengthened by 10% (2009: 10%) against the SA Rand with all other variables held constant, Group's and Company's post-tax profit for the year would have been Tshs 10 million (2009: Tshs 34 million) lower/higher, mainly as a result of foreign exchange losses/gains on translation of SA Rand-denominated cash and cash equivalents on hand, trade and other payables.

(ii) Cash flow and fair value interest rate risk

The Group's interest bearing financial liabilities include its bank overdrafts and short-term loans, some of which are at a 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 2010, an increase/ decrease of 100 basis points(2009 : 100 basis points) would have resulted in a decrease/increase in post tax profit of the Group and Company of Tshs 383 million (2009: Tshs 382 million).

Credit risk

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

The group's and company's maximum exposure to credit risk is made up as follows:

	Group		Company	
	2010	2009	2010	2009
Cash at bank and short term bank deposits	8,027	9,274	6,140	7,813
Trade receivables	14,898	11,656	14,283	10,192
Receivables from related companies	-	2,486	-	6,386
Other receivables (excluding prepayments)	6,082	3,721	7,297	2,653
	29,007	27,137	27,702	27,044

All major credit customers are required to give collateral in the form of cash deposits or bank guarantees. Credit risk is managed by limiting the aggregate amount of exposure to any counterparty.

	Group		Company	
	2010	2009	2010	2009
Collateral held comprises:				
Cash security	6,978	5,097	6,978	5,097
Bank guarantees	4,614	3,303	4,614	3,303
	11,592	8,400	11,592	8,400

The Group does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

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

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

	Group		Company	
	2010	2009	2010	2009
Receivables individually determined to be impaired:				
Within 30 days	954	-	954	-
30-60 days	162	1,018	162	971
60-90 days	121	-	121	-
Over 90 days	253	249	184	249
Carrying amount before provision for impairment loss	1,490	1,267	1,421	1,220
Provision for impairment loss	(1,421)	(1,220)	(1,352)	(1,173)
Net carrying amount	69	47	69	47

The remaining trade receivables as tabled below were all current and not impaired.

Within 30 days	14,898	11,609	14,283	8,972

Liquidity risk

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

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

The table below shows the availability of funding from Banks and their related utilisation at the balance sheet dates.

Company	**31 March 2010**		**31 March 2009**	
	Credit limit	**Utilised**	**Credit limit**	**Utilised**
Banks				
Stanbic Bank Tanzania Limited	9,000	7,269	9,000	7,327
Standard Chartered Bank Tanzania Limited	30,000	27,447	20,000	17,767
Citibank Tanzania Limited	9,000	584	33,175	24,567
National Bank of Commerce Limited	21,000	13,262	11,000	7,079
CRDB Bank Plc	26,000	19,747	28,500	23,210
National Microfinance Bank Plc	39,780	33,194	30,000	25,608
	134,780	101,503	131,675	105,558

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

	Group		**Company**	
	Within 1 year	**Between 2 and 5 years**	**Within 1 year**	**Between 2 and 5 years**
At 31 March 2010				
Borrowings	101,503	41,842	101,503	41,482
Interest	10,150	1,832	10,150	1,832
Trade and other payables	79,456	-	75,861	-
At 31 March 2009				
Borrowings	105,702	-	105,702	-
Interest	12,684	-	12,684	-
Trade and other payables	67,608	-	67,608	-

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt.

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

During the year ended 31 March 2010 the Group and Company's strategy, which was unchanged from the prior year, was to maintain a gearing ratio of below 100%. The gearing ratios at 31 March 2010 and 2009 were as follows:

		Group		**Company**	
	Note	**2010**	**2009**	**2010**	**2009**
Total borrowings	25	143,345	105,702	142,495	105,557
Less: cash at bank and in hand	20	(8,027)	(9,274)	(6,141)	(7,813)
Net debt		135,318	96,428	136,354	97,744
Total equity		201,225	156,855	195,059	153,803
Total capital		336,543	253,283	331,413	251,547
Gearing ratio		40%	38%	41%	39%

5. BUSINESS SEGMENTS INFORMATION

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

The board of directors considers the business from market product and perspectives. Market wise, management considers the main lines through which the Group derives its revenue. Costs relating to the general group management are shared between the Company and its subsidiaries. The Group is currently organised into two main operating divisions; – Clear Beer and Wines and Spirits. The segment information provided by management for the reportable segments for the year ended 31 March 2010 is as follows:

Year ended 31 March 2010	Clear Beer	Wines & Spirits	Eliminations	Total Group
Revenue				
Exports	6,648	-	-	6,648
Local	456,182	64,938	-	521,120
Total segment revenue	462,830	64,938	-	527,768
Operating profit	131,631	21,645	(7,331)	145,945
Finance costs	(11,472)	(631)	-	(12,103)
Profit before tax	120,159	21,014	(7,331)	133,842
Income tax	(34,663)	(6,730)	-	(41,393)
Profit for the year	**85,496**	**14,284**	**(7,331)**	**92,449**
Depreciation and amortisation	21,016	888	-	21,904
Segment assets and liabilities and capital expenditure				
Assets				
Investments	88	-	-	88
Other non-current assets	331,404	5,155	(5,323)	331,236
Current assets	111,060	15,819	(4,536)	122,343
	442,552	**20,974**	**(9,859)**	**453,667**
Liabilities & Equity				
Current liabilities	218,356	10,842	(6,397)	222,801
Non current liabilities	29,137	504	-	29,641
Owner's equity	195,059	9,627	(7,339)	197,347
Minority interest	-	-	3,878	3,878
	442,552	**20,973**	**(9,858)**	**453,667**
Capital expenditure				
Property, plant and equipment	111,665	1,823	-	113,488
Intangible assets	728	-	-	728
	112,393	**1,823**	**-**	**114,216**
From operating activities	**123,302**	**12,932**	**(9,093)**	**127,141**
From investing activities	(112,171)	(1,847)	78	(113,940)
From financing activities	(7,900)	(11,371)	9,022	(10,249)
Net increase in cash and cash equivalents	3,231	(286)	7	2,952
Cash at the beginning of the year	(97,744)	1,323	(7)	(96,428)
Cash and cash equivalents at the end of the year	(94,513)	1,037	-	(93,476)

BUSINESS SEGMENTS INFORMATION (Continue)

Year ended 31 March 2009	Clear Beer	Wines & Spirits	Eliminations	Total Group
Revenue				
Exports	5,939	-	-	5,939
Local	412,935	45,978	(653)	458,260
Total segment revenue	418,874	45,978	(653)	464,199
Operating profit	115,926	15,209	(5,815)	125,320
Finance costs	(9,406)	(664)	-	(10,070)
Share of loss from associate	(62)	-	-	(62)
Profit before tax	106,458	14,545	(5,815)	115,188
Income tax	(30,244)	(4,147)	-	(34,391)
Profit for the year	**76,214**	**10,398**	**(5,815)**	**80,797**
Depreciation and amortisation	12,902	347	-	13,249
Impairment losses	421	-	-	421
Segment assets and liabilities and capital expenditure				
Assets				
Investment in associate	49	-	-	49
Other non-current assets	241,055	3,753	(5,389)	239,419
Current assets	103,095	11,167	(5,347)	108,915
	344,199	**14,920**	**(10,736)**	**348,383**
Liabilities & Equity				
Current liabilities	178,894	7,568	(5,506)	180,956
Non current liabilities	10,145	427	-	10,572
Owner's equity	155,160	6,925	(7,948)	154,137
Minority interest	-	-	2,718	2,718
	344,199	**14,920**	**(10,736)**	**348,383**
Segment Cash flows				
From operating activities	67,682	10,171	(5,872)	71,981
From investing activities	(73,991)	(1,240)		(75,231)
From financing activities	(42,938)	(8,777)	5,864	(45,851)
Net decrease in cash and cash equivalents	**(49,247)**	**154**	**(8)**	**(49,101)**
Cash at the beginning of the year	(48,497)	1,169	1	(47,327)
Cash and cash equivalents at the end of the year	**(97,744)**	**1,323**	**(7)**	**(96,428)**

	Group		Company	
	2010	**2009**	**2010**	**2009**
6. REVENUE				
Sale of goods – Local	521,120	458,260	456,182	412,622
Sale of goods – Export	6,648	5,939	6,648	5,939
	527,768	464,199	462,830	418,561
7. COST OF SALES AND OPERATING EXPENSES				
Excise taxes	101,617	97,860	86,673	87,195
Raw materials used	121,388	128,395	104,195	114,864
Exchange loss	3,906	317	6,998	326
Distribution costs	46,129	27,120	44,718	25,262
Depreciation and amortisation	14,557	13,249	14,129	12,902
Impairment loss on Property, Plant and Equipment	-	421	-	421
Impairment loss – receivables	181	154	158	130
Employees benefit costs	36,109	27,032	33,818	25,287
Marketing costs	20,853	15,097	17,256	14,230
Administrative costs	6,703	3,938	6,255	5,422
Operating lease rentals	3,797	3,412	3,609	2,401
Operating costs	7,362	5,181	6,393	4,794
Maintenance	9,173	8,133	8,544	7,714
Managerial, technical and administrative fees	13,370	11,254	11,016	10,440
Auditors remuneration- audit services	162	141	129	111
Auditors remuneration- non audit services	69	94	63	88
	385,376	341,798	343,954	311,587
Made up as follows:				
Cost of sales	273,526	264,157	242,760	239,967
Selling and distribution costs	75,188	51,145	71,356	49,580
Administrative expenses	36,662	26,496	29,838	22,040
	385,376	341,798	343,954	311,587
8. EMPLOYEES' BENEFIT COSTS				
The following items are included within employees' benefits expenses				
- Wages, salaries and other benefits	33,811	25,506	31,714	23,894
- Pension costs (defined contribution plans)	2,298	1,526	2,104	1,393
	36,109	27,032	33,818	25,287
9. OTHER INCOME				
Profit on disposal of property, plant and equipment	227	269	210	238
Gain on disposal of investment	2,347	-	2,347	-
Dividend income	-	-	7,531	5,815
Management fees	-	-	1,177	814
Sundry income	2,129	2,713	1,951	2,618
	4,703	2,982	13,216	9,485

	Group 2010	Group 2009	Company 2010	Company 2009
10. OTHER LOSSES				
Fair value loss on embedded derivatives	(1,150)	(63)	(1,150)	(63)
	(1,150)	(63)	(1,150)	(63)
11. FINANCE INCOME AND EXPENSES				
Interest income on bank balances	831	270	831	955
Interest expense on borrowings	(10,906)	(10,340)	(9,586)	(10,361)
Fair valuation loss on a forward contract	(2,028)	-	(2,028)	-
Finance costs – net	(12,103)	(10,070)	(10,783)	(9,406)
12. INCOME TAX EXPENSE				
Current tax	22,270	33,865	15,618	29,869
Deferred tax (Note 22)	19,123	526	19,046	385
	41,393	34,391	34,664	30,254

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

	Group 2010	Group 2009	Company 2010	Company 2009
Profit before income tax	133,842	115,188	120,159	106,928
Tax calculated at a rate of 30%	40,152	34,556	36,048	32,078
Income not subject to tax	(749)	-	(3,008)	(1,744)
Expenses not deductible for tax purposes	1,990	(165)	1,624	(80)
Income tax expense	41,393	34,391	34,664	30,254

13. EARNINGS PER SHARE

Group

	2010	2009
Net profit attributable to shareholders (TShs'000)	87,448,732	77,157,740
Weighted average number of share in issue (000's) (Note 21)	294,928	294,928
Basic and diluted earnings per share (TShs per share)	296.5	261.6

There being no dilutive potential share options, the basic and diluted earnings per share are the same.

	Amount 2010	Amount 2009	Dividend per share 2010	Dividend per share 2009
14. DIVIDENDS				
First interim dividend	17,695	17,695	60.0	60.0
Second interim dividend	26,544	26,544	90.0	90.0
	44,239	44,239	150.0	150.0

15 . PROPERTY, PLANT AND EQUIPMENT – GROUP

	Buildings	Plant and machinery	Furniture, equipment and vehicles	Capital work in progress	Containers	Total
At 31 March 2008						
Cost	29,622	117,407	29,104	19,266	27,774	223,173
Accumulated depreciation	(8,831)	(57,908)	(15,738)	-	(2,959)	(85,436)
Net book value	**20,791**	**59,499**	**13,366**	**19,266**	**24,815**	**137,737**
Year ended 31 March 2009						
Opening net book value	20,791	59,499	13,366	19,266	24,815	137,737
Additions	-	-	-	74,741	-	74,741
Disposals –others	-	(3)	(33)	-	-	(36)
Transfers	3,599	3,210	6,411	(19,707)	6,487	-
Breakages and shrinkage	-	-	-	-	(165)	(165)
Impairment	-	(421)	-	-	-	(421)
Depreciation charge for the year	(1,270)	(6,059)	(2,982)	-	(2,758)	(13,069)
Closing net book value	**23,120**	**56,226**	**16,762**	**74,300**	**28,379**	**198,787**
At 31 March 2009						
Cost	33,140	119,424	35,482	74,300	34,096	296,442
Accumulated depreciation	(10,020)	(63,198)	(18,720)	-	(5,717)	(97,655)
Net book value	**23,120**	**56,226**	**16,762**	**74,300**	**28,379**	**198,787**
Year ended 31 March 2010						
Opening net book value	23,120	56,226	16,762	74,300	28,379	198,788
Additions	-	-	-	113,488	-	113,488
Disposals –others	-	(9)	(39)	-	-	(48)
Transfers	28,807	126,572	7,088	(172,447)	9,980	-
Breakages and shrinkage	-	-	-	-	(465)	(465)
Depreciation charge for the year	(1,727)	(8,194)	(4,189)	-	(7,330)	(21,440)
Closing net book value	**50,200**	**174,595**	**19,622**	**15,341**	**30,564**	**290,322**
At 31 March 2010						
Cost	61,946	245,743	42,530	15,341	43,612	409,172
Accumulated depreciation	(11,746)	(71,148)	(22,908)	-	(13,048)	(118,850)
Net book value	**50,200**	**174,595**	**19,622**	**15,341**	**30,564**	**290,322**

The Group's buildings, plant and machinery have been secured against borrowings as set out in Note 25 to the financial statements.

The impairment loss arose from replacement of existing packaging machinery with new machinery.

15. PROPERTY, PLANT AND EQUIPMENT - COMPANY

	Buildings	Plant and machinery	Furniture, equipment and vehicles	Capital work in progress	Containers	Total
At 31 March 2008						
Cost	28,344	114,283	27,300	18,892	27,736	216,555
Accumulated depreciation	(8,226)	(56,103)	(14,428)	-	(2,958)	(81,715)
Net book value	**20,118**	**58,180**	**12,872**	**18,892**	**24,778**	**134,840**
Opening net book value	20,118	58,180	12,872	18,892	24,778	134,840
Additions	-	-	-	73,457	-	73,457
Disposals	-	(3)	(20)	-	-	(23)
Transfers	3,098	2,365	6,152	(18,089)	6,474	-
Breakages and shrinkage	-	-	-	-	(165)	(165)
Impairment	-	(421)	-	-	-	(421)
Depreciation charge for the year	(1,209)	(5,932)	(2,822)	-	(2,759)	(12,722)
Closing net book value	**22,007**	**54,189**	**16,182**	**74,260**	**28,328**	**194,966**
At 31 March 2009						
Cost	31,442	116,646	33,432	74,260	34,045	289,825
Accumulated depreciation	(9,435)	(62,457)	(17,250)	-	(5,717)	(94,859)
Net book value	**22,007**	**54,189**	**16,182**	**74,260**	**28,328**	**194,966**
Year ended 31 March 2010						
Opening net book value	22,007	54,189	16,182	74,260	28,328	194,966
Additions	-	-	-	111,665	-	111,665
Disposals	-	(9)	(3)	-	-	(13)
Transfers	28,701	126,065	6,877	(171,623)	9,980	-
Breakages and shrinkage	-	-	-	-	(502)	(502)
Depreciation charge for the year	(1,648)	(8,022)	(4,015)	-	(7,330)	(21,016)
Closing net book value	**49,060**	**172,223**	**19,040**	**14,301**	**30,476**	**285,100**
At 31 March 2010						
Cost	60,144	242,702	40,306	14,301	43,523	400,976
Accumulated depreciation	(11,082)	(70,479)	(21,266)	-	(13,047)	(115,875)
Net book value	**49,061**	**172,223**	**19,040**	**14,301**	**30,476**	**285,101**

The Group's buildings, plant and machinery have been secured against borrowings as set out in Note 25 to the financial statements.

The impairment loss arose from replacement of existing packaging machinery with new machinery.

16. INTANGIBLE ASSETS

	Group			Company
	Goodwill	Software	Total	Software
At 31 March 2008	42,339	727	43,066	727
Accumulated amortisation	(2,709)	(340)	(3,049)	(340)
Net book value	**39,630**	**387**	**40,017**	**387**
Year ended 31 March 2009				
Opening net book value	39,630	387	40,017	387
Additions	-	795	795	795
Amortisation charge	-	(180)	(180)	(180)
Closing net book value	**39,630**	**1,002**	**40,632**	**1,002**
As at 31 March 2009	42,339	1,522	43,861	1,522
Accumulated amortisation	(2,709)	(520)	(3,229)	(520)
Net book value	**39,630**	**1,002**	**40,632**	**1,002**
Year ended 31 March 2010				
Opening net book value	39,630	1,002	40,632	1,002
Additions	-	728	728	728
Amortisation charge	-	(447)	(447)	(447)
Closing net book value	**39,630**	**1,283**	**40,913**	**1,283**
At 31 March 2010	42,339	2,250	44,589	2,250
Accumulated amortisation	(2,709)	(967)	(3,676)	(967)
Net book value	**39,630**	**1,283**	**40,913**	**1,283**

The carrying amounts of the intangible assets approximate to their recoverable amounts. The directors review the goodwill for impairment annually based on projected cash flows of the cash generating units. No impairment charge arose during the year (2009: nil).

	Group		Company	
	2010	**2009**	**2010**	**2009**
17. INVESTMENTS				
Investment in associate company	-	49	-	49
Investment in subsidiaries	-	-	45,020	45,019
Other investments	88	-	88	-
	88	49	45,108	45,068
Investment in associate company				
At 1 April	49	369	49	369
Share of loss	-	(62)	-	(62)
Adjustment*	-	(258)	-	(258)
Disposals	(49)	-	(49)	-
At 31 March	-	49	-	49

*The adjustment relates to share of prior year losses from associate.

The investments relate to:

Name of undertaking	Nature of business	Description of shares held	% of issued shares held 2010	2009
Tanzania Distilleries Ltd	Manufacturer of spirituous liquor	Ordinary	**65%**	65%
Mountainside Farms Ltd	Crop farming	Ordinary	**5%**	50%
Kibo Breweries Ltd	Rental of assets to related parties	Ordinary	**100%**	100%

During the year, the Group disposed of 18,000 equity shares in Mountainside Farms Limited at a consideration of US$ 1.8million. This reduced the group's share of equity interest in Mountainside Farms Limited from 50% to 5%.

Other investments refer to the remaining 5% shareholding in Mountainside Farms Limited. The investment is stated at fair value.

The aggregate assets, liabilities and revenue of Mountainside Farms Limited in 2009 were as follows:

	Tshs M
Assets	562
Liabilities	606
Revenue	801
(Loss)	(62)

	Group 2010	Group 2009	Company 2010	Company 2009
18. INVENTORIES				
Raw materials	**35,716**	30,678	**31,856**	28,325
Consumable stores and spares	**31,521**	21,267	**31,360**	21,132
Work in progress	**10,234**	9,205	**10,136**	9,136
Finished goods	**10,840**	12,152	**5,233**	8,076
	88,311	73,302	**78,585**	66,669
Provision for obsolete and damaged stocks	**(4,801)**	(2,068)	**(4,801)**	(2,036)
	83,510	71,234	**73,784**	64,633

The cost of inventories recognised as an expense and included in 'cost of sales' in the Group profit and loss account amounted to Tshs 121,388 M (2009: Tshs 128,395 M).

19. ACCOUNTS RECEIVABLE

	Group 2010	Group 2009	Company 2010	Company 2009
Trade receivables	**16,319**	12,876	**15,635**	11,365
Less: Provision for impairment	**(1,421)**	(1,220)	**(1,352)**	(1,173)
Trade receivables-net	**14,898**	11,656	**14,283**	10,192
Advances to suppliers	**279**	6,450	**205**	6,450
Staff advances and loans	**1,073**	566	**972**	520
Due from related parties (Note 29 (iv))	**-**	2,486	**-**	6,386
Other receivables	**4,730**	1,977	**6,120**	706
Prepayments	**4,605**	5,272	**3,890**	5,023
	25,585	28,407	**25,470**	29,277
Movements on the provision for impairment of trade receivables are as follows:				
At start of year	**(1,220)**	(1,115)	**(1,173)**	(1,069)
Provision in the year	**(201)**	(129)	**(179)**	(104)
Utilised during the year	**-**	24	**-**	-
At end of year	**(1,421)**	(1,220)	**(1,352)**	(1,173)

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

	Group		Company	
	2010	**2009**	**2010**	**2009**
20. BANK AND CASH BALANCES				
Cash at bank and in hand	**8,027**	9,274	**6,141**	7,813

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

	Group 2010	Group 2009	Company 2010	Company 2009
Cash and bank balances	**8,027**	9,274	**6,141**	7,813
Bank overdrafts (Note 25)	**(56,723)**	(105,702)	**(55,873)**	(105,557)
Net cash and cash equivalents	**(48,696)**	(96,428)	**(49,732)**	(97,744)

21. SHARE CAPITAL

21.1 Ordinary share capital

	Group 2010	Group 2009	Company 2010	Company 2009
Authorised, issued and fully paid:				
294,928,463 ordinary shares of Tsh 100 each	**29,493**	29,493	**29,493**	29,493

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

21.2 Ownership structure	**Ordinary Shares**	Ordinary Shares	**% holding**	% holding
	2010	2009	**2010**	2009
Resident shareholders:				
United Republic of Tanzania	**11,797,139**	11,797,139	**4.00**	4.00
Unit Trust of Tanzania	**13,239,696**	13,239,696	**4.49**	4.49
Public Service Pension Fund	**8,180,547**	8,180,547	**2.77**	2.77
Parastatal Pension Fund	**7,902,720**	3,910,000	**2.68**	1.33
National Social Security Fund	**9,977,436**	1,340,000	**3.38**	0.45
General Public	**17,809,569**	30,439,725	**6.04**	10.32
Total resident	**68,907,107**	68,907,107	**23.36**	23.36
Non-resident shareholders:				
SABMiller Africa BV	**155,799,698**	155,799,698	**52.83**	52.83
East African Breweries Limited	**58,985,693**	58,985,693	**20.00**	20.00
International Finance Corporation (IFC)	**11,235,965**	11,235,965	**3.81**	3.81
Total non-resident	**226,021,356**	226,021,356	**76.64**	76.64
Total ordinary shares in issue	**294,928,463**	294,928,463	**100.00**	100.00

22. DEFERRED INCOME TAX LIABILITY

Deferred income taxes are calculated on temporary differences under the liability method using a principal tax rate of 30% (2009:30%). The movement on the deferred income tax account is as follows:

	Group 2010	Group 2009	Company 2010	Company 2009
At the beginning of the year	**10,217**	9,691	**9,791**	9,405
Increase during the year (Note 12)	**19,123**	526	**19,045**	385
At the end of the year	**29,340**	10,217	**28,836**	9,790

Details of the deferred tax liabilities/(assets):

	Group 2010	Group 2009	Company 2010	Company 2009
Accelerated depreciation for tax purposes	**29,706**	9,323	**26,345**	8,893
Other temporary differences	**(366)**	894	**2,491**	897
	29,340	10,217	**28,836**	9,790

	Group 2010	Group 2009	Company 2010	Company 2009
23. PROVISIONS FOR LIABILITIES AND CHARGES				
At the start of the year	355	417	355	417
Decrease during the year	(54)	(62)	(54)	(62)
At the end of the year	301	355	301	355

As at the year end, there was a number of pending legal cases where the Company or its subsidiaries were defendants. The directors have considered it probable that the outcome of these cases will be unfavourable to the Group and could result into an estimated loss of Tshs 301 million (2009: Tshs 355 million). According to the nature of such disputes the timing of settlement of these cases is uncertain. Contingent liabilities relating to litigations have been disclosed in note 27.

24. TRADE AND OTHER PAYABLES

	Group 2010	Group 2009	Company 2010	Company 2009
Trade payables	12,567	7,937	13,021	7,151
Dividends payable	2,225	1,566	2,225	1,566
VAT payable	5,429	4,127	4,659	3,463
Excise duty payable	7,553	8,510	6,333	7,406
Payable to related parties (Note 29 (iv))	17,260	21,930	17,141	23,302
Other payables	6,656	13,806	5,946	13,338
Accured expenses	27,766	9,732	26,536	9,322
	79,456	67,608	75,861	65,548

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

25. BORROWINGS

	Group 2010	Group 2009	Company 2010	Company 2009
Non current				
Loan from parent company	41,842	-	41,842	-
Current				
Bank overdrafts	56,723	105,702	55,873	105,557
Short term loans	44,780	-	44,780	-
	101,503	105,702	100,653	105,557
Total Borrowings	143,345	105,702	142,495	105,557

25.1 Loan from parent company

This is the loan from the ultimate parent company, SABMiller plc, UK. The loan facility is for US $ 60million. Of this loan amount, US $ 30million was disbursed in September 2009 and the remaining US $ 30million was undrawn as at balance sheet date. The loan is unsecured, matures in September 2012 and bears an interest rate of LIBOR plus 3% per annum on the outstanding balance. The carrying amount of the borrowing as at balance sheet date was US$ 30million (2009: Nil).

25.2 Bank overdrafts

Overdrafts are made up as follows:

	Group 2010	Group 2009	Company 2010	Company 2009
Stanbic Bank Tanzania Limited	7,269	7,327	6,932	7,327
Citibank Tanzania Limited	584	24,711	71	24,567
National Bank of Commerce Limited	3,262	7,079	3,262	7,079
Standard Chartered Bank Tanzania Limited	2,447	17,767	2,447	17,767
National Microfinance Bank Plc	23,414	25,608	23,414	25,608
CRDB Bank Plc	19,747	23,210	19,747	23,210
	56,723	105,702	55,873	105,557

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

The facilities are annual facilities subject to review between August 2010 and February 2011.

The weighted average effective interest rate of the overdrafts was 10% (2009: 12.57%). The overdrafts are secured by a first charge over the buildings, plant and machinery at the company's plant in Dar es Salaam, Mwanza and Arusha. Total value of the security given is Tshs 211 billion (2009: Tshs 76 billion).

	Group		Company	
	2010	2009	2010	2009
25.3 Short term loans				
Short term loans are made up as follows:				
National Bank of Commerce Limited	10,000	-	10,000	-
Standard Chartered Bank Tanzania Limited	25,000	-	25,000	-
National Microfinance Bank Plc	9,780	-	9,780	-
	44,780	-	44,780	-

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

National Bank of Commerce Limited loan

The loan has a limit of Tshs 10 billion (2009: nil). The loan carries interest at a rate of the Government of Tanzania 182 Day Treasury Bill plus 150 basis points. The loan has the purpose of financing capital expenditure and is secured by a US $ 9,000,000 on demand bank guarantee from Citi N.A. Bahrain, covering 115% of the Principal amount.

Standard Chartered Bank Tanzania Limited loan

The loan has a limit of Tshs 25 billion (2009: nil). The loan carries interest at the bank's corporate prime rate set by the bank from time to time less 1.5%. As at 31 March 2010 the corporate prime rate was 17% per annum. Interest is calculated on drawdown balances and payable monthly in arrears.

National Microfinance Bank Plc loan

The loan has a limit of Tshs 9,780 million (2009: nil). The loan carries interest at a rate of the Government of Tanzania 364 Day Treasury Bills rate + 1.5% with a minimum rate of 10.25% calculated on daily overdrawn balances and payable monthly in arrears. The loan is secured by a first class bank guarantee from Citibank N.A. Bahrain in form of Standby Letter of Credit (SBLC) covering the total facility exposure.

Effective interest rate on the short term loans during the year was 12%.

26. COMMITMENTS

Capital commitments

The Group had capital commitments approved and contracted but not recorded in its books as at 31 March 2010 of TShs 11.4 billion (2009: TShs 52.9 billion).

Operating lease commitments – where a group company is the lessee

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

	Group 2010	Group 2009	Company 2010	Company 2009
Not later than 1 year	3,469	2,177	3,469	2,177
Later than 1 year and not later than 5 years	1,823	1,580	1,823	1,580
	5,292	3,757	5,292	3,757

27. CONTINGENT LIABILITIES

As at 31 March 2010, the Company was a defendant in several lawsuits. While liability in these lawsuits is not admitted, if defence against the actions is unsuccessful, then claims in these lawsuits could amount to Tshs 934 million (2009: Tshs 63 million).

Similarly for the company's subsidiary, Tanzania Distilleries Limited (TDL) the amount claimed in such lawsuits could amount to Tshs 300 million (2009: Tshs 300 million).

As at 31 March 2010, a complaint had been lodged with the Fair Competition Commission against the Company.

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

	Group		Company	
	2010	2009	2010	2009
28. CASH FLOW INFORMATION				
(i) Cash generated from operations				
Profit before income tax	133,842	115,188	120,159	106,928
Adjusted for:				
Interest expense	10,906	10,340	9,586	10,361
Interest income	(831)	(270)	(831)	(955)
Depreciation, amortisation and breakages	22,350	13,414	21,964	13,067
Impairment loss on property, plant and equipment	-	421	-	421
Movement in provisions	54	883	2,890	892
Fair value loss on derivatives	3,178	63	3,178	63
Profit on disposal of property, plant and equipment	(227)	(269)	(210)	(238)
Adjustment to investment in associate	-	258	-	258
Gain on revaluation of investments	(39)	-	(39)	-
Share of loss from associate	-	62	-	62
Gain on disposal of investment in associate	(2,347)	-	(2,347)	-
	166,886	140,090	154,350	130,859
Changes in working capital				
Increase in inventories	(15,008)	(22,200)	(11,916)	(21,233)
Decrease/(increase) in trade and other receivables	2,622	(6,746)	3,628	(6,052)
Increase in trade and other payables	10,837	2,033	6,476	285
Cash generated from operations	165,337	113,177	152,538	103,859
(ii) Income tax paid				
Income tax payable at 1 April	(7,646)	(3,088)	(7,706)	(2,838)
Current income tax expense	(22,270)	(33,865)	(15,618)	(29,869)
Income tax recoverable	(5,222)	-	(5,665)	-
Provision for income tax at end of year	-	7,646	-	7,706
	(35,138)	(29,307)	(28,989)	(25,001)
(iii) Dividends paid				
By the Company				
Dividends payable at 01 Apr 2009	(1,566)	(2,035)	(1,566)	(2,035)
Current year interim dividend	(44,239)	(44,239)	(44,239)	(44,239)
Dividends payable at 31 Mar 2010	2,225	1,566	2,225	1,566
	(43,581)	(44,708)	(43,581)	(44,708)
By subsidiaries				
Minority's share of dividends paid	(3,840)	(2,962)	-	-
	(47,421)	(47,671)	(43,581)	(44,708)

	Group		Company	
	2010	2009	2010	2009
29. RELATED PARTY TRANSACTIONS AND BALANCES				
i) Sale of goods and services				
Sale of goods				
Nile Breweries Limited	960	1,961	960	1,961
East African Breweries Limited	5,688	3,925	5,688	3,925
	6,648	5,886	6,648	5,886

During the year, the Company continued exporting beer to East African Breweries Limited, an associate holding of SABMiller Africa BV and a minority shareholder of the Company. The Company also continued exporting beer to Nile Breweries Limited, a subsidiary of SABMiller Plc.

	Group 2010	Group 2009	Company 2010	Company 2009
Sale of services				
Tanzania Distilleries Limited - Management fees	-	-	1,177	814
ii) Purchase of goods and services				
Purchase of goods				
Tanzania Distilleries Limited	357	-	357	340
SABEX	248,990	98,947	248,990	98,947
East African Breweries Limited	1,489	2,855	1,489	2,855
Distell International Limited	-	15,211	-	-
MUBEX	54,391	13,768	54,391	13,768
	305,227	130,781	305,227	115,910

SABEX, a division of SABMiller Africa & Asia (Pty) Limited, is used as the Group's procurement agent for other items from RSA.

During the year, the Company continued purchasing empty bottles from East African Breweries Limited, an associate holding of SABMiller Africa BV.

The company imports beer from South African Breweries Limited, a subsidiary of SABMiller Plc.

Tanzania Distilleries Limited imports specialised wines and spirits from Distell International Limited (formally Distillers Corporation International Limited).

MUBEX, a subsidiary of SABMiller Plc, is used as the Group's procurement agent for items outside of RSA.

	Group 2010	Group 2009	Company 2010	Company 2009
Purchase of services				
Kibo Breweries Limited	-	-	284	313
Bevman Services A.G	12,193	10,440	12,193	10,440
SABMiller Finance B.V.	4,902	3,590	4,858	3,566
East African Breweries Limited	2,660	2,886	2,660	2,886
Distell International Limited	1,177	814	-	-
	20,932	17,730	19,995	17,205

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

Fees are payable in accordance with management agreement with Bevman Services A.G and Distell International Limited

(formally Distillers Corporation International Limited).

The Company produces and distributes SABMiller Finance B.V brands under license and pays royalty fees at a percentage of sales of the brands.

	Group 2010	Group 2009	Company 2010	Company 2009
iii) Interest on Intercompany accounts:				
Interest on intercompany accounts				
SABMiller plc	(982)	-	(982)	-
Tanzania Distilleries Limited	-	-	883	685

The Company charges interest on current accounts held with it by its subsidiary, Tanzania Distilleries Limited.
The company also has an accrued interest amount on the loan held with its parent company, SABMiller plc. This interest was capitalised during the year.

For the year ended 31 March 2010

(All amounts in Tshs M)

	Group 2010	Group 2009	Company 2010	Company 2009
iv) Year-end balances arising from transactions with related parties:				
Receivable from related parties				
National Breweries Limited	-	36	-	36
East African Breweries Limited	-	725	-	725
Mountainside Farms Limited	-	1,498	-	1,498
Tanzania Distilleries Limited	-	-	-	4,127
Distell International Limited	-	227	-	-
	-	2,486	-	6,386
Payable to related parties				
Zambia Breweries Limited	-	10	-	10
East African Breweries Limited	-	5,086	-	5,086
SABMiller Africa & Asia (Pty) Limited	4,163	13	4,044	98
SABEX	-	1,892	-	1,807
Nile Breweries Limited	312	698	312	698
Bevman Services A.G	-	2,210	-	2,210
SABMiller Finance B.V.	3,710	790	3,710	790
Kibo Breweries Limited	-	-	-	1,372
MUBEX	9,075	11,231	9,075	11,231
	17,260	21,930	17,141	23,302
Loans payable to related parties				
SABMiller plc, UK	41,802	-	41,802	-

v) Key management personnel

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

a) Key management compensation

	Group 2010	Group 2009	Company 2010	Company 2009
Salaries	2,695	2,410	2,403	2,283
Pension contributions	151	116	116	103
	2,846	2,526	2,519	2,386

No terminal or other long term benefits were paid to key management personnel during the year (2009: Nil).

b) Transactions with key management personnel

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

c) Balances with key management personnel

As at 31 March 2010, there was a total outstanding loan amount with key management personnel of Tshs 144million (2009: 121million).

vi) Director emoluments	Group 2010	Group 2009	Company 2010	Company 2009
Non-executive Chairman	23	19	14	11
Non-executive Directors	36	34	36	32
Executive Directors (Included in key management personnel above)	148	157	148	157
	207	210	198	200

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

The Directors of the Company own directly and indirectly 54,063 (2009: 26,801) ordinary shares of the Company as 31 March 2010.

The revenue from related parties reported is measured in a manner consistent with that in the profit and loss account.

30 . ULTIMATE HOLDING COMPANY

SABMiller Africa BV (incorporated in the Netherlands) owns 52.83% of the company's issued shares. The ultimate holding company is SABMiller plc, incorporated in the United Kingdom.

31. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors on the date shown on page 9. They are subject to approval by the members in the Annual General Meeting.

32. EVENTS AFTER THE REPORTING PERIOD

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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 37th Annual General Meeting of the Shareholders of Tanzania Breweries Limited will be held at Kilimanjaro Kempinski Hotel in Dar es Salaam on 14th July 2010 at 10h00, for the following purposes:

1. ***Notice of Meeting***
   Notice convening the meeting to be taken as read.

2. ***Approval of Minutes***
   To approve and sign the minutes of the 36th Annual General Meeting held on 15th July 2009.

3. ***Matters Arising***

4. ***Financial Statements and Directors' Report***
   To receive and consider the Directors' Report, Auditors' Report and the audited financial statements for the year ended 31st March, 2010.

5. ***Dividend for the year ended 31 March 2010***
   To consider and approve total dividend paid for the year ended 31 March 2010.

6. ***Appointment of Statutory Auditors***
   To approve PricewaterhouseCoopers as the auditors for the next financial year.

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

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

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

By the order of the Board

Note: i. Any other business needs to be brought to the attention of the Secretary by the 1 July 2010.
ii. Shareholders shall meet all the costs for attending the meeting.

ADMINISTRATION

Tanzania Breweries Limited
(Registration Number 2497)

Company Secretary:
Huruma Ntahena
P.O. Box 9013, Dar es Salaam,
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Registered Office:
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Transfer Secretaries:
CRDB Bank Ltd.,
Head Office: Azikiwe Street,
P.O. Box 268, Dar es Salaam.
Tel: +255 (0) 22 2117441-7
Fax: +255 (0) 22 2113341

External Auditors:
PricewaterhouseCoopers,
International House, 5th Floor,
Garden/Shaaban Robert Street,
P.O.Box 45, Dar es Salaam, Tanzania.
Tel: +255 (0) 22 2133100

Shareholders:

Financial Year End:	31 March
Annual General Meeting:	July

Results:

Interim announcement	- November
Year end announcement	- May
Annual financial statement	- July

Dividends:

First Interim:	declaration	- September 2009
	payment	- September 2009
Second Interim:	declaration	- February 2010
	payment	- March 2010

Tanzania Breweries Limited
Plot 79, Block AA,
Uhuru Street, Mchikichini, Ilala District,
Dar es Salaam, Tanzania