

Tanzania Breweries Limited

Press Announcement



Headline Results

Tanzania Breweries Limited today announces its results for the year ended 31st March 2013. Highlights are as follows:

	2013 Tshs' m	2012 Tshs' m	% Change
Total Revenue	892,017	800,948	11
Gross Profit	442,190	393,373	12
Operating profit	263,192	239,288	10
Basic earnings per share	579	543	7
Dividend per share	300	200	50

Financial Review

The Tanzania Breweries Limited Group of Companies (TBL) has delivered a satisfactory set of results despite challenging market conditions for the year ended 31st March 2013.

Overall volumes for the year declined compared to the prior year. The decline was largely driven by lower consumption following the 25% excise duty increase on beer in July 2012 which was passed onto the consumer. The majority of our brands were negatively affected by this significant increase in excise and resultant selling prices. Tanzania Distilleries Limited, however, continued to perform well with good volume and earnings growth recorded during the year.

Operating profit ended the period 10% ahead of prior year. The Tanzanian Shilling remained stable over the period which benefitted the cost of imported production materials, whilst the rise in electricity and oil prices coupled with erratic power supply adversely affected fuel and energy costs.

Total cash generated from operations amounted to Tsh 295 billion, of which Tsh 70 billion was utilised to pay corporate tax, while the remaining Tsh 225 billion funded interest and capital expenditure as well as paying dividends to Company shareholders of Tsh 146 billion, which was a combination of the final dividend declared for the ended 31st March 2012 as well as those declared and paid for the year ended 31st March 2013.

During the year, TBL acquired 60% shareholding in Darbrew Limited, which allows further growth opportunities in the opaque market.

The Board approved a total dividend for the year of Tsh 300 per share, which was 50% higher than the dividend declared last year and a record dividend. The dividend has been paid by way of a first and second interim dividend of Tsh 150 and Tsh 150 per share respectively. The second dividend was paid in lieu of the final dividend and the Board proposes no further dividend for this financial year.

The growth in earnings was achieved largely as a result of improved efficiencies as well as focused cost management whilst operating in an extremely challenging environment. I would like to thank the Board, management and employees for their efforts and continued support as well as our customers, consumers and all stakeholders for their loyalty

R. M. Goetzsche
Managing Director
Date

Company Profile

Tanzania Breweries Limited (TBL), a subsidiary of SABMiller. TBL manufactures sells and distributes clear beer, alcoholic fruit beverages and non-alcoholic beverages within Tanzania. TBL has controlling interest in Tanzania Distilleries Limited. TBL's most popular clear beer brands include Safari Lager, Kilimanjaro Premium Lager, Ndovu Special Malt, Castle Lager and Castle Lite. Other prominent brands associated with the TBL group are Konyagi Gin, Amarula Cream and Redds Premium Cold. The TBL group is listed on the Dar es Salaam Stock Exchange, employs about 1,700 people and is represented throughout the country with four clear beer breweries, a distillery, a malting facility and 10 distribution depots. TBL as a major player in the beverage sector is committed to the export of its products to niche and neighboring markets under the East Africa common market trading arrangement.

Overview of SABMiller

SABMiller is one of the world's largest brewers with brewing interest or distribution agreements in over 60 countries across six continents. The group brands include premium international brands such as Miller Genuine Draft, Peroni Nastro Azzurro, Grolsch, Fosters and Pilsner Urquell, as well as an exceptional range of market leading local brands. SABMiller is listed on the London and Johannesburg stock exchanges.

TANZANIA BREWERIES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year ended 31 March 2013

	Group		% Change
	2013	2012	
	TShs' M	TShs' M	
Revenue	892,017	800,948	11%
Cost of sales	(449,827)	(407,575)	
Gross profit	442,190	393,373	12%
Selling and distribution costs	(126,719)	(109,856)	
Administrative expenses	(52,872)	(49,061)	
Other (expenses)/income	(3,804)	7,009	
Derivative income/(losses)	4,397	(2,177)	
Operating profit	263,192	239,288	10%
Finance income	8,215	9,534	
Finance costs	(17,594)	(10,594)	
Profit before income tax	253,813	238,228	7%
Income tax expense	(76,685)	(71,813)	
Profit for the year	177,128	166,415	6%
Other comprehensive income:			
Cash flow hedges:			
Fair value gains transferred to receivables	494	-	
Fair value losses transferred to payables	(1,532)	-	
Total Comprehensive Income	176,090	166,415	
Attributable to:			
Non-controlling Interests	9,741	7,693	
Equity holders of the company	166,349	158,722	
	176,090	166,415	
<i>Basic earnings per share (Tshs)</i>	579.0	542.7	7%
<i>Diluted earning per share (Tshs)</i>	567.4	538.2	5%
<i>Dividend per share (Tshs)</i>	300.0	200.0	50%

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TANZANIA BREWERIES LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 MARCH 2013

	2013	2012	
	TShs' M	TShs' M	% Change
ASSETS			
Non-current assets			
Property, plant and equipment	425,680	363,298	
Intangible assets	49,344	40,943	
Investments	88	88	
Prepaid lease	982	993	
	476,094	405,322	17%
Current assets			
Inventories	126,447	127,859	
Accounts receivable	86,357	55,130	
Bank and cash balances	49,442	100,509	
	262,246	283,498	
Total assets	738,340	688,820	7%
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	29,493	29,493	
Share premium	45,346	45,346	
Retained earnings	415,266	336,410	
Other reserves	(13,195)	(12,209)	
	476,910	399,040	
Non-controlling Interests	10,683	6,070	
Total equity	487,593	405,110	20%
LIABILITIES			
Non-current liabilities			
Borrowings	1,875	57,725	
Deferred income tax liabilities	41,415	33,962	
Provisions	447	493	
	43,737	92,180	
Current liabilities			
Trade and other payables	129,515	167,089	
Borrowings	71,723	19,140	
Income tax payable	5,772	5,301	
	207,010	191,530	
Total liabilities	250,747	283,710	
Total equity and liabilities	738,340	688,820	7%

TANZANIA BREWERIES LIMITED

STATEMENT OF CASH FLOWS
For the Year ended 31 March 2013

	Group		
	2013	2012	
	TShs' M	TShs' M	% Change
Cash flows from operating activities:			
Cash generated from operations	294,959	216,940	
Interest paid	(11,938)	(10,732)	
Income tax paid	(70,020)	(68,045)	
<i>Net cash inflow from operating activities</i>	213,001	138,163	54%
Cash Flows from investing activities			
Purchase of property, plant and equipment	(102,683)	(99,290)	
Purchase of Intangible assets	(518)	(597)	
Interest received	8,814	8,598	
Proceeds from disposal of property, plant and equipment	1,071	17,198	
Purchase of Subsidiary	(8,816)	-	
Cash acquired with subsidiary	57	-	
<i>Net cash used investing activities</i>	(102,075)	(74,091)	38%
Cash flows from financing activities:			
Dividends paid to company shareholders	(145,565)	(831)	
Dividends paid to non-controlling interests	(7,514)	(7,385)	
Repayments of bank borrowings	(10,343)	(10,244)	
Repayment of investment loan (purchase of treasury shares)	9	(12,209)	
Net Cash used from Financing activities	(163,413)	(30,669)	
Net Increase in cash and cash equivalents	(52,487)	33,403	
Cash and cash equivalents at start of the year	92,901	50,975	
Exchange(loss)/gain on cash and cash equivalents	(5,862)	8,523	
Cash and cash equivalents at year end	34,552	92,901	-63%

TANZANIA BREWERIES LIMITED

STATEMENT OF CHANGES IN EQUITY
For the Year ended 31 March 2013

	Attributable to equity holders of the group			Retained Earnings	Minority Interest	Total Equity
	Share Capital	Share Premium	Other Reserves			
	TShs' M	TShs' M	TShs' M	TShs' M	TShs' M	TShs' M
Balance at 1st April 2011	29,493	45,346	-	236,674	5,759	317,272
<i>Comprehensive Income:</i>						
Profit for the year	-	-	-	158,722	7,693	166,415
<i>Transaction with Owners:</i>						
Dividends payable	-	-	-	(58,986)	(7,382)	(66,368)
Purchase of Own shares (Treasury Shares)	-	-	(12,209)	-	-	(12,209)
Balance at 31 March 2012	29,493	45,346	(12,209)	336,410	6,070	405,110
Year Ended 31 March 2013:						
Balance at 1st April 2012	29,493	45,346	(12,209)	336,410	6,070	405,110
<i>Comprehensive Income:</i>						
Profit for the year	-	-	-	167,344	9,784	177,128
Cash flow hedge fair value losses	-	-	(995)	-	(43)	(1,038)
<i>Transaction with Owners:</i>						
Dividends paid	-	-	-	(88,479)	(7,514)	(95,993)
Repayment of loan investment	-	-	9	(9)	-	-
Acquisition of subsidiary	-	-	-	-	2,386	2,386
Balance at 31 March 2013	29,493	45,346	(13,195)	415,266	10,683	487,593

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