

TRADING UPDATE FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

The Company today issues the following update for the third quarter ended 31 December 2015.

The Group reports a generally subdued volume and revenue performance for the period. This is attributed to the depressed aggregate demand.

Lager beer volume declined by 14% compared to prior year for the quarter reversing the nascent recovery in the previous quarter. The volume is down 6% for the nine months to December 2015. The consumers continue to shift to cheaper alcohol categories.

Sparkling beverages volume was flat on prior year for the quarter and down 9% for the nine months. There was some increase in demand driven by the high temperatures experienced in the period. The Alternative beverages (Maheu and dairy mix beverages) recorded a decline of 7% for the quarter compared to prior year, mainly due to a supply challenge in November. The alternative beverages category is 5% below prior year for the nine months.

The sorghum beer volume was flat on prior year for the quarter and down 8% for the nine months. The category continues to benefit from consumers drifting from other alcohol alternatives and the increased output of Chibuku Super, which remains in short supply.

Group revenue is down 5% for the quarter and is down 7% for the nine months, reflecting changes in the portfolio mix and price moderations during the year. The company will continue to implement strategies to retain consumers within its portfolio.

The Group's previous financial statements and other company reports are available on the website www.delta.co.zw.

18 January 2016