

TRADING UPDATE FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016

The Company issues the following update for the third quarter ended 31 December 2016.

The Group reports a particularly subdued volume and revenue outturn for the quarter. This is on account of depressed aggregate demand and intermittent product shortages occasioned by water supply disruptions.

Lager beer volume is 1% below prior year for the quarter and down 8% for the nine months. Sparkling beverages volume is down 11% for the quarter and 6% below prior year for the nine months. This category was adversely impacted by the increased imports from neighbouring countries which are covered by preferential trade protocols and are fuelled by the currency arbitrage opportunities.

Sorghum beer volume decreased by 4% for the quarter but up 2% for the nine months. The decline in the quarter reflects the disruptions to production due to water cuts affecting the Chibuku Super plants at Chitungwiza and Fairbridge (Bulawayo). The new Chibuku Super plant at Kwekwe was commissioned in December whilst Masvingo is expected to start production in February 2017.

Revenue is down 10% and 9% for the quarter and the nine months' period respectively.

REMINDER ON CAUTIONARY STATEMENT

Shareholders are reminded that the Company is trading under a cautionary issued with respect to the notice received from The Coca-Cola Company (TCCC) advising of an intention to terminate the Bottler's Agreements with the Group entities (Notified Intention) following the combination of Anheuser-Busch InBev SA/NV (AB InBev) and SABMiller Plc and the Joint Statement by TCCC and AB InBev indicating an agreement in principle that TCCC will purchase AB InBev's interests in bottling operations in various markets. The parties indicate that the Joint Statement pronounces their strategic intent with no specific position having been reached with respect to Zimbabwe. The Board and the parties remain engaged on the matter. Shareholders will be advised timeously of any significant developments.

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

17 January 2017

