

BUSINESS UPDATE
FOR
THE 2013 AGM
24 July 2013

ISSUES COVERED

1. Trading Environment

2. Trading Performance

- Volumes
- Quarterly trends
- Revenue

3. Associates

4. Prospects for the year



The future is in our brands

TRADING ENVIRONMENT

- **Softening demand**
- **Tight liquidity**
- **Consumers feeling the pinch of hard economic times**
- **Underperformance of agriculture, tobacco an exception**
- **Consumers now conscious of real value of the USD hence more price sensitive**



SUMMARY OF TRADING PERFORMANCE

QUARTER ENDING JUNE 2013

	<u>ACTUAL</u>	<u>% CHANGE ON PR. YR</u>
<u>Volumes (000hls)</u>		
• Lager Beer	463	(8%)
• Sorghum beer	846	6%
• Soft drinks	374	13%
• Maheu	36	80%
Total Beverages (000hl)	1 719	4%
Revenue	\$153m	8%



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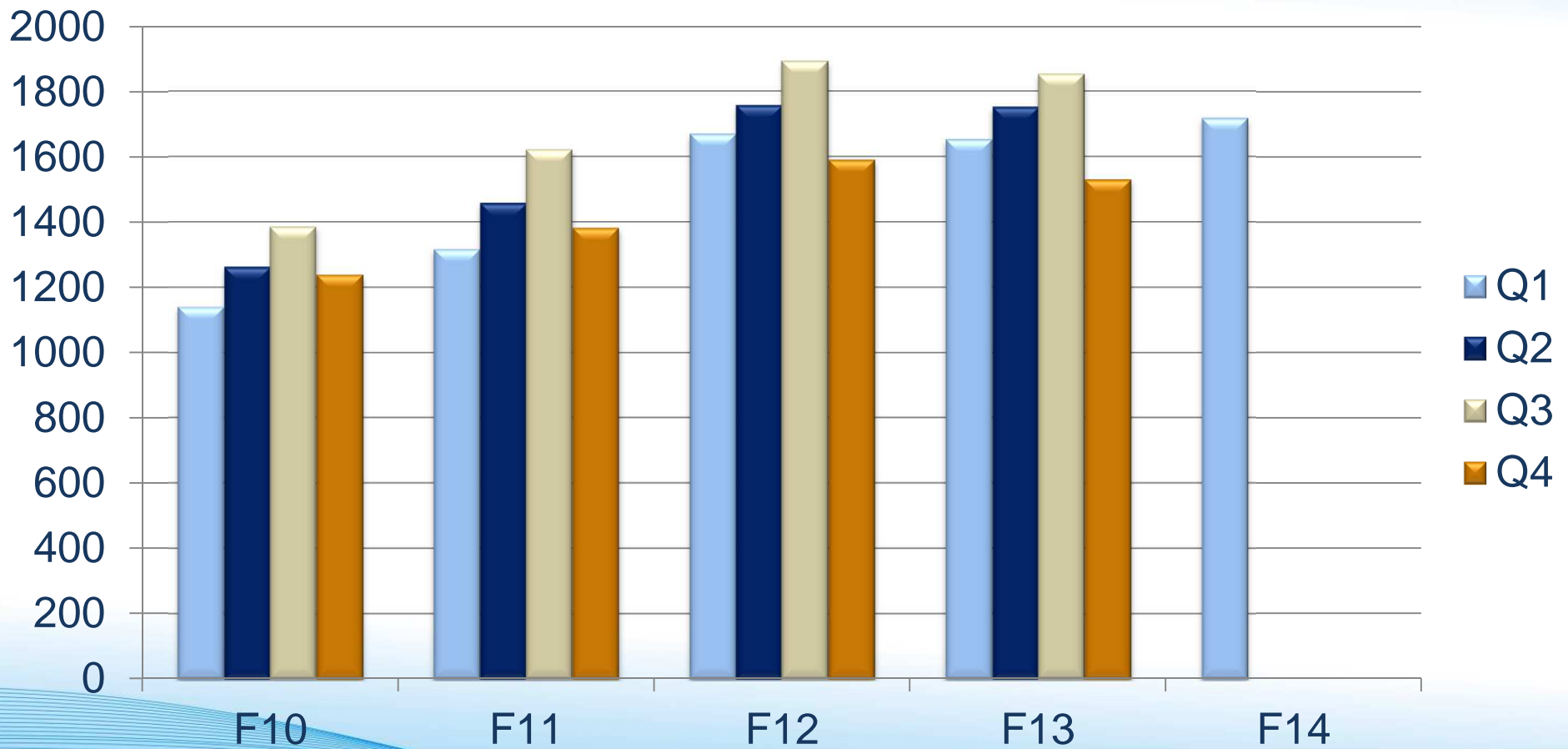
SUMMARY OF TRADING PERFORMANCE

- 1. Consumer demand has been uneven for the period.**
- 2. Demand for lager beer depressed due to excise increase.**
- 3. Chibuku volume recovery led by Chibuku Super.**
- 4. Soft drinks growth driven by improved PET supply position following the commissioning of a new line in Bulawayo.**
- 5. Maheu growing strongly due to consumer acceptance and use of our extensive distribution network.**



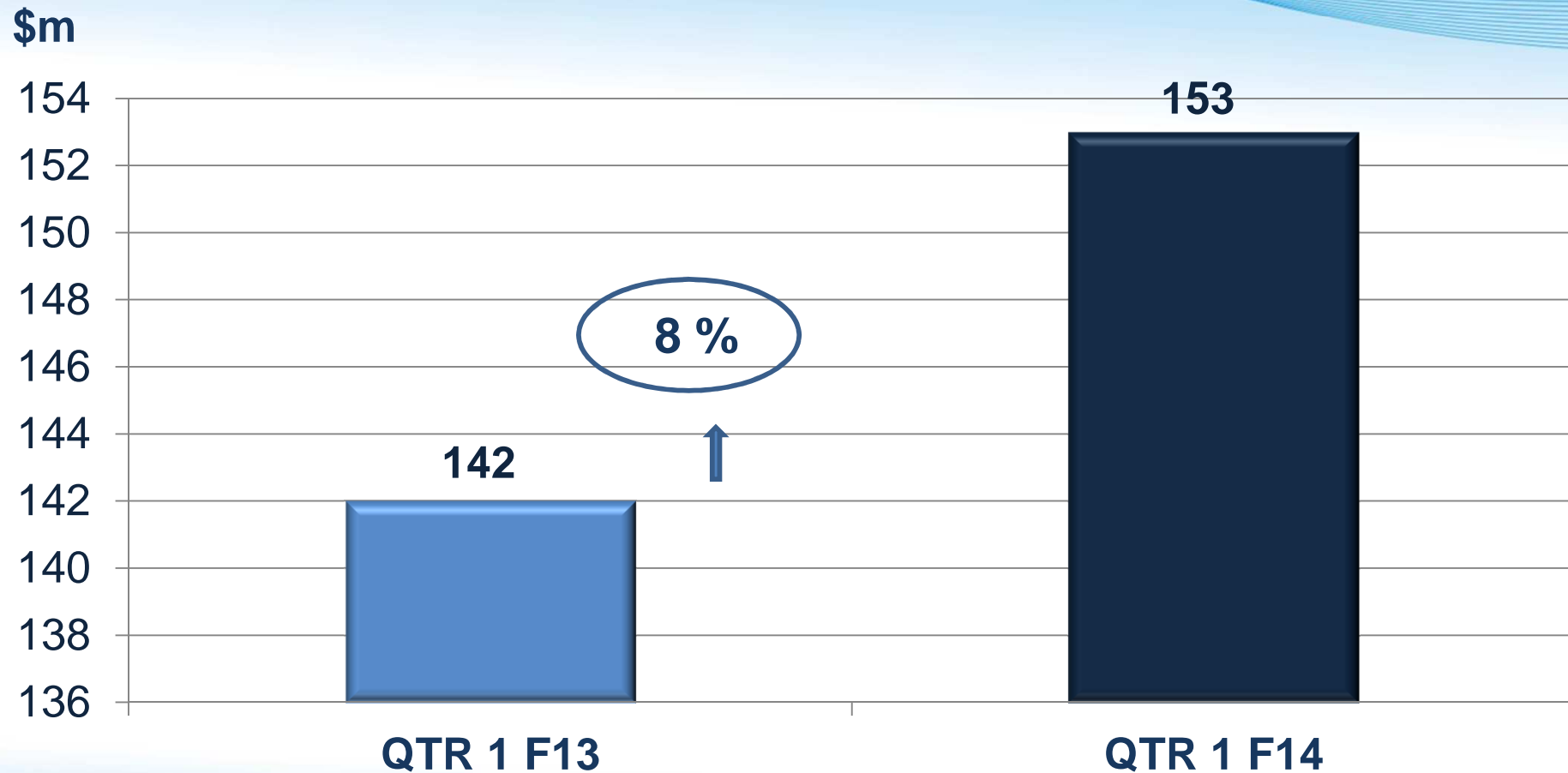
QUARTERLY TOTAL BEVERAGE VOLUME TRENDS F10-F14

'000hls



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REVENUE QTR 1 F14



Premium mix in beer, convenience packs in soft drinks and the new Chibuku Super driving revenue in the quarter.

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UPDATE ON ASSOCIATES

1. AFDIS is currently embarking on recapitalisation to improve productivity and profitability.



2. Schweppes Zimbabwe Limited

- **Has been subject to the same environmental challenges and price competition particularly in cordials.**
- **Minute Maid juice drinks making significant contribution to the business.**



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PROSPECTS FOR THE YEAR TO MARCH 2014

- **Volume growth will be dependent on GDP and socio- economic environment particularly post the harmonised elections.**
- **Earnings growth will be positive reflecting both cost efficiency and product mix; more reflective of a hard currency environment.**
- **Capex to be targeted within 30 – 50% EBITDA.**
- **Dividend cover of 2,5 times to be maintained.**

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THANK YOU

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