Financial Review

Accounting policies

The accounting policies of Namibia Breweries Limited comply with International Financial Reporting Standards (IFRS) and are consistent with those of the previous year, with exception of the change in accouting policy for the treatment of returnable containers.

Revenue

Consolidated revenue increased by 10% to N$1,741.9 million from N$1,577.4 million for the year ended 30 June 2010. The increase in revenue is primarily driven by the increase in beer volumes in Namibia, South Africa and other export markets along with price increases in certain markets.

Operating expenditure

Operating expenditure (excluding depreciation) increased by 9% over the previous year reflecting the increase in volumes offset with some lower price increases of key inputs.

The Group's operating profit for the year ended 30 June 2010 showed an increase of 17% over the previous year. This translates into an operating margin of 18% compared to 17% in the previous year. This year on year increase was due to tighter control of input costs and higher volumes.

Taxation

The taxation charge for the year ended 30 June 2010 was N$71.1 million compared to N$70.9 million for the previous year. In the current year taxable profits from exports was a greater percentage of total taxable income than in the prior year. The group benefits from allowances on profits derived from exports. Accumulated tax losses of the Group's wholly owned South African subsidiary have not been recognised, due to uncertainty regarding the utilisation of the losses.

Profit after tax and earnings per share

Profit Attributable to Shareholders increased by 1% over the corresponding period, based on an effective tax rate of 29%. The earnings per share for the year ended 30 June 2010 is 82.6 cents (2009: 81.9 cents).

Financial position

The long-term debt to equity ratio remains healthy at 24% and is still within prescribed borrowing capacity of the Group (refer note 32).

Beer

Namibia beer sales have continued to grow strongly and this year we increased sales by 10% year on year. This was mainly driven by Windhoek Lager, Tafel Lager and Windhoek Draught. To support this growth, NBL invested in a new look 750ml returnable bottle for our Windhoek and Tafel Lager brands. The new bottle was successfully launched into the market in December 2009.

DHN, our South African Joint Venture, continued to grow its portfolio in the period under review despite the difficult trading conditions. The Windhoek trademark returned a solid performance and the launch of Windhoek Draught 440ml in a bottle has been very successful. NBL production for the South African market was also up compared to the previous year. During the period, DHN also launched Strongbow and a range of pre-mixed RTDs (Ready To Drink). The operating losses reflect DHN start up, the losses were expected and are in line with the original business case.

Our business in our other export markets continued to grow. Windhoek Lager performed well in a number of countries which included Botswana. Sales to the Angolan market were however more challenged, this was due to currency exchange movements. Following the global distribution deal with Diageo plc, Windhoek Lager was launched into several new markets including the United Kingdom, Cameroon, Kenya and Uganda.

Other

The business is also licensed to distribute in Namibia a number of new products from Diageo plc and on 1 July 2009, NBL added to its portfolio a range of RTD beverages including Smirnoff Spin, Smirnoff Storm and Archers Aqua alongside with Foundry Cider, Kilkenny and Guinness Draught.

Two of these brands, Smirnoff Spin and Smirnoff Storm are now being produced by NBL for both the Namibian and export markets. In December 2009, NBL & PepsiCo agreed to discontinue the commercial distribution agreement. NBL has however continued to co-pack for the new Namibian PepsiCo agent in the short-term.

Significant changes

Our joint venture in South Africa continues to perform in line with expectations, the Group has advanced loans to DHN Drinks (Pty) Ltd during the period in line with the initial original operating plans. The Group has also continued to invest in plant and equipment in line with its expansion and replacement plans. The increased investment in assets has been funded by a term facility which has been secured by the cession of our debtors. The decrease in segment assets of softs is attributable to the exit from the PepsiCo agreement.

Cash flows

Net cash flow from operating activities increased from N$107.3 million in the prior year to N$218.4 million in the current year. The increase was driven by an increase in volumes and greater efficiences achieved within working capital. Net cash flow from investing activities increased from a net outflow of N$174.3 million in the prior year to N$247.5 million in the current year, due to an increase in our investment in DHN Drinks (Pty) Ltd. Net cash in flow from financing activities was due to the medium term loan facility (see Annexure A).

Approval of Annual Financial Statements

Directors' responsibility statement

The Company's directors are responsible for the preparation and fair presentation of the annual consolidated and separate financial statements, comprising the statements of financial position at 30 June 2010, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the annual financial statements, which include a summary of significant accounting policies, other explanatory notes and the directors' report, in accordance with International Financial Reporting and in terms of the Namibian Companies Act.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these annual financial statements so that they 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.

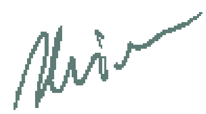
The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Group and Company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead.

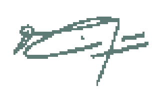
The auditor is responsible for reporting on whether the Group annual financial statements and separate parent annual financial statements are fairly presented in accordance with International Financial Reporting Standards and the Namibian Companies Act.

Approval of consolidated and separate financial statements

The annual consolidated and separate financial statements of the Company, as indicated above, were approved by the board of directors on 31 October 2010 and signed on their behalf by:



Sven Thieme
Chairman



Desmond van Jaarsveld
Managing Director

Independent Auditor's Report

To the members of Namibia Breweries Limited

We have audited the annual consolidated and separate financial statements of Namibia Breweries Limited, which comprise the statements of financial position at 30 June 2010, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the annual financial statements, which include a summary of significant accounting policies, other explanatory notes and the directors' report as set out on pages 58 to 110.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards and in the manner required by the Namibian Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that 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 annual 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 annual 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 judgment, 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 management, 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 for our audit opinion.

Opinion

In our opinion, these annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Namibia Breweries Limited at 30 June 2010, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Namibian Companies Act.

KPMG
Registered Accountants and Auditors
Chartered Accountants (Namibia) Windhoek
Windhoek
31 October 2010

30 Schanzen Road, Klein Windhoek, Windhoek, Namibia

Report of the Directors

Founded in 1920, Namibia Breweries Limited is principally engaged in the brewing and distribution of beer and is also active in the manufacturing of soft drinks.

Financial results

The Group's operating profit for the year ended 30 June 2010 showed an increase of 17% over the previous year. This translates into an operating margin of 18%.

Dividends paid

Details of the ordinary dividends declared, paid and payable in respect of the past year are reflected in note 28 to the financial statements.

Dividend declaration

In addition to the interim dividend paid in May 2010, the board of directors has decided to declare a final dividend of 23 cents per ordinary share resulting in a total dividend of 46 cents per ordinary share for the year under review. Payment will be effected to the shareholders of ordinary shares in the books of the company registered at the close of business on the 15th of October 2010 and will be paid on the 19th of November 2010.

Capital expenditure

Capital expenditure for the year amounted to N$104 million.

Issued capital

Full details of the authorised and issued capital of the Company at 30 June 2010 are set out in note 15 to the financial statements. The 92 471 000 unissued shares of the Company are under the control of the directors in terms of a members' resolution dated 4 December 2009. In terms of the Companies Act, this authority expires at the forthcoming Annual General Meeting. On 2 December 2010, the members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in December 2011.

Directorate and secretary

The names of the directors as well as the name and address of the Company's secretary appear on page 39.

Subsidiaries

Details of the Company's subsidiaries are set out in Annexure C of this report.

Holding company

The Company's holding company is NBL Investment Holdings (Proprietary) Limited, of which the shareholding is held by Ohlthaver & List Finance and Trading Corporation Limited, Heineken International B.V. ("Heineken") and Diageo plc ("Diageo"). The Company's ultimate holding company is List Trust Company (Proprietary) Limited.

Event subsequent to reporting date

There were no significant events after the reporting date to be accounted for or disclosed in the annual financial statements.

Statements of Financial Position

COMPANY					GROUP		
at 30 June Restated 2008 N$ 000's	at 30 June Restated 2009 N$ 000's	at 30 June 2010 N$ 000's		Notes	at 30 June 2010 N$ 000's	at 30 June Restated 2009 N$ 000's	at 30 June Restated 2008 N$ 000's
			ASSETS				
			Non-current assets				
352 539	430 231	472 717	Property, plant and equipment	4	474 126	431 705	354 079
78 049	59 318	48 469	Subordinated loans	5	-	-	-
3 870	622	2 717	Intangible assets	6	2 717	622	3 870
1 617	1 430	1 157	Investment in subsidiaries	7			
469 849	511 307	673 674	Investment in a joint venture	8	553 406	469 411	463 583
12 607	12 899	12 899	Loans	9	12 899	12 899	12 607
14	14	14	Available-for-sale investments	10	14	14	14
7 331	-	-	Deferred taxation asset	11.1	-	-	7 331
925 876	1 015 821	1 211 647			1 043 162	914 651	841 484
			Current assets				
-	20 150	-	Investment in a joint venture	8	-	20 150	-
118 595	185 814	124 533	Inventories	12	124 533	185 814	118 639
215 338	325 300	264 953	Trade and other receivables	13	264 975	325 717	248 633
125 723	39 220	144 316	Cash and cash equivalents	14	177 023	66 714	153 004
9 614	18 731	26 560	Subordinated loans	5	-	-	-
-	1 361	-	Income tax refundable		-	-	-
469 270	590 576	560 362			566 531	598 395	520 276
1 395 146	1 606 397	1 772 009	**Total assets**		1 609 693	1 513 046	1 361 760
			EQUITY AND LIABILITIES				
			Equity				
1 024	1 024	1 024	Share capital	15	1 024	1 024	1 024
536 291	665 180	820 776	Retained earnings		698 160	618 583	530 291
537 315	666 204	821 800	**Ordinary shareholders' equity**		699 184	619 607	531 315
			Non-current liabilities				
88 107	67 372	33 633	Interest bearing loans and borrowings	16	5 444	4 469	4 348
14 929	-	-	Non-interest bearing financial liability	17	-	-	14 929
174 968	188 258	188 258	Derivative financial instruments	20.2	188 258	188 258	174 968
269 969	245 012	216 567	Deferred income	18	216 567	245 012	269 969
6 647	13 193	14 321	Post employment medical aid and severance pay benefit plan	19	14 321	13 193	6 647
61 172	83 389	83 441	Deferred taxation liability	11.2	105 107	111 935	94 129
615 792	597 224	536 220			529 697	562 867	564 990
			Current liabilities				
29 017	23 692	188 738	Interest bearing loans and borrowings	16	153 631	3 033	19 008
-	14 929	-	Non-interest bearing financial liability	17	-	14 929	-
9 983	10 825	10 825	Deferred income	18	10 825	10 825	9 983
196 927	267 013	201 503	Trade and other payables	20.1	203 433	272 411	226 748
716	26 510	5 874	Derivative financial instruments	20.2	5 874	26 510	716
5 396	-	7 049	Income tax payable		7 049	2 864	9 000
242 039	342 969	413 989			380 812	330 572	265 455
1 395 146	1 606 397	1 772 009	**Total equity and liabilities**		1 609 693	1 513 046	1 361 760

Statements of Comprehensive Income

COMPANY				GROUP	
for the year ended 30 June Restated 2009 N$ 000's	for the year ended 30 June 2010 N$ 000's		Notes	for the year ended 30 June 2010 N$ 000's	for the year ended 30 June Restated 2009 N$ 000's
1 576 925	1 741 351	**Revenue**	21	1 741 883	1 577 370
(1 300 244)	(1 426 249)	Operating expenses	22	(1 428 092)	(1 309 903)
276 681	315 102	**Operating profit**	23	313 791	267 467
(12 645)	(20 577)	Finance costs	24	(12 075)	(3 425)
16 783	22 012	Finance income	25	18 340	11 729
280 819	316 537	**Profit before income tax**		320 056	275 771
		Equity loss from Joint Venture	8	(78 372)	(35 630)
				241 684	240 141
(70 999)	(69 895)	Income tax expense	26	(71 061)	(70 918)
209 820	246 642	**Profit for the year**		170 623	169 223
-	-	Other comprehensive income for the year		-	-
209 820	246 642	**Total comprehensive income for the year**		170 623	169 223
		Total comprehensive income attributable to:			
209 820	246 642	Owners of the parent		170 623	169 223
-	-	Non-controlling interests		-	-
209 820	246 642			170 623	169 223
		Basic and diluted earnings per ordinary share (cents)	27.1	82.6	81.9

Statements of Cash Flows

COMPANY at 30 June Restated 2009 N$ 000's	COMPANY at 30 June 2010 N$ 000's		Notes	GROUP at 30 June 2010 N$ 000's	GROUP at 30 June Restated 2009 N$ 000's
103 618	234 975	**CASH FLOW FROM OPERATING ACTIVITIES**		218 357	107 287
1 456 138	1 790 873	Cash receipts from customers		1 791 800	1 489 461
(1 223 381)	(1 403 419)	Cash paid to suppliers and employees		(1 408 693)	(1 249 326)
232 757	387 454	Cash generated by operations	29.1	383 107	240 135
(80 931)	(91 046)	Dividends paid	29.2	(91 046)	(80 931)
(48 208)	(61 433)	Income tax paid	29.3	(73 704)	(51 917)
(161 030)	(243 629)	**CASH FLOW FROM INVESTING ACTIVITIES**		(247 546)	(174 298)
13 775	11 545	Finance income		7 873	8 721
(27 125)	(95 120)	Purchase of shares in joint venture		(95 120)	(27 125)
(31 475)	(54 250)	Loans advanced to joint venture		(54 250)	(31 475)
-	(27)	Loans advanced to subsidiaries			
8 214	273	Loans repaid by subsidiaries			
(89 852)	(83 331)	Expansion of property, plant and equipment		(83 331)	(89 852)
(36 861)	(20 905)	Replacement of property, plant and equipment		(20 905)	(36 861)
(659)	(2 717)	Acquisition of intangible asset		(2 717)	(659)
-	-	Proceeds on sale of available-for-sale investments		-	-
2 953	903	Proceeds on sale of property, plant and equipment		904	2 953
(29 091)	113 750	**CASH FLOW FROM FINANCING ACTIVITIES**		139 498	(19 279)
(12 645)	(20 577)	Finance costs		(12 075)	(3 425)
(26 060)	(18 693)	(Repayment of) / proceeds from interest bearing loans and borrowings		1 573	(15 854)
-	150 000	Proceeds from medium term financing		150 000	-
9 614	3 020	Increase in subordinated loans		-	-
(86 503)	105 096	Net increase in cash and cash equivalents		110 309	(86 290)
125 723	39 220	Cash and cash equivalents at beginning of the year		66 714	153 004
39 220	144 316	**CASH AND CASH EQUIVALENTS AT END OF THE YEAR**	14	177 023	66 714

Statements of Changes in Equity

	Notes	Issued Capital N$ 000's	Retained Earnings N$ 000's	Total N$ 000's
GROUP				
Balance at 30 June 2008		1 024	530 291	531 315
Profit for the year		-	169 223	169 223
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year attributable to equity holders of the parent		-	169 223	169 223
Dividends to equity holders	28	-	(80 931)	(80 931)
Balance at 30 June 2009		1 024	618 583	619 607
Profit for the year		-	170 623	170 623
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year attributable to equity holders of the parent		-	170 623	170 623
Dividends to equity holders	28	-	(91 046)	(91 046)
Balance at 30 June 2010		1 024	698 160	699 184
COMPANY				
Balance at 30 June 2008		1 024	536 291	537 315
Profit for the year		-	209 820	209 820
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year attributable to equity holders of the parent		-	209 820	209 820
Dividends to equity holders	28	-	(80 931)	(80 931)
Balance at 30 June 2009		1 024	665 180	666 204
Profit for the year		-	246 642	246 642
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year attributable to equity holders of the parent		-	246 642	246 642
Dividends to equity holders	28	-	(91 046)	(91 046)
Balance at 30 June 2010		1 024	820 776	821 800

Notes to the Annual Financial Statements

1. Reporting entity

Namibia Breweries Limited (the "Company") is a company domiciled in Namibia. The consolidated financial statements of the Company as at and for the year ended 30 June 2010 comprise the Company and its subsidiaries and the Group's interest in Joint Ventures (together referred to as the "Group" and individually as "Group entities").

2. Basis of preparation

(a) Statement of compliance

The Company and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Namibian Companies Act.

The financial statements were approved by the Board of Directors on 31 October 2010.

(b) Basis of measurement

The Company and Group financial statements are prepared on the historical cost basis, modified for the fair value treatment of financial instruments.

(c) Functional and presentation currency

These financial statements are presented in Namibia Dollars (NAD), which is the Company's and Group's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

All information presented in NAD has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included below:

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised and unrecognised tax losses are disclosed in note 11.

Post employment benefits

The cost of post employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, medical inflation, expected return on assets and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

Severance benefit obligations

Severance pay has been provided for all emplyees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the inflation rate and rates of increases in compensation costs. Further details are given in note 19.

Joint Venture and derivative instrument

The cost, being the fair value paid, of the investment in the Joint Venture and the fair value of the distribution right granted to the Joint Venture was determined using discounted cash flow valuations. These valuations included assumptions regarding future volume growth, projected future profit or loss estimates and discount rates. The very nature of these

Notes to the Annual Financial Statements (continued)

assumptions that were applied to the future projections, are subject to significant uncertainties. Further details are given in notes 8, 17 and 20.2.

Property, plant, equipment and intangible assets

The Group and Company depreciates items of property, plant, equipment and intangible assets down to residual value over the useful life of the assets. Management makes and applies assumptions about the expected useful life and residual value of these assets in determining the annual depreciation charge. Further details are given in the the accounting policy note on depreciation and in Annexure B.

Deferred income

Deferred income is recognised in profit or loss on a straight line basis over the period of time to which the benefit relates to. Significant management judgement is required to determine the length of anticipated period of time over which the deferred income is recognised. Further details are provided in note 18.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the Company's and Group's financial statements, except as noted in 3.1, 3.2 and New and amended IFRS and IFRIC interpretations adopted.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities over whose financial and operating policies the Group has the power to exercise control, so as to obtain benefits from their activities. In assessing control potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Investment in subsidiaries are shown at cost in the Company's financial statements.

(ii) Jointly controlled entities

The Group's interest in jointly controlled entities are accounted for using the equity method of accounting. Under the equity method, the interest in a jointly controlled operation is carried in the statement of financial position at cost plus post acquisition changes in the Group's net share of the assets. The statement of comprehensive income reflects the share of the results of the operations of the jointly controlled entity. Profits and losses resulting from transactions between the Group and the jointly controlled operation are eliminated to the extent of the interest in the jointly controlled entity.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

(b) Foreign currency

Transactions denominated in foreign currencies are initially recorded at the functional currency rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour and other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Notes to the Annual Financial Statements (continued)

(c) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased and its cost can be reliably measured. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each of the items of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful life's unless it is reasonably certain that the Group and Company will obtain ownership by the end of the lease term.

The depreciation rates for the current and comparative periods are as follows:

	2010	**2009**
Freehold buildings	2 - 12%	2 - 12%
Leasehold land and buildings	4%	4%
Plant and machinery	4 - 20%	4 - 20%
Vehicles	20%	20%
Furniture and equipment	10%	10%
Returnable containers	20%	-

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year-end. Land is not depreciated. The carrying values are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Depreciation is not provided on assets during the time of construction.

(d) Intangible assets

(i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, and expenditure on internally generated goodwill and brands is recognised in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically feasible, costs can be reliably measured, future economic benefits are feasible and the Group or Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as an expense as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

(ii) Other intangible assets

Other intangible assets acquired by the Group or Company, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

(iii) Subsequent expenditure

Subsequent development expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefit embodied in the specific assets to which it relates. All other subsequent expenditure is expensed as incurred.

(iv) Amortisation

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets

Notes to the Annual Financial Statements (continued)

with indefinite useful lives are tested for impairment annually and are not amortised. If the carrying amount exceeds the recoverable amount, an impairment loss will be recognised. Amortisation and impairment charges on intangible assets are charged to profit or loss. If an intangible asset with an indefinite life has changed to a finite life the change is made on a prospective basis. The amortisation rates are disclosed in Annexure B.

The difference between the net disposal proceeds and the carrying amount of an intangible asset is the gain or loss on disposal of that asset. These gains and losses are recognised in profit or loss.

(e) Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Group or Company.

Operating leases are those leases which do not fall within the scope of the above definition. Payments made under leases are recognised in profit or loss on a straight line basis over the term of the lease.

(f) Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined as follows:

- Raw materials, merchandise and consumable stores on the weighted average basis;

- Manufactured finished products and work-in-progress, at raw material cost on the first-in, first-out basis plus overhead expenses based on normal operating capacity.

Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

Net realisable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the assets that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Impairment loss reversals are recognised in profit or loss except for impairment reversals of available-for-sale equity securities which are recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes to the Annual Financial Statements (continued)

(g) Impairment (continued)

(ii) Non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

(h) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, interest-bearing borrowings, trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Accounting for finance income and costs is discussed in note 3(k) and 3(l).

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company and Group commits to purchase the asset.

(ii) Financial assets or liabilities at fair value through profit or loss

Included in this category are the derivative financial instruments. Financial assets or liabilities classified as at fair value through profit or loss are subsequent to initial recognition measured at fair value with changes in fair value recognised in profit or loss.

(iii) Loans and receivables

Included in this category are the loans to the share purchase trust as well as to holding company and fellow subsidiaries. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Amortised cost is computed as the amount initially recognised minus principle repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are subsequent to initial recognition, recognised at amortised costs, less impairment losses.

(v) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts, all of which are available for use by the Company and Group unless otherwise stated.

(vi) Interest bearing loans and borrowings

Included in this category are long and medium term financing and short term borrowings. Non-derivative financial liabilities are recognised at amortised cost, using the effective interest method.

Interest-bearing bank loans and overdrafts are recorded at the value of proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Notes to the Annual Financial Statements (continued)

(vii) Derecognition of financial assets and liabilities

Financial assets - A financial asset is derecognised where the rights to receive cash flows from the asset have expired.

Financial liabilities - A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(viii) Non-interest bearing financial liabilities

Non-interest bearing financial liabilities are recognised at amortised cost.

(i) Provisions

Provisions are recognised when the Company or Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

A provision for restructuring is recognised when the Company and Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating losses are not provided for.

(j) Revenue

Revenue comprises royalty and rental income and the sales of beer, soft drinks, schnaps and by-products, less indirect taxes, excise duty and discounts.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company or Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

(ii) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(iii) Royalty income

Royalty income is recognised on an accural basis in accordance with the substance of the relevant agreement.

(k) Finance income

Finance income comprises interest income on funds. Interest income is recognised in the year as it accrues in profit or loss, using the effective interest method.

(l) Finance costs

Finance costs comprise interest expense on borrowings. Borrowing costs are recognised in profit or loss using the effective interest method. Finance costs on qualifying assets are capitalised.

(m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates and tax laws enacted or substantively enacted at the reporting date and any adjustment of tax payable for previous years.

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax is not recognised for the following temporary differences:

- The initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit not taxable profit or loss; and

Notes to the Annual Financial Statements (continued)

(m) Income tax (continued)

- Investments in subsidiaries and jointly controlled entities to the extent that it is probable that the temporary differences will not reverse in the foreseeable future; and

- Taxable temporary differences arising on the initial recognition of goodwill.

The carrying amount of deferred tax assets are reviewed at each reporting date to determine that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(n) Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(o) Earnings per share

The calculation of earnings per share is based on earnings attributable to ordinary shareholders. Account is taken of the weighted average number of ordinary shares in issue for the period during which they have participated in the income of the Group. The Group has no dilutive potential ordinary shares.

Earnings is defined as the profit for the year after taxation and non-controlling interest.

(p) Employee benefits

(i) Short term benefits

The cost of all short term employee benefits is recognised during the period in which the employee renders the related service, on an undiscounted basis. A liability is recognised for the amount expected to be paid if the Company or Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Retirement benefits

The policy of the Group and Company is to provide retirement benefits for its employees. The contribution paid by the Group and Company to fund obligations for the payment of retirement benefits are recognised as an expense in profit or loss when they are due. The Ohlthaver & List Retirement Fund, which is a defined contribution fund, covers all the Group's employees and is governed by the Pension Funds Act.

(iii) Equity compensation benefits

The Group and Company grants share options to certain employees under an employee share plan controlled by the ultimate holding company.

(iv) Post employment medical benefits

The Group and Company provides for post employment healthcare benefits to qualifying employees and retired personnel by subsidising a portion of their medical aid contributions. This scheme operates as a defined benefit plan and the cost of providing benefits under the plan is determined using the projected credit unit method.

Notes to the Annual Financial Statements (continued)

Actuarial gains and losses are recognised in profit or loss in full. The past service cost is recognised as an expense on a straight line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to pension plan, past service cost is recognised as an expense immediately.

The entitlement to the benefits is usually based on the employee remaining in service up to retirement age and completing a minimum service period.

(v) Severance benefit obligation

In accordance with the Namibia Labour Act, 2007, severance benefits are payable to an employee, if the employee is dismissed, dies while employed or resigns/retires on reaching the age of 65 years. The obligation for severance benefits to current employees is actuarially determined in respect of all Group employees and is provided for in full. The cost of providing benefits is determined using the projected-unit-credit method, with actuarial valuations being carried out at the end of each reporting period. The movement for the year is recognised in profit or loss in the year in which it occurs.

(q) Operating segment

For management purposes, the Group is currently organised into three operating divisions - beer, soft drinks and other products. These divisions are the basis on which the Group reports its segment information.

The Group's operations are located in Namibia. The Group's products are sold on the local market and are exported to other African countries. Exports to countries other than South Africa are not significant. The basis of segment reporting is representative of the internal structure used for management reporting.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets and liabilities do not include income tax items.

Capital expenditure represents the total costs incurred during the period to acquire segment assets that are expected to be used during more than one period (namely, property, plant and equipment, and intangible assets).

(r) New and amended IFRS and IFRIC interpretations adopted

The Group and Company has adopted the following new and amended IFRS and IFRIC interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group and Company. They did however give rise to additional disclosures.

IFRS 7 Financial Instruments: Disclosures: The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in note 33. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in note 33.

IAS 1 Presentation of Financial Statements: The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity as applicable. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group and Company has elected to present one single statement.

Notes to the Annual Financial Statements (continued)

(r) New and amended IFRS and IFRIC interpretations adopted (continued)

Accounting for business combinations: From 1 January 2010 the Group has applied IFRS 3 Business Combinations (2008) in accounting for business combinations. The change in accounting policy has been applied prospectively and has had no material impact on earnings per share.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits form its activities. In assessing control, the group takes into consideration potential voting rights that currently are exercisable.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus

- the recognized amount of nay non-controlling interests in the acquiree, plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less

- the net recognised amount (generally fair value) of the identifiable assets acquired an liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future services.

Acquisitions between 1 January 2004 and 1 January 2010

For acquisitions between 1 January 2004 and 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2004 (date of transition to IFRSs)

As part of its transition to IFRSs, the Group elected to restate only those business combinations that occurred on or after 1 January 2003.

Notes to the Annual Financial Statements (continued)

Standards and Interpretations adopted with no effect on the financial statements

The following new and revised schedule Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may effect the accounting for the future transactions or arrangements.

Standards and interpretations	Description
IFRS 2	Share-based Payment - Amendments relating to vesting conditions and cancellations - Amendements resulting from April 2009 Annual Improvements to IFRS
IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations - Amendments resulting from May 2008 Annual Improvements to IFRS
IFRS 8	Operating Segments
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 18	Transfers of Assets from Customers
IAS 16	Property, Plant and Equipment - Amendments resulting from May 2008 Annual Improvements to IFRS
IAS 19	Employee Benefits - Amendments resulting from May 2008 Annual Improvements to IFRS
IAS 20	Government Grants and Disclosure of Government Assistance - Amendments resulting from May 2008 Annual Improvements to IFRS
IAS 23	Borrowing Cost - Comprehensive revision to prohibit immediate expensing - Amendments resulting from May 2008 Annual Improvements to IFRS
IAS 27	Consolidated and Seperate Financial Statements - Consequential amendments arising from amendments to IFRS - Amendments resulting from May 2008 Annual Improvements to IFRS - Amendment relating to cost of an investment on first-time adoption

(s) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 June 2010, and have not been applied in preparing the Company’s and Group’s financial statements.

The following statements are not yet effective and the Group and Company has assessed that adoption of these statements will not have any material impact on the financial results or position of the Group and Company.

Notes to the Annual Financial Statements (continued)

(s) New standards and interpretations not yet adopted (continued)

New/Revised International Financial Reporting Standards		Effective Date
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendments relating to oil and gas assets and determining whether an arrangement contains a lease	1 January 2010
IFRS 1	First-time Adoption of International Financial Reporting Standards - Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010
IFRS 2	Share-based Payment - Amendments relating to group cash-settled share-based payment transactions	1 January 2010
IFRS 3	Business Combinations - Amendments resulting from May 2010 Annual Improvements to IFRSs	1 July 2010
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
IFRS 8	Operating Segments - Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
IFRS 9	Financial Instruments - Classification and Measurement	1 January 2013
IFRIC 14	IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
IAS 1	Presentation of Financial Statements - Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
IAS 7	Statement of Cash Flows - Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
IAS 17	Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
IAS 24	Related Party Disclosures - Revised definition of related parties	1 January 2011
IAS 27	Consolidated and Separate Financial Statements - Amendments resulting from May 2010 Annual Improvements to IFRSs	1 July 2010
IAS 32	Financial Instruments: Presentation - Amendments resulting to classification of rights issues	1 February 2010
IAS 34	Interim Financial Reporting - Amendments resulting from May 2010 Annual Improvements to IFRSs	1 January 2011
IAS 36	Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010

Notes to the Annual Financial Statements (continued)

3.1 Change in accounting policy

During the year, the Group and Company changed its accounting policy for returnable containers. Previously, returnable containers were accounted for as part of the sales transaction at deposit value and the cost of replacement was written off as incurred. Returnable containers are classified as property, plant and equipment and now accounted for at cost less accumulated depreciation and impairment losses. Depreciation is recognised so as to write off the cost of the containers less their residual values over their useful lives, using the straight-line method. Returnable container deposits received from customers are recognised as financial liability as a part of trade and other payables.

Management takes the view that this accounting policy provides more reliable and more relevant information as it more accurately reflects the expected use of the containers. This change in accounting policy has been applied retrospectively. This had no impact on earnings per share. The effect of this change on the Group and Company is summarised below:

	30 Jun 2010 N$'000	30 Jun 2009 N$'000	30 Jun 2008 N$'000
Statement of Financial Position as at			
Increase in Property, plant and equipment	11 438	9 936	5 124
Increase in Trade and other payables	11 438	9 936	5 124
Statement of Comprehensive Income for the year ended			
Increase / (decrease) in net income:			
Change in container write offs	22 754	12 671	17 889
Change in depreciation and impairments	(19 168)	(11 144)	(19 332)
Change in gain/loss on disposals	(3 586)	(1 527)	1 443
Statement of Cash Flows for the year ended			
Increase in Cash Generated from Operations	20 670	15 956	18 396
Increase in Cash Absorbed from Investing Activities	20 670	15 956	18 396

3.2 Correction of prior period balance

As part of the initial investment in the DHN Drinks (Pty) Ltd Joint Venture, the Group recognised a non-current non-interest bearing obligation as part of the consideration payable which formed part of the Group's total contribution to the Joint Venture. The Group would have recognised an impairment loss on the investment if the non-current non-interest bearing obligation had not reduced due to an error that was made in the initial computation. The reduction in the obligation was incorrectly treated as a change in accounting estimate in the year ended 30 June 2009, whilst also no impairment loss was recognised on the investment. The correction of this error had no impact on equity, taxation, cash flows or earnings and diluted earnings per share. The effect of this correction on Group and Company is reflected below:

	30 Jun 2010 N$'000	30 Jun 2009 N$'000	30 Jun 2008 N$'000
Statement of Financial Position as at			
Decrease in non-current non-interest bearing obligation	-	-	30 373
Increase in deferred income	-	-	30 373

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		4. PROPERTY, PLANT AND EQUIPMENT		
		At cost		
99 648	112 459	Land and buildings	112 459	99 648
1 562	4 716	Leasehold land and buildings	6 874	3 720
527 278	539 788	Plant and machinery	539 788	527 278
46 232	44 997	Vehicles	44 997	46 232
35 184	46 106	Furniture and equipment	46 106	35 184
50 594	71 109	Returnable containers	71 109	50 594
760 498	819 175		821 333	762 656
		Accumulated depreciation and impairment losses		
29 414	30 372	Land and buildings	30 372	29 414
622	701	Leasehold land and buildings	1 450	1 306
211 760	241 161	Plant and machinery	241 161	211 760
26 081	25 834	Vehicles	25 834	26 081
28 543	30 652	Furniture and equipment	30 652	28 543
33 847	17 738	Returnable containers	17 738	33 847
330 267	346 458		347 207	330 951
		Carrying value		
70 234	82 087	Land and buildings	82 087	70 234
940	4 015	Leasehold land and buildings	5 424	2 414
315 518	298 627	Plant and machinery	298 627	315 518
20 151	19 163	Vehicles	19 163	20 151
6 641	15 454	Furniture and equipment	15 454	6 641
16 747	53 371	Returnable containers	53 371	16 747
430 231	472 717		474 126	431 705
		Leased Assets		
		Included above are leased vehicles under a number of finance lease agreements, details of which are set out below:		
		Vehicles		
13 104	14 468	At cost	14 468	13 104
(6 089)	(5 922)	Accumulated depreciation	(5 922)	(6 089)
7 015	8 546	Carrying value	8 546	7 015

The leased assets are encumbered in terms of finance lease agreements (see note 31).

Land and buildings

Company land and buildings with a carrying value of N$ 55,6 million (2009: N$ 55,7 million), were encumbered to secure Company liabilities of N$ 63,3 million (2009: N$ 83,6 million). The Group's land and buildings are not encumbered. Details of the Group's land and leasehold land and buildings are maintained at the registered office of the Company. Movement of property, plant and equipment has been detailed in Annexure B. Refer to note 5 in respect of leased assets secured.

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		5. SUBORDINATED LOANS		
87 663	78 049	Balance at beginning of the year		
(9 614)	(3 020)	Decrease in current year		
78 049	75 029	Balance at end of the year		
59 318	48 469	Long term portion		
18 731	26 560	Short term portion		
78 049	75 029	Balance at end of the year		

On 14 December 2001 the Company entered into a secured structured lease and leaseback agreement of N$40 million with Commercial Bank of Namibia Limited and NIB Namibia (Pty) Limited. The lease and leaseback is structured using a Trust formed specifically for this purpose - CBONAB Trust. The Company is deemed to have control of the trust in term of IAS 27 "Consolidated and separate financial statements" and has therefore consolidated the Trust. Interest rates and semi-annual repayments fluctuate with the underlying variable interest rate funding instruments, while security is provided in the form of a lease right over the leased property detailed in note 4.

On 28 December 2001 the Company entered into a secured structured lease and leaseback agreement of N$40 million with Standard Bank of Namibia. The lease and leaseback is structured using a Trust formed specifically for this purpose - SBN Trust. The Company is deemed to have control of the trust in term of IAS 27 "Consolidated and separate financial statements" and has therefore consolidated the Trust. Interest rates and semi-annual repayments fluctuate with the underlying variable interest rate funding instruments, while security is provided in the form of a lease right over the leased property detailed in note 4.

Subordinated refundable semi-annual security deposits are being placed with the lessors as from 30 June 2002. These increase annually and bear interest between 6,80% and 8,74%. Withdrawals will be made in ten half-yearly amounts, commencing on 30 June 2007, and will increase annually. These deposits have been subordinated in favour of the structured loans as set out in note 16.

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		6. INTANGIBLE ASSETS		
		At cost		
659	2 717	Software licences	2 717	659
659	2 717		2 717	659
		Accumulated amortisation		
37	-	Software licences	-	37
37	-		-	37
		Carrying value		
622	2 717	Software licences	2 717	622
622	2 717		2 717	622

Movement of intangible assets has been detailed in Annexure B.

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		7. INVESTMENT IN SUBSIDIARIES (ANNEXURE C)		
988	988	Shares at cost		
(160)	(160)	Loan from subsidiary		
828	828			
602	329	Loan to subsidiaries		
1 430	1 157			
-	-	Current		
1 430	1 157	Non-current		
1 430	1 157	Net investment in subsidiaries		

Aggregated losses of subsidiaries, attributable to Namibia Breweries South Africa (Pty) Ltd amounted to N$ 36.7million (2009: N$ 36.7 million). Income earned by all subsidiaries for the year amounted to N$ 0.2 million (2009: N$ 0.5 million).

The loans are interest free and have no fixed repayment terms.

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		8. INVESTMENT IN A JOINT VENTURE		
34 483	99 200	Loan to joint venture	99 200	34 483
496 974	574 474	Shares at cost	574 474	496 974
-	-	Equity accounted losses	(120 268)	(41 896)
531 457	673 674	Carrying amount of the investment	553 406	489 561
		Dislcosed as		
20 150	-	Current	-	20 150
511 307	673 674	Non-current	553 406	469 411
531 457	673 674		553 406	489 561

During 2010 additional shares were accquired by the existing joint venture partners in proportion to the existing ownership percentages.

The loan to the joint venture is unsecured and bears interest at JIBAR +2.7% and has no fixed repayment terms.

Trade receivables from the Joint Venture are disclosed in note 13.

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		8. INVESTMENT IN A JOINT VENTURE (continued)		
		Jointly controlled entity - DHN Drinks (Pty) Ltd		

The Group, through a distribution rights and joint venture agreement with Heineken and Diageo, has a shareholding in this jointly controlled entity. The principal activity of this entity is the sale of the ventures' various beverages in the South African market. This joint venture commenced on 1 May 2008. The Group has a 15.5% equity interest in the jointly controlled entity.

The share of assets, liabilities, income and expenses of the jointly controlled entity at 30 June and for the years then ended, which would have been included in the consolidated financial statements if proportionally consolidated, would have been as follows:

	GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
Current assets	112 556	130 448
Non-current assets	63 973	33 356
	176 529	163 804
Current liabilities	174 602	126 713
Non-current liabilities	-	34 395
	174 602	161 108
Revenue	541 581	444 664
Total expenses	(650 902)	(496 065)
Loss before income tax	(109 321)	(51 401)
Income tax expense	30 949	15 771
Net loss	(78 372)	(35 630)

9. LOANS

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		Loan		
12 899	12 899	Namibia Breweries Share Purchase Trust	12 899	12 899

The Namibia Breweries Share Purchase Trust was formed to finance the purchase of shares in the Company by employees of the Ohlthaver & List Group. The loans are secured by a pledge of 4.22 million shares (2009: 4.22 million) purchased in terms of the scheme. In terms of a directors' resolution, interest chargeable in terms of the loan agreements has been waived for the current year. The loans to the Namibia Breweries Share Purchase Trust are reflected at the lower of the grant price and the value equivalent to the closing share price of the pledged shares at year end. Refer to note 34. The loan has no repayment terms.

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		10. AVAILABLE-FOR-SALE INVESTMENTS		
		Unlisted investments		
14	14	L&T Ventures (Proprietary) Limited - at cost	14	14
14	14	Directors' valuation of unlisted investments	14	14
		11. DEFERRED TAXATION		
		11.1 Deferred taxation asset		
7 331	-	Balance at beginning of the year	-	7 331
(7 331)	-	Movement during the year	-	(7 331)
(7 331)	-	Tax losses	-	(7 331)
-	-		-	-
		11.2 Deferred taxation liability		
61 172	83 389	Balance at beginning of the year	111 935	94 129
22 217	52	Movement during the year	(6 828)	17 806
10 255	17 641	Accelerated depreciation for tax purposes	17 653	10 251
1 098	4	Debtors allowances	4	1 098
9 734	(24 278)	Consumables	(24 278)	9 734
4 407	6 892	Lease and leaseback rentals	-	-
24	(535)	Other leases	(535)	24
(2 159)	(384)	Retirement and severance pay benefit obligations	(384)	(2 159)
(1 142)	712	Intangible asset	712	(1 142)
83 389	83 441		105 107	111 935
		Analysis of deferred taxation liability:		
86 829	104 470	Accelerated depreciation for tax purposes	104 616	86 963
(1 434)	(1 430)	Debtors allowances	(1 430)	(1 434)
33 230	8 952	Consumables	8 952	33 230
(28 412)	(21 520)	Lease and leaseback rentals	-	-
(2 551)	(3 086)	Other leases	(3 086)	(2 551)
(4 485)	(4 869)	Retirement and severance pay benefit obligations	(4 869)	(4 485)
212	924	Intangible asset	924	212
83 389	83 441		105 107	111 935
		Estimated tax losses available for		
-	-	set-off against future taxable income	36 729	36 777
-	-	Less: Applied to offset any deferred taxation liability	-	-
-	-		36 729	36 777
-	-	Utilised to create deferred tax asset	-	-
-	-	Available to reduce future taxable income	36 729	36 777

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		12. INVENTORIES		
44 962	19 898	Raw materials	19 898	44 962
20 773	16 227	Work in progress	16 227	20 773
45 752	30 218	Finished products	30 218	45 752
74 072	57 611	Consumable stores	57 611	74 072
255	579	Merchandise	579	255
185 814	124 533		124 533	185 814

On 30 June 2010 the impairment to inventories amounted to N$ 17.4 million (2009 : N$ 5.6 million). The impairment is included in operating expenses in profit or loss and is mainly due to redundant spares, changes in packaging design and expired finished products.

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		13. TRADE AND OTHER RECEIVABLES		
83 227	81 446	Trade receivables	81 446	83 227
(5 624)	(5 606)	Allowance for impairment losses	(5 606)	(5 624)
178 588	127 403	Trade receivables from Joint Ventures	127 422	178 828
39 677	33 497	Value added taxation	33 497	39 677
11 912	11 974	Refundable deposits	11 974	11 912
2 033	503	Receivables from other related parties	503	2 033
15 487	15 736	Other receivables	15 739	15 664
325 300	264 953		264 975	325 717

Trade receivables is shown net of impairment of N$ 5.6 million (2009: N$ 5.6 million). The impairment is included in operating expenses in profit or loss.

Trade receivables are non-interest bearing and are generally on 30-60 days' terms.

For terms and conditions relating to related party receivables, refer to note 30.

Trade receivables and Trade receivables from Joint Ventures are pledged as security for the medium term loan disclosed in note 16.

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		Movement in the allowance account for impairment losses:		
(9 645)	(5 624)	Balance at the beginning of the year	(5 624)	(9 645)
(900)	(1 024)	Charge for the year	(1 024)	(900)
1 866	777	Utilised	777	1 866
3 055	265	Unused/recovered amounts reversed	265	3 055
(5 624)	(5 606)	Balance at the end of the year	(5 606)	(5 624)
		Analysed as follows:		
(5 624)	(5 606)	Individually impaired trade receivables	(5 606)	(5 624)
-	-	Collectively impaired trade receivables	-	-
(5 624)	(5 606)		(5 606)	(5 624)

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		13. TRADE AND OTHER RECEIVABLES (continued)		

In determining the recoverability of a trade receivable, the Company and Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The single largest customer is DHN Drinks (Pty) Ltd. Credit terms are monitored by management monthly as well overall liquidity of DNH Drinks (Pty) Ltd, which is evaluated every 6 months.

The remainder of concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Included in the allowance for doubtful debts are individually impaired trade receivables with a balance of N$ 0.8 million (2009: N$ 1.8 million) against which the group has instituted legal action.

The impairment recognised represents the difference between the carrying amount of these trade receivable and the present value of the expected liquidation proceeds. The Group and Company does not hold any collateral over these balances.

14. CASH AND CASH EQUIVALENTS

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
1 563	29 834	Cash and bank	31 122	2 324
37 657	114 482	Funds on call	145 901	64 390
39 220	144 316	Cash and cash equivalents at end of the year	177 023	66 714

The carrying amount of these assets approximate their fair value.

15. SHARE CAPITAL

Ordinary - Authorised

299 000 000 shares of no par value (2009 - 299 000 000)

Ordinary - Issued

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
1 024	1 024	206 529 000 shares of no par value (2009 - 206 529 000).	1 024	1 024

All shares issued are fully paid.

The 92 471 000 unissued shares of the Company are under the control of the Directors in terms of a members' resolution dated 4 December 2009. In terms of the Companies Act, this authority expires at the forthcoming Annual General Meeting. Members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in 2011. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on meetings of the Company.

Notes to the Annual Financial Statements (continued)

16. INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the Company and Group's interest-bearing loans and borrowings. For more information about the exposure to interest rate risk, see Annexure A.

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		Non-current liabilities		
		Secured		
62 903	28 189	Loan from related parties (Annexure A)	-	-
4 469	5 444	Finance lease liabilities (Note 4) (Annexure A)	5 444	4 469
67 372	33 633		5 444	4 469
		Current liabilities		
		Secured		
-	150 000	Medium term loan (Annexure A)	150 000	-
20 659	35 107	Loan from related parties (Annexure A)	-	-
3 033	3 631	Finance lease liabilities (Annexure A) (Note 4)	3 631	3 033
23 692	188 738		153 631	3 033

For terms and conditions relating to related party receivables, refer to note 30 and Annexure A.

Loan from related parties

Refer to note 5 for terms and conditions relating to loans from the SBN and CBONAB Trusts.

Refer to note 33.1 regarding fair value.

17. NON-INTEREST BEARING FINANCIAL LIABILITY

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		Current liabilities		
		Unsecured		
14 929	-	Payable owing to related parties - at amortised cost	-	14 929
14 929	-		-	14 929

During 2008, as part of consideration for the purchase of an equity share in DHN Drinks (Pty) Ltd, the Group granted to DHN Drinks (Pty) Ltd the rights to distribute the Group's products within the Republic of South Africa for an indefinite period of time. The remainder of the consideration payable for the purchase of the equity stake in DHN Drinks (Pty) Ltd was paid in July 2009. Refer to note 3.2 for the correction of the balance in respect of 30 June 2008.

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		18. DEFERRED INCOME		
279 952	255 837	Balance at beginning of year	255 837	279 952
(13 290)	(17 620)	Adjustments (note 3.2)	(17 620)	(13 290)
(10 825)	(10 825)	Released to profit or loss	(10 825)	(10 825)
255 837	227 392	Balance at the of the year	227 392	255 837
245 012	216 567	Non-current	216 567	245 012
10 825	10 825	Current	10 825	10 825
255 837	227 392		227 392	255 837

Deferred income represents pre-paid operating lease income which will be recognised in profit or loss over a period of 25 years on a straight line basis. The lease income is recognised over 25 years, being the estimated use of the Company's and Group's distribution rights being used by DHN Drinks (Pty) Ltd. The term of use is undefined in the contract.

19. RETIREMENT BENEFIT INFORMATION

19.1 Retirement fund

The total value of contributions to the Ohlthaver & List Retirement Fund during the period amounted to:

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
5 741	6 152	Members	6 152	5 741
9 022	9 667	Employer contributions	9 667	9 022
14 763	15 819		15 819	14 763

This is a defined contribution plan and is regulated by the Pension Fund Act. The fund is valued at intervals of not more than three years. The fund was valued by an independent consulting actuary during the course of 2008 and its assets were found to exceed its actuarially calculated liabilities.

19.2 Post employment medical aid benefit plan

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
6 647	7 705	Balance at the beginning of the year	7 705	6 647
620	674	Interest cost	674	620
897	(17)	Actuarial loss / (gain)	(17)	897
(459)	(546)	Benefits paid	(546)	(459)
7 705	7 816	Non current balance at the end of the year	7 816	7 705

The Group provides for post employment medical aid benefits in respect of retired employees. The present value of the provision at 30 June 2010, as determined by using projected unit credit method, was N$ 7.8 million.

Notes to the Annual Financial Statements (continued)

COMPANY			GROUP	
Restated				Restated
2009 N$ 000's	2010 N$ 000's		2010 N$ 000's	2009 N$ 000's
		19. RETIREMENT BENEFIT INFORMATION (continued)		
		19.2 Post employment medical aid benefit plan (continued)		
		The principle actuarial assumptions used in determining post employment medical aid benefit obligations for the Group's plan are as follows:		
9.25%	9.00%	Discount rate	9.00%	9.25%
8.00%	7.50%	Healthcare cost inflation	7.50%	8.00%
30	30	Employees	30	30
		Sensitivity of results		
		1% increase in medical inflation assumption		
820	786	Accrued liability	786	820
10.6%	10.1%	% increase	10.1%	10.6%
76	71	Current service + interest cost in next year	71	76
11.0%	10.5%	% increase	10.5%	11.0%
		1% decrease in medical inflation assumption		
(702)	(678)	Accrued liability	(678)	(702)
(9.1%)	(8.7%)	% decrease	(8.7%)	(9.1%)
(65)	(61)	Current service + interest cost in next year	(61)	(65)
(9.6%)	(9.0%)	% decrease	(9.0%)	(9.6%)
		19.3 Severance benefit		
-	5 488	Balance at the beginning of the year	5 488	-
5 392	-	Past service costs	-	5 392
349	541	Current service costs	541	349
354	603	Interest cost	603	354
(207)	72	Actuarial (gain) / loss	72	(207)
(400)	(199)	Benefits paid	(199)	(400)
5 488	6 505	Non current balance at the end of the year	6 505	5 488
13 193	14 321	Total retirement benefit liability	14 321	13 193
		The principle actuarial assumptions used in determining severance pay obligations for the Group is as follows:		
9.25%	9.00%	Discount rate	9.00%	9.25%
7.00%	6.50%	Inflation rate	6.50%	7.00%
8.00%	7.50%	Salary Increase Rate	7.50%	8.00%
		Total expense recognised in profit or loss for:		
1 517	657	- Post employment medical aid benefit plan	657	1 517
5 888	1 216	- Severance benefit	1 216	5 888
7 405	1 873		1 873	7 405

The total expense is included in operating expenses.

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		20.1 TRADE AND OTHER PAYABLES		
179 258	87 300	Trade payables	87 300	182 780
74 257	98 926	Accruals	100 856	76 133
9 936	11 438	Returnable containers deposits	11 438	9 936
3 562	3 839	Payables to related parties	3 839	3 562
267 013	201 503		203 433	272 411

For terms and conditions and balances owing to relating to related parties refer to note 30. Trade payables are non-interest bearing and are normally settled on 30-60 day terms. Accruals relates to leave, medical, bonus, electricity and management fee accruals.

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		20.2 DERIVATIVE FINANCIAL INSTRUMENTS		
		Current		
26 510	5 874	Forward foreign exchange contracts	5 874	26 510

Refer to note 33.2 for details for outstanding forward exchange contracts at year end.

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		Non-current		
188 258	188 258	Elective derivative - distribution rights	188 258	188 258

Refer to notes 33.3 and 33.4 for details.

During 2008, as part of consideration for the purchase of an equity share in DHN Drinks (Pty) Ltd, the Group granted to DHN Drinks (Pty) Ltd the rights to distribute the Group's products within the Republic of South Africa for an indefinite period of time. The fair value is determined by discounting estimated future profits applicable to the Group's equity share.

The derivative arises due to the fact that should the Company change product mix or remove any products allocated in the distribution rights agreement, then a payment is due and payable for projected losses to be incurred by the joint ventureres.

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		21. REVENUE		
1 575 499	1 725 022	Sale of goods	1 725 282	1 575 679
(38 989)	(38 713)	Discounts allowed	(38 713)	(38 989)
28 789	43 413	Royalty income	43 413	28 789
10 825	10 825	Operating leases (refer to note 18)	10 825	10 825
801	804	Rent received	1 076	1 066
1 576 925	1 741 351		1 741 883	1 577 370

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		22. OPERATING EXPENSES		
		Costs by nature		
848 797	916 636	Raw material and consumables	916 879	848 921
143 581	175 023	Employment costs	175 023	143 581
122 250	116 729	Administration and marketing expenses	118 291	123 692
120 192	125 835	Railage and transport	125 835	120 192
22 332	30 539	Repairs and maintenance	30 539	22 332
51 119	61 460	Depreciation, amortisation and impairments	61 525	51 185
(8 027)	27	(Impairment reversal)/ impairment of loans	-	-
1 300 244	1 426 249		1 428 092	1 309 903
		23. OPERATING PROFIT		
		is arrived at after taking account of		
		Income		
6 616	-	Realised gain on foreign exchange transactions	-	6 616
		Net gains on disposal of property, plant and equipment:		
1 144	-	- vehicles	-	1 144
8 027	-	Impairment reversal of loans	-	-
1 718	-	Impairment reversal of inventories	-	1 718
		Expenses		
72	1 269	Audit fees	1 269	72
805	1 269	- current year	1 269	805
(733)	-	- over provision from prior year	-	(733)
47 212	60 838	Depreciation	60 903	47 278
3 907	622	Amortisation - intangible asset	622	3 907
6 323	6 200	Directors emoluments	6 200	6 323
8 571	12 880	Management fees	12 880	8 413
5 193	2 129	Royalties	2 129	3 780
1 578	2 155	Technical fees	2 155	1 682
2 514	6 282	Realised loss on foreign exchange transactions	6 282	2 514
		Operating lease payments		
2 959	4 053	- land and buildings	4 053	2 959
		Net loss on disposal/scrapping of property, plant and equipment:		
-	8	- plant and machinery	8	-
-	11 806	Impairment of inventories	11 806	-
900	1 024	Impairment of trade receivables	1 024	900
26 510	5 874	Fair value movement on derivative financial instruments	5 874	26 510
-	27	Impairment of loans and investments	-	-
		24. FINANCE COSTS		
118	1 169	Bank interest	1 169	1 276
-	9 744	Interest bearing loans	9 744	-
1 135	1 162	Finance leases	1 162	1 135
11 392	8 502	Holding company, fellow subsidiaries and other related parties	-	1 014
12 645	20 577	Total finance costs	12 075	3 425

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		25. FINANCE INCOME		
		Interest		
6 944	5 720	- bank and funds on call	7 772	8 644
3 008	10 467	- jointly controlled entities	10 467	3 008
6 831	5 825	- holding company, fellow subsidiaries and other related parties	101	77
16 783	22 012	Total finance revenue	18 340	11 729
		26. INCOME TAX EXPENSE		
		The major components of income tax expense in profit or loss for the years ended 30 June 2010 and 2009 are:		
(61 573)	(56 474)	Namibian taxation	(57 640)	(61 492)
(9 426)	(13 421)	South African taxation	(13 421)	(9 426)
(70 999)	(69 895)	Total income tax expense in profit or loss	(71 061)	(70 918)
		Comprising		
(39 467)	(56 422)	Normal taxation - current period: Namibian	(64 468)	(43 974)
110	-	- prior period: Namibian	-	287
(2 094)	(13 421)	- current period: South African	(13 421)	(2 094)
(22 217)	(52)	Deferred taxation - current period: Namibian	6 828	(17 806)
(7 331)	-	Deferred taxation - current period: South African	-	(7 331)
(70 999)	(69 895)	**Income tax expense**	(71 061)	(70 918)

No provision for normal taxation has been made for certain subsidiaries which have estimated tax losses of N$ 36.7 million (2009: N$ 36.8 million). No deferred tax asset has been recognised for these calculated tax losses as it is uncertain that future taxable profits will be available against which the unused tax losses can be utilised. The Namibian corporate tax rate reduced from 35% to 34% during the current finance period.

COMPANY Restated 2009 %	COMPANY 2010 %	**Reconciliation of effective tax rate**	GROUP 2010 %	GROUP Restated 2009 %
35.0	34.0	Namibian normal tax rate	34.0	35.0
		(Reduction)/ increase in rate of taxation		
(2.8)	(1.1)	- tax exempt income	(1.5)	(1.6)
(6.3)	(10.8)	- manufacturing allowances	(14.2)	(7.3)
0.0	0.0	- disallowable expenditure	11.1	5.1
(0.6)	0.0	- tax rate change	0.0	(1.7)
25.3	22.1	Effective rate of taxation	29.4	29.5

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		27. BASIC AND HEADLINE EARNINGS PER ORDINARY SHARE		
		Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.		
		Calculation of weighted average number of shares for basic earnings per share and dilutive earnings per share:		
206 529	206 529	Shares issued at beginning of period	206 529	206 529
-	-	Shares issued during the year to ordinary shareholders	-	-
206 529	206 529	Weighted average number of shares	206 529	206 529
		Profit attributable to ordinary shareholders	170 623	169 223
		Net loss/ (gain) on the sale of propert, plant and equipment (after tax)	6	(814)
		Headline earnings	170 629	168 409
		27.1 Basic and diluted earnings per ordinary share (cents)		
209 820	246 642	Profit attributable to ordinary shareholders	170 623	169 223
206 529	206 529	Weighted number of shares in issue (000's)	206 529	206 529
101.6	119.4	Basic earnings per ordinary share (cents)	82.6	81.9
		27.2 Headline earnings per ordinary share (cents)		
		Headline earnings	170 629	168 409
		Weighted average number of shares in issue (000's)	206 529	206 529
		Headline earnings per ordinary share (cents)	82.6	81.5
		28. DIVIDENDS PAID AND PROPOSED		
		In respect of the 2010 financial year		
-	46 534	- interim (23 cents per share, paid 14 May 2010)	46 534	-
-	-	- final (23 cents per share, proposed)	-	-
		In respect of the 2009 financial year		
44 512	-	- interim (22 cents per share, paid 15 May 2009)	-	44 512
-	44 512	- final (22 cents per share, paid 16 November 2009)	44 512	-
		In respect of the 2008 financial year		
-	-	- interim (18 cents per share, paid 16 May 2008)	-	-
36 419	-	- final (18 cents per share, paid 13 November 2008)	-	36 419
80 931	91 046	Dividends to equity holders	91 046	80 931

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		28. DIVIDENDS PAID AND PROPOSED (continued)		
		The dividends paid and proposed are shown after the elimination of dividends received from unissued shares held in the Share Purchase Trust.		
		Dividend paid per ordinary share (net of share purchase trust)		
17.6	21.6	Final dividend (cents)	21.6	17.6
21.6	22.5	Interim dividend (cents)	22.5	21.6
39.2	44.1		44.1	39.2
		Proposed dividend		
	46 535	On 30 September 2010 the directors declared a final dividend of 23 cents (23 September 2009: 22 cents) per ordinary share. This dividend will be paid on 19 November 2010.	46 535	
		29. NOTES TO THE STATEMENT OF CASH FLOWS		
		29.1 Cash generated by operations		
280 819	316 537	Profit before income tax	241 684	240 141
		Adjustments for:		
(10 825)	(10 825)	Deferred income	(10 825)	(10 825)
47 212	60 838	Depreciation	60 903	47 278
3 907	622	Amortisation	622	3 907
(1 144)	8	(Gain) / Loss on disposal of property, plant and equipment	8	(1 144)
(8 027)	27	(Impairment reversed) / impairment of loan granted to subsidiary		
(292)	-	Reversal of impairment of loan granted to Share Purchase Trust	-	(292)
25 794	(20 636)	Fair value adjustment for derivative financial instruments	(20 636)	25 794
6 546	1 128	Increase in provisions	1 128	6 546
		Equity accounted losses from joint venture	78 372	35 630
(16 783)	(22 012)	Finance income	(18 340)	(11 729)
12 645	20 577	Finance costs	12 075	3 425
339 852	346 264	Operating profit before working capital changes	344 991	338 731
(107 095)	41 190	Working capital changes	38 116	(98 596)
(67 219)	61 281	Inventories	61 281	(67 175)
(109 962)	60 347	Trade and other receivables	60 742	(77 084)
70 086	(65 509)	Trade and other payables	(68 978)	45 663
-	(14 929)	Non-interest bearing financial liabilities	(14 929)	-
232 757	387 454	Cash generated by operations	383 107	240 135
		29.2 Dividends paid		
		Dividends paid are reconciled to the amounts disclosed in the statement of changes in equity as follows:		
(80 931)	(91 046)	Ordinary dividends per statement of changes in equity	(91 046)	(80 931)

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		29. NOTES TO THE STATEMENT OF CASH FLOWS (continued)		
		29.3 Income tax paid		
(5 396)	1 361	Balance at beginning of the year	(2 864)	(9 000)
(41 451)	(69 843)	Current tax charge	(77 889)	(45 781)
(1 361)	7 049	Balance at end of the year	7 049	2 864
(48 208)	(61 433)	Income tax paid during the year	(73 704)	(51 917)

30. RELATED PARTIES

The holding company of Namibia Breweries Limited is NBL Investment Holdings Limited of which the shareholding is held by Ohlthaver & List Finance and Trading Corporation Limited and Heineken International B.V. and Diageo plc.

The Company's ultimate holding Company is List Trust Company (Proprietary) Limited.

During the year the Company and the Group, in the ordinary course of business, entered into various sales, purchases and loan transactions with fellow subsidiaries and its holding company.

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year. For information regarding outstanding balances at 30 June 2010 and 2009, refer to notes 5, 7, 8, 9, 13, 16, 17 and 20.1.

30.1 Holding company and fellow subsidiaries

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		Current assets		
-	3	Broll and List Property Management (Namibia) (Proprietary) Limited	3	-
257	-	Hangana Seafood (Proprietary) Limited	-	257
71	57	Kilimandjaro Investments (Proprietary) Limited	57	71
890	216	Namibia Dairies (Proprietary) Limited	216	890
50	89	Ohlthaver & List Centre (Proprietary) Limited	89	50
80	30	W.U.M. Properties Limited t/a Model Pick 'n Pay	30	80
25	20	W.U.M. Properties Limited t/a Namib Sun Hotels	20	25
550	7	W.U.M. Properties Limited t/a O & L Properties Division	7	550
5	9	Wernhill Park (Proprietary) Limited	9	5
105	72	Windhoek Schlachterei (Proprietary) Limited	72	105
2 033	503		503	2 033

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		30. RELATED PARTIES (continued)		
		30.1 Holding company and fellow subsidiaries (continued)		
		Revenue		
		Sales during the year		
-	69 527	Heineken South Africa Export Company (Pty) Ltd	69 527	-
874 384	897 884	DHN Drinks (Pty) Ltd	897 884	874 384
-	13 097	Diageo Great Britain Ltd	13 097	-
-	99 776	Diageo South Africa (Pty) Ltd	99 776	-
31	-	Broll and List Property Management (Namibia) (Pty) Ltd	-	31
522	40	Kilimandjaro Trading (Pty) Ltd	40	522
1 102	23	Namibia Dairies (Pty) Ltd	23	1 102
375	-	Ohlthaver & List Centre (Pty) Ltd	-	375
73	-	W.U.M. Properties Limited t/a Kraatz Steel division	-	73
276	-	W.U.M. Properties Limited t/a Model Pick 'n Pay	-	276
119	87	W.U.M. Properties Limited t/a Namib Sun Hotels	87	119
-	-	W.U.M. Properties Limited t/a O&L Farming Division	-	-
1	283	W.U.M. Properties Limited t/a O&L Properties division	283	1
31	-	Wernhill Park (Pty) Ltd	-	31
261	1 239	Windhoek Schlachterei (Pty) Ltd	1 239	261
877 175	1 081 956		1 081 956	877 175
		Operating leases		
10 825	10 825	DHN Drinks (Pty) Ltd	10 825	10 825
		Rent received		
265	265	W.U.M. Properties Limited t/a Model Pick 'n Pay	265	265
888 265	1 093 046	**Total Revenue from related parties**	1 093 046	888 265
		Current liabilities		
1	-	W.U.M. Properties Limited t/a Namib Sun Hotels	-	1
50	-	W.U.M. Properties Limited t/a Farming Division	-	50
14	4	W.U.M. Properties Limited t/a Model Pick 'n Pay	4	14
-	32	Namibia Dairies (Pty) Ltd	32	-
2 379	3 719	Ohlthaver & List Centre (Pty) Ltd	3 719	2 379
-	84	ICT Holdings (Pty) Ltd	84	-
1 118	-	Dimension Data (Pty) Ltd	-	1 118
3 562	3 839		3 839	3 562
		Purchases during the year		
7	81	Namibia Dairies (Pty) Ltd	81	7
81	1 569	W.U.M. Properties Limited t/a O&L Properties Division	1 569	81
12	-	W.U.M. Properties Limited t/a Model Pick 'n Pay	-	12
100	1 650		1 650	100
		Interest received		
3 008	10 467	DHN Drinks (Pty) Ltd	10 467	3 008
5 348	3 707	CBONAB and SBN trusts	-	-
8 356	14 174		10 467	3 008

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		30. RELATED PARTIES (continued)		
		30.1 Holding company and fellow subsidiaries (continued)		
		Key management personnel		
		For directors emoluments refer to Annexure D.		
		Interest paid		
2	-	Ohlthaver & List Trust Company Limited	-	2
9 219	8 502	CBONAB and SBN trusts		
1 012	-	W.U.M. Properties Limited	-	1 012
10 233	8 502		-	1 014
		Management and shared service fees paid		
4 571	9 068	Ohlthaver & List Trust Company Limited	9 068	4 571
		Directors fees		
1 142	325	Ohlthaver & List Trust Company Limited	325	1 142
		30.2 Other related parties		
		Management fees paid		
2 000	2 170	Diageo plc	2 170	2 000
2 000	2 170	Heineken International B.V.	2 170	2 000
4 000	4 340		4 340	4 000
		Royalties received		
28 789	39 473	DHN Drinks (Pty) Ltd	39 473	28 789
-	457	Diageo Great Britain Limited	457	-
-	3 483	Diageo South Africa (Pty) Ltd	3 483	-
28 789	43 413		43 413	28 789
		Royalties paid		
5 193	2 129	Heineken International B.V.	2 129	5 193
		Directors fees		
110	110	Engling, Stritter & Partners	110	110
75	175	Diageo plc	175	75
165	170	Heineken International B.V.	170	165
350	455		455	350
		Legal fees		
517	535	Engling, Stritter & Partners	535	517
		Technical fees		
1 578	1 492	Heineken International B.V.	1 492	1 578
		Dividends received		
1 681	1 891	Share purchase trust	1 891	1 681

Notes to the Annual Financial Statements (continued)

30. RELATED PARTIES (continued)

30.2 Other related parties (continued)

Subsidiaries

Details of the subsidiaries are disclosed in Annexure C.

Joint venture

Details of the Joint Venture are disclosed in note 8.

Retirement benefit information and post employment medical aid benefit plan

Details of the above are disclosed in note 19.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, on 30-90 day terms, interest free and settlement occurs in cash.

For the year ended 30 June 2010, the Group did not have any impairment losses relating to amounts owed by related parties (2009: Nil).

Directors interest

At the financial year end the directors directly and indirectly held an interest in the Company's issued shares as follows:

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
			%	%
		Ordinary shares		
		Directly	0.06	0.08
			0.06	0.08

No individual director has a direct shareholding in excess of 1% of the issued shares of the Company.

The Company has not been informed of any material changes in these holdings to the date of this report.

31. CAPITAL COMMITMENTS AND CONTINGENCIES

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		Authorised		
10 615	27 924	Contracted for	27 924	10 615
16 593	126 076	Not contracted for	126 076	16 593
27 208	154 000		154 000	27 208

These capital commitments are for the acquisition of new plant and machinery.

This proposed capital expenditure is to be financed by own funds, and are expected to be settled in the following year.

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		31. CAPITAL COMMITMENTS AND CONTINGENCIES (continued)		
6 120	7 254	**Guarantees and suretyship**	7 254	6 120

The suretyships are issued by First Rand Bank Limited in favour of the South African Revenue Services.

Finance lease liabilities

The Group has entered into finance leases on certain motor vehicles. These leases have fixed terms of repayments and purchase options. Lease payments are linked to prime variable interest rates. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		Minimum lease payments		
3 904	4 558	Within one year	4 558	3 904
5 165	6 122	After one year but not more than five years	6 122	5 165
-	-	More than five years	-	-
9 069	10 680	Total minimum lease payments	10 680	9 069
(1 567)	(1 605)	Less amounts representing finance charges	(1 605)	(1 567)
7 502	9 075	Principal minimum lease payments	9 075	7 502

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principle financial instruments, other than derivatives, comprise bank loans, loans to and from holding company and fellow subsidiaries, leases and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions such as forward exchange contracts. The reason for this is to manage the currency risk from the Group's operations. As a matter of principle, the Group does not enter into derivative contracts for speculative purposes.

The fair value of foreign exchange forward contracts represents the estimated amounts that the company would receive, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks.

Notes to the Annual Financial Statements (continued)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

32.1 Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from purchases of raw materials and sales of the Group's products in a currency other than the Group's functional currency.

The Group appropriately hedges foreign purchases in order to manage its foreign currency exposure. The Group does not apply hedge accounting. Forward exchange contracts are entered into in order to manage the Group's exposure to fluctuations in foreign currency exchange rates on foreign transactions. Refer note 33.2 for unutilised forward exchange contracts and uncovered foreign trade receivables and payables at year end.

32.2 Interest rate risk

The Group is exposed to interest rate risk as it borrows and places funds at floating interest rates.The risk is managed by maintaining an appropriate mix between fixed and floating borrowings and placings within market expectations.

Refer to Annexure A and note 33.3 for further detail on interest rates.

32.3 Credit risk

Financial assets which potentially subject the Group to a concentration of credit risk consist principally of cash, funds on call and trade receivables. The Group's cash equivalents and funds on call are placed with high credit quality financial institutions. Trade receivables are stated at their cost less impairment losses. The Group's single largest customer is DHN Drinks (Pty) Ltd. The Group has no other significant concentration of credit risk or significant exposure to any individual customer or counterparty.

The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. In respect of possible default by a counterparty, the Group holds collateral as security in the amount of N$ Nil (2009: Nil).

Management monitors adherence to payment terms by the joint venture, DHN Drinks (Pty) Ltd, on a monthly basis. Financial performance and projected cash flows of the joint venture are monitored on a monthly basis to ensure recoverability of all amounts.

The granting of credit is made on application and is approved by management. At year-end the company did not consider there to be any significant concentration of credit risk or significant exposure to any individual customer or counter party which has not been adequately provided for.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking to account the value of any collateral obtained.

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

32.3 Credit risk (continued)

Major concentrations of credit risk that arise from the Group's receivables in relation to the industry categories and location of the customers by the percentage of total receivables from customers are:

	2010 %	2009 %
Trading industry	100.00	100.00
Namibia	24.92	18.43
RSA	62.53	69.19
Other export markets	12.55	12.38
	100.00	100.00

The table below shows the balance of the Group's 5 major trade receivable counterparties at the reporting date:

Counterparty	Location	2010	2009
Heineken South Africa Export Company (Pty)	South Africa	5 309	-
Dafin Sales	Botswana	-	20 257
DHN Drinks (Pty) Ltd	South Africa	127 422	178 828
AD Mendes	Angola	-	2 941
Diageo South Africa (Pty) Ltd	South Africa	9 113	-
Sentra Namibia Ltd	Namibia	-	2 202
Coimbra Liquor Wholesaler	Namibia	2 452	-
Spar Western Cape	Namibia	3 813	2 789

As at 30 June, the ageing of trade receivables is as follows:

	Total	Original terms Neither past due nor impaired	Changed terms Neither past due nor impaired	Past due 0 - 60 days	Past due 60 - 120 days	Past due 120 + days
GROUP	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
2010	203 262	196 929	-	4 895	357	1 081
2009	256 431	246 658	-	8 714	1 059	-
COMPANY						
2010	203 243	196 910	-	4 895	357	1 081
2009	256 431	246 658	-	8 714	1 059	-

32.4 Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Borrowing capacity is determined by the directors of the Company in terms of the Articles of Association. The directors consider a ratio of not higher than 50% of shareholders' equity, as acceptable.

	2010	2009
50% of Shareholder's Equity	349 592	309 804
Less total interest bearing borrowings	(159 075)	(7 502)
Unutilised borrowing capacity	190 517	302 302

Notes to the Annual Financial Statements (continued)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

32.5 Capital risk management

The Company and Group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company's and group's overall strategy remains unchanged from the prior year.

The capital structure of the company and group consists of debt, which includes the borrowings disclosed in note 16, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital reserves and retained earnings.

Gearing ratio

The company's and group's management committee reviews the capital structure on a semi-annual basis. Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This 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' as shown in the consolidated balance sheet plus net debt.

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		The gearing ratio at the year end was as follows:		
91 064	222 371	Debt (i)	159 075	7 502
(39 220)	(144 316)	Less: Cash and cash equivalents	(177 023)	(66 714)
51 844	78 055	Net debt	(17 948)	(59 212)
666 204	821 800	Equity (ii)	699 184	619 607
8%	9%	Net debt to equity ratio	(3%)	(10%)

(i) Debt is defined as long and short-term borrowings.

(ii) Equity includes all capital and reserves of the company.

33. FINANCIAL INSTRUMENTS

33.1 Fair values

The fair value of all financial instruments are substantially identical to the carrying amounts reflected in the statement of financial position with the exception of the following, which have the following fair values:

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		Financial assets		
		Subordinated loans (note 5)		
40 609	32 513	- SBN Trust		
37 559	30 071	- CBON Trust		

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		Notes	GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		33. FINANCIAL INSTRUMENTS (continued)			
		33.1 Fair values (continued)			
		Financial liabilities			
		Interest bearing loans and liabilities (note 16)			
		- Loan from related parties			
46 913	32 346	- SBN Trust			
43 812	30 167	- CBON Trust			

Interest rates used to discount estimated cash flows are based on the yield curve for Namibian Prime overdraft rates.

33.2 Hedging activities and foreign currency risk

Forward exchange contracts are entered into with banks but are not designated as hedges for specific purchases. If contract rates are more favourable than the spot rate, on the date of payment of foreign creditors, they will be used. The maturity date represents the date when the contract must be exercised if it is not exercised before this date. The following table summarises by major currency the unutilised forward exchange contracts and amounts to be paid/ received in foreign currency, for the Group and Company:

	Maturity date	Foreign amount 2010 '000	Foreign amount 2009 '000	Average rate 2010	Average rate 2009	Namibian Dollar amount 2010 N$ '000	Namibian Dollar amount 2009 N$ '000
Forward exchange contracts:							
Sold:							
Euro	1 - 12 months	-	-	-	-	-	-
Bought:							
Euro	1 - 12 months	2 750	18 050	11.69	12.72	32 153	229 523

These contracts will be utilised during the next twelve months.

	Foreign amount 2010 '000	Foreign amount 2009 '000	Average rate 2010	Average rate 2009	Namibian Dollar amount 2010 N$ '000	Namibian Dollar amount 2009 N$ '000
Foreign trade receivables:						
Botswana Pula	-	16 904	-	1.20	-	20 207
US Dollars	588	664	7.63	7.88	4 484	5 234
Euro	361	11	9.32	11.50	3 365	125
British Sterling	-	6	-	12.88	-	75
					7 849	25 641
Foreign trade payables:						
US Dollars	-	99	-	7.88	-	784
Euro	398	509	9.32	11.50	3 708	5 856
					3 708	6 640

Notes to the Annual Financial Statements (continued)

33. FINANCIAL INSTRUMENTS (continued)

33.2 Hedging activities and foreign currency risk (continued)

Foreign currency sensitivity analysis

The Group is primarily exposed to the currency of the European Central Bank (Euro) and secondly to currency of the United States of America (US Dollar).

The Namibian Dollar is linked to the South African Rand on a one to one basis as documented in the Common Monetary Area agreement. Accordingly the Group has no currency exposure for balances denominated in South African Rand.

The following table details the company's sensitivity to a 10% increase and decrease in the Namibia Dollar (NAD) against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel an represents management's assessment of the reasonably possible change in foreign exchange rates.

Below, a positive number indicates an increase in profit, a negative number indicates a decrease in profit based on the Namibia Dollar strengthening 10% against the relevant currency. For a 10% weakening of the Namibia Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		Effect on profit before taxation		
23 525	3 250	Euro	3 250	23 525
2 020	-	Pula	-	2 020
(444)	(448)	US Dollars	(448)	(444)
25 101	2 802		2 802	25 101
-	-	**Effect on equity**	-	-

Notes to the Annual Financial Statements (continued)

33. FINANCIAL INSTRUMENTS (continued)

33.3 Maturity profile

The following tables detail the Group and Company's remaining contractual maturity for its financial liabilities and assets. The tables have been drawn up based on the undiscounted cash flows based on the earliest date on which the Group and Company can be required/ anticipate to incur an outflow/inflow. The table includes both interest and principal cash flows.

	Effective interest rate	1 year N$ '000	2 years N$ '000	3-5 years N$ '000	5 years + N$ '000	Total N$ '000
2010 - Group						
Financial assets						
Cash and cash equivalents	6.75%	177 023	-	-	-	177 023
Loans	0.00%	-	-	-	12 899	12 899
Loans to joint venture	JIBAR +2.7%	-	99 200	-	-	99 200
Trade and other receivables	0.00%	231 478	-	-	-	231 478
Available-for-sale	0.00%	-	-	-	14	14
		408 501	99 200	-	12 913	520 614
Financial liabilities						
Interest-bearing liabilities	Ref. Anex. A	154 558	3 635	2 487	-	160 680
Trade and other payables	0.00%	203 433	-	-	-	203 433
Derivative financial instruments	0.00%	5 874	-	-	188 258	194 132
		363 865	3 635	2 487	188 258	558 245
2009 - Group						
Financial assets						
Cash and cash equivalents	6.30%	66,714	-	-	-	66 714
Loans	0.00%	-	-	-	12 899	12 899
Loans to joint venture	JIBAR +2.7%	20 150	16 640	-	-	36 790
Trade and other receivables	0.00%	286 040	-	-	-	286 040
Available-for-sale	0.00%	-	-	-	14	14
		372 904	16 640	-	12 913	402 457
Financial liabilities						
Interest-bearing liabilities	Ref. Anex. A	3 903	2 808	2 358	-	9 069
Non-interest-bearing liabilities	0.00%	14 929	-	-	-	14 929
Derivative financial instruments	0.00%	26 510	-	-	188 258	214 768
Trade and other payables	0.00%	272 411	-	-	-	272 411
		317 753	2 808	2 358	188 258	511 177

Notes to the Annual Financial Statements (continued)

33. FINANCIAL INSTRUMENTS (continued)

33.3 Maturity profile (continued)

	Effective interest rate	1 year N$ '000	2 years N$ '000	3-5 years N$ '000	5 years + N$ '000	Total N$ '000
2010 - Company						
Financial assets						
Cash and cash equivalents	6.75%	144 316	-	-	-	144 316
Loans	0.00%	-	-	-	12 899	12 899
Loans to joint venture	JIBAR +2.7%	-	99 200	-	-	99 200
Subordinated loans	6.8%-8.74%	36 829	27 622	-	-	64 451
Trade and other receivables	0.00%	231 456	-	-	-	231 456
Available-for-sale	0.00%	-	-	-	14	14
		412 601	126 822	-	12 913	552 336
Financial liabilities						
Interest-bearing liabilities	Ref. Anex. A	195 603	33 365	2 487	-	231 455
Derivative financial instruments	0.00%	5 874	-	-	188 258	194 132
Trade and other payables	0.00%	201 504	-	-	-	201 504
		402 981	33 365	2 487	188 258	627 091
2009 - Company						
Financial assets						
Cash and cash equivalents	6.30%	39 220	-	-	-	39 220
Loans	0.00%	-	-	-	12 899	12 899
Loans to joint venture	JIBAR+2.7%	20 150	16 640	-	-	36 790
Subordinated loans	6.8%-8.74%	27 322	29 600	29 007	-	85 929
Trade and other receivables	0.00%	285 623	-	-	-	285 623
Available-for-sale	0.00%	-	-	-	14	14
		372 315	46 240	29 007	12 913	460 475
Financial liabilities						
Interest-bearing liabilities	Ref. Anex. A	31 225	32 408	31 365	-	94 998
Non-interest-bearing liabilities	0.00%	14 929	-	-	-	14 929
Derivative financial instruments	0.00%	26 510	-	-	188 258	214 768
Trade and other payables	0.00%	267 013	-	-	-	267 013
		339 677	32 408	31 365	188 258	591 708

Interest rate sensitivity analysis

Refer to Annexure A.

Notes to the Annual Financial Statements (continued)

COMPANY Restated 2009 N$ 000's	COMPANY 2010 N$ 000's		GROUP 2010 N$ 000's	GROUP Restated 2009 N$ 000's
		33. FINANCIAL INSTRUMENTS (continued)		
		33.4 Carrying value of financial instruments on the statements of financial position		
		Financial assets		
		Loans and receivables		
78 049	75 029	- Subordinated loans (note 5)		
602	329	- Loans to subsidiaries (note 7)		
12 899	12 899	- Loans (note 9)	12 899	12 899
34 483	99 200	- Loans to joint venture (note 8)	99 200	34 483
285 623	231 456	- Trade and other receivables (note 13)	231 478	286 040
39 220	144 316	- Cash and cash equivalents (note 14)	177 023	66 714
450 876	563 229		520 600	400 136
		Available-for-sale financial assets		
14	14	- Available-for-sale investments (note 10)	14	14
		Financial liabilities		
		Derivative instruments at fair value through profit or loss		
26 510	5 874	- Forward foreign exchange contracts (note 20.2)	5 874	26 510
188 258	188 258	- Elective derivative - distribution rights (note 20.2)	188 258	188 258
214 768	194 132		194 132	214 768
		Amortised cost		
267 013	201 504	- Trade and other payables (note 20.1)	203 433	272 411
91 064	222 371	- Interest bearing loans and borrowings (note 16)	159 075	7 502
14 929	-	- Non-interest bearing financial liability (note 17)	-	14 929
373 006	423 875		362 508	294 842

Fair values of financial instruments that are not the same as the carrying amounts are detailed in note 33.1.

34. SHARE BASED PAYMENTS

Share options are granted to senior management based on the year's service to the company and the employment grade. The share trust is not active as the last shares were granted in 2000. The Group has elected the exemption under IFRS 1 Appendix D, does not apply IFRS 2 on share based payments for equity instruments that were granted on or before 7 November 2002. List Trust Company (Proprietary) Limited, the ultimate holding company, manages and consolidates the trust in their financial statements. The loan to the trust is disclosed in note 9.

Notes to the Annual Financial Statements (continued)

35. OPERATING SEGMENTS

Business segmentation

For management purposes, the Group is currently organised into three operating divisions - beer, soft drinks and other products.

Segment information about these divisions is presented below:

	Beer		Softs		Other		Total	
	2010	2009 Restated	2010	2009	2010	2009	2010	2009 Restated
	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Segment revenue	1 631 436	1 427 243	84 117	140 396	26 329	9 731	1 741 882	1 577 370
Segment expenses	(1 327 033)	(1 168 769)	(82 427)	(138 365)	(18 631)	(2 769)	(1 428 091)	(1 309 903)
Segment results	304 403	258 474	1 690	2 031	7 698	6 962	313 791	267 467
Unallocated corporate expenses							-	-
Operating profit							313 791	267 467
Finance costs							(12 074)	(3 425)
Finance income							18 340	11 729
Equity loss from Joint Venture							(78 372)	(35 630)
Profit before taxation							241 685	240 141
Taxation							(71 062)	(70 918)
Profit attributable to ordinary shareholders							170 623	169 223
STATEMENT OF FINANCIAL POSITION								
Segment assets								
Assets	868 713	839 548	32 875	89 576	9 107	9 285	910 695	938 409
Unallocated corporate assets							698 998	574 637
Consolidated total assets							1 609 693	1 513 046
Segment liabilities								
Liabilities	385 640	222 202	7 950	18 661	3 975	2 333	397 565	243 196
Unallocated corporate liabilities							512 944	650 243
Consolidated total liabilities							910 509	893 439
OTHER INFORMATION								
Capital expenditure								
- Property, plant and equipment	97 431	109 546	-	16 060	6 805	1 108	104 236	126 714
- Intangible asset	-	659	-	-	2 716	-	2 716	659
Depreciation	59 075	41 677	1 218	5 239	609	361	60 903	47 276
Amortisation	622	3 301	-	567	-	39	622	3 907

Notes to the Annual Financial Statements (continued)

35. OPERATING SEGMENTS (continued)

Geographical segmentation

The Group's operations are located in Namibia. The Group's products are either sold on the local market or are exported to other African countries. Exports to Europe take place on a small scale.

The following table provides an analysis of the Group's sales by geographical market:

	2010 N$ 000's	Restated 2009 N$ 000's
REVENUE		
- Local	765 029	682 228
- Export	976 854	895 142
Total segment revenue	1 741 883	1 577 370

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by geographical area in which the assets are located:

	2010 N$ 000's	Restated 2009 N$ 000's
CARRYING AMOUNT OF SEGMENT ASSETS		
- Local	1 470 585	1 304 672
- Export	139 106	208 377
Total segment assets	1 609 691	1 513 049
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT		
- Local	104 236	126 713
- Export	-	-
Total additions	104 236	126 713
ADDITIONS TO INTANGIBLE ASSET		
- Local	2 717	659
- Export	-	-
Total additions	2 717	659

Annexure A - Secured interest-bearing loans and borrowings

	Effective interest Rate 2010 %	Effective interest Rate 2009 %	Maturity date	Company 2010 N$ 000's	Company 2009 N$ 000's	Group 2010 N$ 000's	Group 2009 N$ 000's
PREFERENCE SHARE CAPITAL							
Authorised							
1 000 000 Variable rate redeemable preference shares of N$0.50 each				500	500	500	500
LOANS FROM RELATED PARTIES							
Fixed rate instruments							
-SBN Trust	13.54	13.54	31/12/2011	32 861	42 996		
-CBONAB Trust	11.61	11.61	31/12/2011	30 435	40 566		
Less: Current portion included in short-term interest-bearing borrowings				(35 107)	(20 659)	-	-
Long-term portion of loans from related parties				28 189	62 903	-	-
MEDIUM TERM LOAN							
Variable rate instruments							
-FirstRand Bank Limited repayable in 6 equal instalments of R25,000,000 comencing in November 2010.	JIBAR + 2.7%		03/05/2011	150 000	-	150 000	-
Less: Current portion included in short-term interest-bearing borrowings				(150 000)	-	(150 000)	-
Long-term portion of medium term loans				-	-	-	-
FINANCE LEASE LIABILITIES							
Variable rate instruments							
-Repayable in monthly instalments of N$416,000 (2009: N$394,000)	11.25	12.00		9 075	7 502	9 075	7 502
Less: Current portion included in short-term interest-bearing borrowings				(3 631)	(3 033)	(3 631)	(3 033)
Long-term portion of finance lease liabilities				5 444	4 469	5 444	4 469
TOTAL NON-CURRENT INTEREST-BEARING BORROWINGS				33 633	67 372	5 444	4 469

Annexure A - Secured interest-bearing loans and borrowings (continued)

	Company		Group	
	2010 N$ 000's	2009 N$ 000's	2010 N$ 000's	2009 N$ 000's
ANALYSIS OF REPAYMENTS INCLUDING INTEREST				
Repayable within:				
year 1	195 603	31 225	154 558	3 903
year 2	33 365	32 408	3 635	2 808
year 3	1 859	30 758	1 859	1 751
year 4	542	607	542	607
Repayable thereafter	86	-	86	-
	231 455	94 998	160 680	9 069
ANALYSIS BY CURRENCY				
South Africa Rands	150 000	-	150 000	-
Namibia Dollars	81 455	94 998	10 680	9 069

INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analyses have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For variable rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant:

	Company 2010	Company 2009	Group 2010	Group 2009
Interest received:				
- profit before tax for the year would (decrease)/increase by:	2 689	1 102	3 042	1 309
- other equity reserves would decrease/increase by:	-	-	-	-
Interest paid				
- profit before tax for the year would decrease/ (increase) by:	(1 364)	(227)	(1 364)	(227)
- other equity reserves would decrease/ increase by:	-	-	-	-

Annexure B - Property, Plant and Equipment

	Land and buildings N$ 000's	Leasehold land and buildings N$ 000's	Plant and Machinery N$ 000's	Vehicles N$ 000's	Furniture and equipment N$ 000's	Returnable containers N$ 000's	Total N$ 000's
GROUP							
2010							
Cost							
Balance at beginning of the year - restated	99 648	3 720	527 278	46 232	35 184	50 594	762 656
Additions	5 917	707	26 394	7 073	7 878	56 267	104 236
Disposals	-	-	(1 421)	(8 308)	(78)	-	(9 807)
Breakages and write-offs	-	-	-	-	-	(35 752)	(35 752)
Movements-transfers	6 894	2 447	(12 463)	-	3 122	-	-
Balance at end of the year	112 459	6 874	539 788	44 997	46 106	71 109	821 333
Accumulated depreciation							
Balance at beginning of the year - restated	29 414	1 306	211 760	26 081	28 543	33 847	330 951
Depreciation charges	173	144	31 598	7 162	2 183	19 643	60 903
Accumulated depreciation on disposals	-	-	(1 412)	(7 409)	(74)	-	(8 895)
Breakages and write-offs	-	-	-	-	-	(35 752)	(35 752)
Movements-transfers	785	-	(785)	-	-	-	-
Balance at end of the year	30 372	1 450	241 161	25 834	30 652	17 738	347 207
Carrying value at end of the year	82 087	5 424	298 627	19 163	15 454	53 371	474 126
2009							
Cost							
Balance at beginning of the year - restated	95 674	3 720	452 061	48 771	37 525	43 743	681 494
Additions - restated	3 977	-	92 516	11 379	1 220	17 621	126 713
Disposals	(3)	-	(20 260)	(13 918)	(3 715)	-	(37 896)
Breakages and write-offs	-	-	-	-	-	(10 770)	(10 770)
Movements-transfers	-	-	2 961	-	154	-	3 115
Balance at end of the year - restated	99 648	3 720	527 278	46 232	35 184	50 594	762 656
Accumulated depreciation							
Balance at beginning of the year - restated	29 291	1 226	203 007	31 012	29 406	33 473	327 415
Depreciation charges - restated	123	80	26 424	6 725	2 782	11 144	47 278
Accumulated depreciation on disposals	-	-	(20 786)	(11 656)	(3 645)	-	(36 087)
Breakages and write-offs	-	-	-	-	-	(10 770)	(10 770)
Movements-transfers	-	-	3 115	-	-	-	3 115
Balance at end of the year - restated	29 414	1 306	211 760	26 081	28 543	33 847	330 951
Carrying value at end of the year - restated	70 234	2 414	315 518	20 151	6 641	16 747	431 705
Carrying value at 1 July 2008	66 383	2 494	249 054	17 759	8 119	10 270	354 079

Annexure B - Property, Plant and Equipment (continued)

	Land and buildings N$ 000's	Leasehold land and buildings N$ 000's	Plant and Machinery N$ 000's	Vehicles N$ 000's	Furniture and equipment N$ 000's	Returnable containers N$ 000's	Total N$ 000's
COMPANY							
2010							
Cost							
Balance at beginning of the year - restated	99 648	1 562	527 278	46 232	35 184	50 594	760 498
Additions	5 917	707	26 394	7 073	7 878	56 267	104 236
Disposals	-	-	(1 421)	(8 308)	(78)	-	(9 807)
Breakages and write-offs	-	-	-	-	-	(35 752)	(35 752)
Movements-transfers	6 894	2 447	(12 463)	-	3 122	-	-
Balance at end of the year	112 459	4 716	539 788	44 997	46 106	71 109	819 175
Accumulated depreciation							
Balance at beginning of the year - restated	29 414	622	211 760	26 081	28 543	33 847	330 267
Depreciation charges	173	79	31 598	7 162	2 183	19 643	60 838
Accumulated depreciation on disposals	-	-	(1 412)	(7 409)	(74)	-	(8 895)
Breakages and write-offs	-	-	-	-	-	(35 752)	(35 752)
Movements-transfers	785	-	(785)	-	-	-	-
Balance at end of the year	30 372	701	241 161	25 834	30 652	17 738	346 458
Carrying value at end of the year	82 087	4 015	298 627	19 163	15 454	53 371	472 717
2009							
Cost							
Balance at beginning of the year - restated	95 674	1 562	452 061	48 771	37 525	43 743	679 336
Additions - restated	3 977	-	92 516	11 379	1 220	17 621	126 713
Disposals	(3)	-	(20 260)	(13 918)	(3 715)	-	(37 896)
Breakages and write-offs	-	-	-	-	-	(10 770)	(10 770)
Movements-transfers	-	-	2 961	-	154		3 115
Balance at end of the year - restated	99 648	1 562	527 278	46 232	35 184	50 594	760 498
Accumulated depreciation							
Balance at beginning of the year -restated	29 291	608	203 007	31 012	29 406	33 473	326 797
Depreciation charges - restated	123	14	26 424	6 725	2 782	11 144	47 212
Accumulated depreciation on disposals	-	-	(20 786)	(11 656)	(3 645)	-	(36 087)
Breakages and write-offs	-	-	-	-	-	(10 770)	(10 770)
Movements-transfers	-	-	3 115	-	-	-	3 115
Balance at end of the year - restated	29 414	622	211 760	26 081	28 543	33 847	330 267
Carrying value at end of the year	70 234	940	315 518	20 151	6 641	16 747	430 231
Carrying value at 1 July 2008	66 383	954	249 054	17 759	8 119	10 270	352 539

GROUP & COMPANY

The carrying amount of motor vehicles held under finance leases at 30 June 2010 was N$ 8,546,000 (2009 : N$ 7,015,000). Additions during the year include N$ 5,640,000 (2009 : N$ 4,995,000) of motor vehicles held under finance leases.

Annexure B - Intangible Assets

	33.3% Externally purchased software licences 2010 N$ 000's	Total 2010 N$ 000's	25% Information system and business re-engineering 2009 N$ 000's	33.3% Externally purchased software licences 2009 N$ 000's	Total 2009 N$ 000's
GROUP					
Cost					
Balance at beginning of the year	659	659	26 628	-	26 628
Disposals	(659)	(659)	(26 628)	-	(26 628)
Additions	2 717	2 717	-	659	659
Balance at end of the year	2 717	2 717	-	659	659
Accumulated amortisation					
Balance at beginning of the year	37	37	22 758	-	22 758
Disposals	(659)	(659)	(26 628)	-	(26 628)
Amortisation charges	622	622	3 870	37	3 907
Balance at end of the year	-	-	-	37	37
Carrying value at end of the year	2 717	2 717	-	622	622
COMPANY					
Cost					
Balance at beginning of the year	659	659	26 628	-	26 628
Disposals	(659)	(659)	(26 628)	-	(26 628)
Additions	2 717	2 717	-	659	659
Balance at end of the year	2 717	2 717	-	659	659
Accumulated amortisation					
Balance at beginning of the year	37	37	22 758	-	22758
Disposals	(659)	(659)	(26 628)	-	(26 628)
Amortisation charges	622	622	3 870	37	3 907
Balance at end of the year	-	-	-	37	37
Carrying value at end of the year	2 717	2 717	-	622	622

Amortisation periods are reviewed at the end of each financial year. If the expected useful life of the asset differs from previous estimates, the amortisation period shall be changed accordingly. The amortisation charge is recognised in the operating expenses in profit or loss.

Annexure C - Interest in Subsidiaries

Subsidiary Company	Country of Incorporation	Issued Capital N$ 000's	Effective Holding 2010 %	2009 %	Interest of Holding Company Shares 2010 N$ 000's	2009 N$ 000's	Indebtedness 2010 N$ 000's	2009 N$ 000's
BEVERAGES								
Hansa Brauerei (Proprietary) Limited	Namibia	160	100	100	160	160	(160)	(160)
Namibia Breweries South Africa (Proprietary) Limited	South Africa	-	100	100	-	-	37 699	37 672
PROPERTY								
Namundjebo Northgate Properties (Proprietary) Limited	Namibia	-	100	100	828	828	329	602
Northgate Exports (Proprietary) Limited	Namibia	-	100	100	-	-	-	-
Accumulated loan impairment							(37 699)	(37 672)
					988	988	169	442

Trading activities of Namibia Breweries South Africa (Proprietary) Limited substantially changed in May 2008, which has resulted in the assessment that the subsidiary might not be able to pay back borrowed monies. The loan impairment / reversal is included in operating expenses.

Annexure D - Directors' Emoluments

	2010 N$ 000's Directors fees	2010 N$ 000's Salary	2010 N$ 000's Bonuses	2010 N$ 000's Other Benefits	2010 N$ 000's Pension/ Medical Aid	2010 N$ 000's Total	2009 N$ 000's Total
Executive directors							
CD Duffy	-	-	-	-	-	-	814
J Fitzgerald	-	1 243	267	-	-	1 507	-
D van Jaarsveld	-	572	935	892	200	2 599	1 475
B Kidner	-	1 119	774	399	289	2 581	2 462
Non-executive directors							
BHW Masche	80	-	-	-	-	80	767
CL List	80	-	-	-	-	80	80
E Ender	80	-	-	-	-	80	80
G Mahinda	65	-	-	-	-	65	-
HB Gerdes	110	-	-	-	-	110	110
JJ Campbell	10	-	-	-	-	10	-
NB Blazquez	100	-	-	-	-	100	75
P Grüttemeyer	80	-	-	-	-	80	80
S Thieme	160	-	-	-	-	160	150
TA de Man	75	-	-	-	-	75	75
TZM Hijarunguru	85	-	-	-	-	85	65
Z Mina	95	-	-	-	-	95	90
Total emoluments	1 020	2 934	1 976	1 291	489	7 710	6 323

Notice to Shareholders

Notice is hereby given that the 89th Annual General Meeting of shareholders of the Company will be held in the auditorium of Namibia Breweries Limited, Namibia Breweries premises, Secretaries Iscor Street, Northern Industrial Area, Windhoek on Thursday 2 December 2010 at 08h30 for the following purposes:

1. To receive and consider, and if approved, adopt the Group Annual Financial Statements and the Report of the Independent Auditors for the financial year ended 30 June 2010 as submitted, and to confirm all matters and things undertaken and discharged by the directors on behalf of the Company.

2. To elect directors in place of Messrs S Thieme, H-B Gerdes, B Masche and E Ender who retire by rotation in accordance with the Company's Articles of Association but, being eligible, offer themselves for re-election.

3. To approve the directors remuneration as set out in the financial report.

4. To authorise the directors to determine the auditors' remuneration.

5. To place the unissued 92 471 000 ordinary shares of no par value of the Company under the control of the directors who shall be authorised to allot all or any of those shares at their discretion on such terms and conditions and at such times as they may deem fit.

6. To confirm the payment of a final dividend of 23.0 cents, which had been approved by the directors, to the holders of ordinary shares, registered in the books of the Company at the close of business on 15 October 2009 and payable on 19 November 2010.

7. To transact such other business as may be transacted at an Annual General Meeting. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his or her stead. A proxy need not also be a member of the Company. In order to be effective, proxy forms should be forwarded to reach the registered office of the Company not less than 48 hours prior to the time for the holding of the meeting.

By order of the Board
Ohlthaver and List Centre (Proprietary) Limited
Secretaries

Windhoek
30 October 2010

SHAREHOLDERS' DIARY

Annual General Meeting: Thursday, 2 December 2010 at 08:30

Reports Published

Interim Financial Report	24 March 2010
Abridged Financial Report	30 September 2010
Annual Financial Statements	01 November 2010

Dividends	**Declared**	**Paid**
Interim	24 March 2010	14 May 2010
Final	30 September 2010	19 November 2010

Proxy Form

for the 89th Annual General Meeting of

NAMIBIA BREWERIES LIMITED
Registration number 2/1920

The Secretaries
Namibia Breweries Limited
PO Box 16, Windhoek, Namibia

I/We..(name in full)
of ....(address)
being a shareholder of ....(no. of shares) of the above mentioned Company hereby appoint
(a) .... (name); or failing him/her
(b) .... (name); or failing him/her
(c) .... (name).

or failing him/her, the chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 89th Annual General Meeting of the Company to be held in the auditorium of Namibia Breweries Limited, Namibia Breweries premises, Iscor Street, Northern Industrial Area, Windhoek on Thursday 2 December 2010 at 8h30 and at any adjournment thereof, in particular to vote for/against/abstain* the resolutions contained in the notice of the meeting.

I/we desire as follows:

Item Number *	For	Against	Abstain
1. Adoption of the annual financial statements			
2. Re-election of retiring directors			
S Thieme			
H-B Gerdes			
B Masche			
E Ender			
3. Approval of director's remuneration			
4. Authorisation of directors to approve auditors' remuneration			
5. General authority to the directors to allot and issue shares			
6. Confirmation of the final dividend			

*Please indicate by inserting an ('X') in the appropriate block either "for/against/abstain". If no indication is given, the proxy may vote as he/she deems fit.

Signed at .... this .... day of ....2010.

Signature(s) of shareholder ....

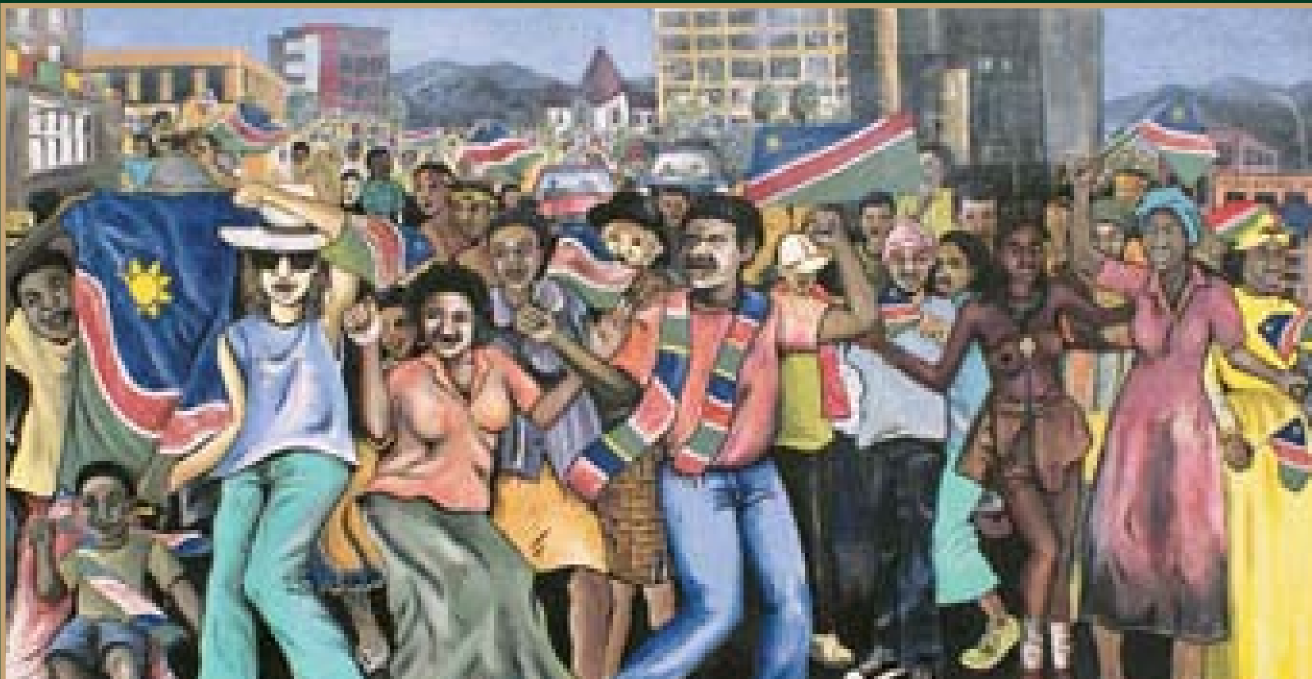
NOTES TO THE PROXY

1. A member entitled to attend and vote at the aforementioned meeting is entitled to appoint a proxy (who need not be a member of the company) to attend, speak and, on a poll, to vote in his/her stead.
2. Shareholders who wish to appoint proxies must lodge their proxy forms at the registered office of the Company not later than 48 hours prior to the time of the meeting.
3. In respect of shareholders which are companies, an extract of the relevant resolution of directors must be attached to the proxy form.

Acknowledgements

We would like to thank the Windhoek Observer, Republikein, The Namibian, Allgemeine Zeitung, New Era and the Economist for their helpful contribution to the NBL Annual Report 2010. Thank you for going out of your way in providing us with great pictures from our country's history.

DV8 SAATCHI & SAATCHI



20 Years of Namibian Independence

90 Years of Exceptional Quality Brewing

Namibia Breweries Limited

Iscor Street
Northern Industrial Area, Windhoek, Namibia
Tel: +264 61 320 4999, Fax: +264 61 263 327
www.namibiabreweries.com