

# ORDINARY SHARE OWNERSHIP

	Number of Shareholders	%	Number of Shares	%
<b>HOLDINGS</b>				
1 - 499	396	29.95	89 915	0.04
500 - 999	207	15.66	124 241	0.06
1 000 - 1 999	301	22.77	351 601	0.17
2 000 - 2 999	153	11.57	338 085	0.16
3 000 - 3 999	25	1.89	83 097	0.04
4 000 - 4 999	21	1.59	88 148	0.04
5 000 - 9 999	106	8.02	640 409	0.32
10 000 shares and above	113	8.55	204 813 504	99.17
	1 322	100.00	206 529 000	100.00
<b>CATEGORY</b>				
Corporate bodies	21	1.59	123 158 767	59.63
Nominee companies	20	1.51	74 649 249	36.15
Private individuals	1 281	96.90	8 720 984	4.22
	1 322	100.00	206 529 000	100.00

## SHAREHOLDER SPREAD

The spread of shares held by non-public and public shareholders was as follows:

	at 30 June 2011 %	at 30 June 2010 %
Non - public shareholders		
- holding company	50.6	50.6
- directors and their associates and trustee of the Company's share purchase trust	2.3	2.3
Public shareholders	47.1	47.1
	100.0	100.0

## MAJOR INDIVIDUAL HOLDINGS

With the exception of nominee holdings, the register of members does not reflect individual beneficial shareholdings at 30 June 2011 in excess of 1% of the total issued capital of the Company.

# 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 accounting policy for the treatment of the DHN Drinks (Pty) Ltd transaction further explained in note 3.1.

## Revenue

Consolidated revenue increased by 4% to N\$1 797.1 million from N\$1 731.1 million for the year ended 30 June 2011. The increase in revenue is primarily driven by the increase in beer volumes in Namibia and other export markets along with price increases in certain markets and changes in sales mix.

## Operating profit

The Group's operating profit for the year ended 30 June 2011 showed an increase of 24% over the previous year. This translates into an operating margin of 21% compared to 18% in the previous year. The Group's cost base has benefited from lower raw material prices, particularly malted barley, continuous focus on our costs and our brewery investments that have improved operating efficiencies.

## Taxation

The taxation charge for the year ended 30 June 2011 was N\$96.0 million compared to N\$71.1 million for the previous year. In the current year taxable profits from exports was a smaller 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 32% over the corresponding period, based on an effective tax rate of 31%. The earnings per share for the year ended 30 June 2011 is 102.3 cents (2010: 77.4 cents).

## Financial position

The net debt to equity ratio remains healthy at 12% and is still within prescribed borrowing capacity of the Group (refer note 31).

## Namibian Market

Volumes in the Namibian market grew by 3% overall for the year, although the second half of the year was significantly impacted by severe flooding in the Northern region. The unusually high amounts of rain received across the country also impacted general consumption. Tafel Lager and Windhoek Draught performed well with both brands delivering significant growth compared to last year. The Windhoek Draught brand was extended into a 750ml returnable pack and this new pack size was launched in September 2010. The success of this new pack size has contributed to the strengthening of our beer portfolio in the Namibian market.

## South Africa

The South African joint venture, DHN Drinks (Pty) Ltd continued to grow despite an increasingly competitive beer market. The extension of Windhoek Draught into a bottle has delivered double digit growth for this brand and has underpinned the overall growth of the Windhoek Trade mark. As expected the operating loss attributable to DHN Drinks (Pty) Ltd decreased compared to the prior year.

## Exports (excluding South Africa)

NBL extended its presence in a number of Southern African countries during the year and growth being driven by the Windhoek Lager and Windhoek Draught beer brands. Our brands continued to grow in Botswana despite the government introducing a 30% alcohol levy in November 2008, which was increased to 40% in December 2010.

## Significant Changes

The Group's joint venture in South Africa continues to perform in line with expectations, the Group has invested in, and 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 a cession of our debtors.

## Cash flows

Net cash flow from operating activities increased from N\$218.4 million in the prior year to N\$223.2 million in the current year. The increase was driven by an increase in volumes and greater efficiencies achieved within working capital. Net cash flow from investing activities increased from a net outflow of N\$247.5 million in the prior year to N\$324.6 million in the current year, due to an increase in our investment in DHN Drinks (Pty) Ltd and plant and equipment. Net cash in flow from financing activities was due to the medium term loan facility (see Annexure A).

# APPROVAL OF FINANCIAL STATEMENTS

## Directors' responsibility statement

The Company's directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, comprising the statements of financial position at 30 June 2011, and the statements of comprehensive income, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, 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 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 consolidated and separate financial statements of the Company, as indicated above, were approved by the board of directors on 12 October 2011 and signed on its behalf by:



S Thieme  
Chairman



DE van Jaarsveld  
Managing Director

# INDEPENDENT AUDITOR'S REPORT

## To the members of Namibia Breweries Limited

We have audited the group annual financial statements of Namibia Breweries Limited, which comprise, the consolidated and separate statement of financial position as at 30 June 2011, the consolidated and separate statement of comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and the report of the directors as set out on pages 49 to 98.

## Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in Namibia and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these 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 about whether the financial statements are free of 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 judgement, 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 principles used and reasonableness of accounting estimates made by the directors, as well as evaluating the overall financial statements presentation.

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, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Namibia Breweries Limited as at 30 June 2011 and of 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 Companies Act in Namibia.



## Deloitte & Touche

Registered Accountants and Auditors  
Chartered Accountants (Namibia)

Per VJ Mungunda  
Windhoek  
12 October 2011

Deloitte Building  
Maerua Mall Complex  
Jan Jonker Road  
Windhoek  
Namibia

**Regional Executives:** GG Gelink (Chief Executive),  
A Swiegers (Chief Operating Officer), GM Pinnock

**Resident Partners:** VJ Mungunda (Managing Partner), RH Mc Donald,  
J Kock, H de Bruin, J Cronjé

**Director:** G Brand

Member of Deloitte Touche Tohmatsu Limited

# 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 and sale of soft drinks.

## 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 accounting policy for the treatment of the DHN Drinks (Pty) Ltd transaction further explained in note 3.1.

## Financial results

The Group's operating profit for the year ended 30 June 2011 showed an increase of 24% over the previous year. This translates into an operating margin of 21%.

## Dividends paid

Details of the ordinary dividends declared, paid and payable in respect of the past year are reflected in note 27 to the financial statements.

## Dividend declaration

In addition to the interim dividend paid in May 2011, the board of directors has decided to propose a final dividend of 25 cents per ordinary share resulting in a total dividend of 50 cents per ordinary share to be paid 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 14th of October 2011 and will be paid on the 18th of November 2011.

## Capital expenditure

Capital expenditure for the year amounted to N\$263.6 million (2010: N\$104.2 million).

## Issued capital

Full details of the authorised and issued capital of the Company at 30 June 2011 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 2 December 2010. In terms of the Companies Act, this authority expires at the forthcoming Annual General Meeting. On 2 December 2011, the members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in December 2012.

## Directorate and secretary

The names of the directors as well as the name and address of the Company's secretary appear on page 6.

## 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 2009 Restated N\$ 000's	at 30 June 2010 Restated N\$ 000's	at 30 June 2011 N\$ 000's		at 30 June 2011 N\$ 000's	at 30 June 2010 Restated N\$ 000's	at 30 June 2009 Restated N\$ 000's	
			Notes				
<b>ASSETS</b>							
<b>Non-current assets</b>							
430 231	472 717	667 230	Property, plant and equipment	4	668 574	474 126	431 705
59 318	48 469	0	Subordinated loans	5			
622	2 717	4 566	Intangible assets	6	4 566	2 717	622
1 430	1 157	868	Investment in subsidiaries	7			
56 387	236 374	316 493	Investment in a joint venture	8	121 359	116 106	14 491
12 899	12 899	12 899	Loans	9	12 899	12 899	12 899
14	14	14	Available-for-sale investments	10	14	14	14
560 901	774 347	1 002 070			807 412	605 862	459 731
<b>Current assets</b>							
20 150	0	0	Investment in a joint venture	8	0	0	20 150
185 814	124 533	151 131	Inventories	11	151 131	124 533	185 814
325 300	264 953	355 766	Trade and other receivables,	12	356 528	264 975	325 717
39 220	144 316	39 086	Cash and cash equivalents	13	91 651	177 023	66 714
18 731	26 560	57 912	Subordinated loans	5	0	0	0
1 361	0	0	Income tax refundable		0	0	0
590 576	560 362	603 895			599 310	566 531	598 395
1 151 477	1 334 709	1 605 965	<b>Total assets</b>		1 406 722	1 172 393	1 058 126
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
1 024	1 024	1 024	Share capital	14	1 024	1 024	1 024
654 355	799 126	983 539	Retained earnings		790 680	676 510	607 758
655 379	800 150	984 563	<b>Ordinary shareholders' equity</b>		791 704	677 534	608 782
<b>Non-current liabilities</b>							
67 372	33 633	185 268	Interest bearing loans and borrowings	15	185 268	5 444	4 469
13 193	14 321	15 436	Post employment medical aid and severance pay benefit plan	16	15 436	14 321	13 193
83 389	83 441	99 913	Deferred taxation liability	17	109 389	105 107	111 935
163 954	131 395	300 617			310 093	124 872	129 597
<b>Current liabilities</b>							
23 692	188 738	31 578	Interest bearing loans and borrowings	15	4 173	153 631	3 033
14 929	0	0	Non-interest bearing loans and obligations		0	0	14 929
267 013	201 503	278 210	Trade and other payables	18	282 287	203 433	272 411
26 510	5 874	725	Derivative financial instruments	19	725	5 874	26 510
0	7 049	10 272	Income tax payable		17 740	7 049	2 864
332 144	403 164	320 785			304 925	369 987	319 747
1 151 477	1 334 709	1 605 965	<b>Total equity and liabilities</b>		1 406 722	1 172 393	1 058 126

# STATEMENTS OF COMPREHENSIVE INCOME

<b>COMPANY</b>				<b>GROUP</b>	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		Notes	for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
1 730 526	1 797 200	<b>Revenue</b>	20	1 797 071	1 731 058
(1 426 249)	(1 420 389)	Operating expenses	21	(1 421 757)	(1 428 092)
304 277	376 811	<b>Operating profit</b>	22	375 314	302 966
(20 577)	(24 134)	Finance costs	23	(14 281)	(12 075)
22 012	22 726	Finance income	24	21 155	18 340
		Equity loss from joint venture	8	(74 867)	(78 372)
305 712	375 403	<b>Profit before income tax</b>		307 321	230 859
(69 895)	(93 873)	Income tax expense	25	(96 034)	(71 061)
235 817	281 530	<b>Profit for the year</b>		211 287	159 798
0	0	Other comprehensive income for the year		0	0
235 817	281 530	<b>Total comprehensive income for the year attributable to equity holders of the parent</b>		211 287	159 798
		<b>Basic earnings per ordinary share (cents)</b>	26.1	102.3	77.4
		<b>Dividends per ordinary share (cents)</b>	27	47.0	44.1

# STATEMENTS OF CASH FLOWS

COMPANY			GROUP	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's	Notes	N\$ 000's	N\$ 000's
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
1 790 873	1 706 387		1 797 224	1 791 800
(1 403 419)	(1 305 015)		(1 395 877)	(1 408 693)
387 454	401 372	28.1	401 347	383 107
(91 046)	(97 117)	28.2	(97 117)	(91 046)
(61 433)	(74 178)	28.3	(81 061)	(73 704)
234 975	230 077		223 169	218 357
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
11 545	11 582		10 011	7 873
(95 120)	(73 005)		(73 005)	(95 120)
(54 250)	4 030		4 030	(54 250)
(27)	0			
273	289			
(83 331)	(195 780)		(195 780)	(83 331)
(20 905)	(67 823)		(67 823)	(20 905)
(2 717)	(3 095)		(3 095)	(2 717)
903	1 037		1 036	904
(243 629)	(322 765)		(324 626)	(247 546)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(20 577)	(24 134)		(14 281)	(12 075)
(18 693)	(40 638)		(4 747)	1 573
150 000	35 113		35 113	150 000
3 020	17 117		0	0
113 750	(12 542)		16 085	139 498
105 096	(105 230)		(85 372)	110 309
39 220	144 316		177 023	66 714
144 316	39 086		91 651	177 023
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>				



# STATEMENTS OF CHANGES IN EQUITY

	Notes	Issued Capital N\$ 000's	Retained Earnings N\$ 000's	Total N\$ 000's
<b>GROUP</b>				
<b>Balance at 1 July 2008</b>		1 024	530 291	531 315
Profit for the year (restated)		0	158 398	158 398
Other comprehensive income for the year		0	0	0
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>		0	158 398	158 398
Dividends to equity holders		0	(80 931)	(80 931)
<b>Balance at 30 June 2009 (restated)</b>		1 024	607 758	608 782
Profit for the year (restated)		0	159 798	159 798
Other comprehensive income for the year		0	0	0
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>		0	159 798	159 798
Dividends to equity holders	28.2	0	(91 046)	(91 046)
<b>Balance at 30 June 2010 (restated)</b>		1 024	676 510	677 534
Profit for the year		0	211 287	211 287
Other comprehensive income for the year		0	0	0
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>		0	211 287	211 287
Dividends to equity holders	28.2	0	(97 117)	(97 117)
<b>Balance at 30 June 2011</b>		1 024	790 680	791 704
<b>COMPANY</b>				
<b>Balance at 1 July 2008</b>		1 024	536 291	537 315
Profit for the year (restated)		0	198 995	198 995
Other comprehensive income for the year		0	0	0
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>		0	198 995	198 995
Dividends to equity holders		0	(80 931)	(80 931)
<b>Balance at 30 June 2009 (restated)</b>		1 024	654 355	655 379
Profit for the year (restated)		0	235 817	235 817
Other comprehensive income for the year		0	0	0
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>		0	235 817	235 817
Dividends to equity holders	28.2	0	(91 046)	(91 046)
<b>Balance at 30 June 2010 (restated)</b>		1 024	799 126	800 150
Profit for the year		0	281 530	281 530
Other comprehensive income for the year		0	0	0
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>		0	281 530	281 530
Dividends to equity holders	28.2	0	(97 117)	(97 117)
<b>Balance at 30 June 2011</b>		1 024	983 539	984 563

# 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 2011 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 12 October 2011.

### (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 17.

### *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 16.

### *Severance benefit obligations*

Severance pay has been provided for all employees. 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 16.

### *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 accounting policy note on depreciation and in Annexure B.

### *Recoverability of investment in Jointly controlled entity*

The Group’s investment in the jointly controlled entity is carried at cost plus post acquisition changes in the Group’s net share of the assets. The recoverability of the investment is determined using discounted cash flow valuation model techniques. The inputs into this model are taken from externally computed values and rates, where this is not possible, management applies judgement in determining the inputs. Such inputs include, but are not limited to, anticipated future industry growth, portfolio growth rates and internally computed discount rates which take into account the Group’s weighted average cost of capital. Changes in the assumptions impacting expected future cash generation could affect the recoverability of the reported investment in the jointly controlled entity.

### 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. During the current year certain amounts were reclassified to allow for better presentation. Where applicable prior year amounts were reclassified accordingly.

#### (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.

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:

	2011	2010
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%	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 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.

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 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.

**(h) Financial instruments (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 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 accrual 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 nor taxable profit or loss; and
- 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.

**(m) Income tax (Continued)**

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.

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**

During the year the Group reassessed its operating segments as the Chief Operating Decision Maker now reviews the financial results of the Group as a whole. Therefore the Group, in terms of IFRS 8, only has one segment. Further divisional information has been provided as additional information.

The Group's operations are located in Namibia. The Group's products are sold on the local market and are exported to South Africa and other African countries.



**(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 31. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in note 31.

**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.

**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 from 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 recognised amount of any 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.



**Adoption of new and revised Standards and Interpretations effective in current year:**

The following Standards and Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current year:

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective for annual periods beginning on or after
IFRS 1	First-time Adoption of International Financial Reporting Standards <i>Amendments relating to oil and gas assets and determining whether an arrangement contains a lease</i>	Revised July 2009	1 January 2010
IFRS 1	First-time Adoption of International Financial Reporting Standards <i>Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters</i>	Revised January 2010	1 July 2010
IFRS 2	Share-based Payment <i>Amendment relating to group-settled share-based payment transactions</i>	June 2009	1 January 2010
IFRS 3	Business Combinations <i>Amendments resulting from May 2010 Annual Improvements to IFRSs</i>	May 2010	1 July 2010
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations <i>Amendments resulting from April 2009 Annual Improvements to IFRSs</i>	April 2009	1 January 2010
IFRS 8	Operating Segments <i>Amendments resulting from April 2009 Annual Improvements to IFRSs</i>	April 2009	1 January 2010
IAS 1	Presentation of Financial Statements <i>Amendments resulting from April 2009 Annual Improvements to IFRSs</i>	April 2009	1 January 2010
IAS 1	Presentation of Financial Statements <i>Amendments resulting from April 2009 Annual Improvements to IFRSs</i>	April 2009	1 January 2010
IAS 17	Leases <i>Amendments resulting from April 2009 Annual Improvements to IFRSs</i>	April 2009	1 January 2010
IAS 27	Consolidated and Separate Financial Statements <i>Amendments resulting from May 2010 Annual Improvements to IFRSs</i>	May 2010	1 July 2010
IAS 32	Financial Instruments: Presentation <i>Amendments relating to classification of rights issues</i>	2009	1 February 2010
IAS 36	Impairment of Assets <i>Amendments resulting from April 2009 Annual Improvements to IFRSs</i>	April 2009	1 January 2010
IAS 39	Financial Instruments: Recognition and Measurement <i>Amendments resulting from April 2009 Annual Improvements to IFRSs</i>	April 2009	1 January 2010
International Financial Reporting Interpretations Committee Interpretations issued but not yet effective			Effective for annual periods beginning on or after
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments		1 July 2010

The adoptions of the above Standards and Interpretations have introduced a number of terminology changes and have resulted in a number of changes in presentation and disclosure. The revised Standard and Interpretations had no impact on the reported results or financial position of the Company.

### Recent Amendments

The following table contains effective dates of IFRS's and recently revised IAS's, which have not been early adopted by the Company and that might affect future financial periods:

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective for annual periods beginning on or after
IFRS 1	First-time Adoption of International Financial Reporting Standards <i>Amendments resulting from May 2010 Annual Improvements to IFRSs</i>	May 2010	1 January 2011
IFRS 1	First-time Adoption of International Financial Reporting Standards <i>Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs'</i>	December 2010	1 July 2011
IFRS 1	First-time Adoption of International Financial Reporting Standards <i>Additional exemption for entities ceasing to suffer from severe hyperinflation</i>	December 2010	1 July 2011
IFRS 7	Financial Instruments: Disclosures <i>Amendments resulting from May 2010 Annual Improvements to IFRSs</i>	May 2010	1 January 2011
IFRS 7	Financial Instruments: Disclosures <i>Amendments enhancing disclosures about transfers of financial assets</i>	October 2010	1 July 2011
IFRS 9	Financial Instruments <i>Classification and Measurement</i>	November 2009	1 January 2013
IFRS 10	Consolidated Financial Statements	May 2011	1 January 2013
IFRS 11	Joint Arrangements	May 2011	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	May 2011	1 January 2013
IFRS 13	Fair Value Measurement	May 2011	1 January 2013

**Changes in International Accounting Standards ("IAS") and IFRS:**

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective for annual periods beginning on or after
IFRS 1	First-time Adoption of International Financial Reporting Standards <i>Amendments resulting from May 2010 Annual Improvements to IFRSs</i>	May 2010	1 January 2011
IFRS 1	First-time Adoption of International Financial Reporting Standards <i>Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs'</i>	December 2010	1 July 2011
IFRS 1	First-time Adoption of International Financial Reporting Standards <i>Additional exemption for entities ceasing to suffer from severe hyperinflation</i>	December 2010	1 July 2011
IFRS 7	Financial Instruments: Disclosures <i>Amendments resulting from May 2010 Annual Improvements to IFRSs</i>	May 2010	1 January 2011
IFRS 7	Financial Instruments: Disclosures <i>Amendments enhancing disclosures about transfers of financial assets</i>	October 2010	1 July 2011
IFRS 9	Financial Instruments <i>Classification and Measurement</i>	November 2009	1 January 2013
IFRS 10	Consolidated Financial Statements	May 2011	1 January 2013
IFRS 11	Joint Arrangements	May 2011	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	May 2011	1 January 2013
IFRS 13	Fair Value Measurement	May 2011	1 January 2013
International Financial Reporting Interpretations Committee Interpretations issued but not yet effective			Effective for annual periods beginning on or after
IFRIC 13	Customer Loyalty Programmes <i>Amendments resulting from May 2010 Annual Improvements to IFRSs</i>		1 January 2011
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction <i>November 2009 Amendments with respect to voluntary prepaid contributions</i>		1 January 2011

The Directors are in the process of evaluating the impact, if any, that the adoption of these standards may have.

### 3.1 Change in accounting policy

During the current year, the Directors re-evaluated the Group's accounting treatment of the DHN Drinks (Pty) Ltd transaction. This evaluation included the Group's policy with regard to the valuation of gains and losses of non-monetary contributions to the joint venture, the accounting policy of the repurchase obligation embedded in the DHN Drinks (Pty) Ltd ("DHN") joint venture agreement as well as the appropriateness of the accounting for deferred operating lease income arising.

#### Cost of investment in joint venture and derivative instrument

As a result of this evaluation, the Group will value the non-monetary contributions to the joint venture (i.e. DHN) at the cost recorded rather than fair value. As all non-monetary contributions made to the joint venture consist of internally generated intangible assets, this change will result in the Group recognising only the cash considerations given and equity injections made.

The Directors believe that the change allows for a more accurate reflection of the substance of the transaction, and that the new policy and disclosures provide a more relevant and fair presentation of the financial transactions and positions relating to the joint venture. In addition, the related repurchase obligation (relating to the potential obligation arising from a change in product mix or the agreement terminating, necessitating a repurchase of the distribution rights by the Group), has been de-recognised. The Directors are of the opinion that in substance this obligation is a derivative over a non-financial asset and, as such it would be more appropriate to assess any potential liability in terms of IAS 37: Provisions, Contingent Liabilities and Contingent Assets. As the obligation only arises upon termination of the agreement, the Directors have assessed the probability of the contract being terminated in the foreseeable future and consider this as being unlikely.

These changes in accounting policy have been applied retrospectively. The effect of the changes on the Statement of Financial Position and the Statement of Comprehensive Income of the Group for each of the financial years presented are shown below. There has been no impact to the amounts reported on the face of the Statement of Cash Flows in any of the periods presented.

	31 December 2010 N\$ 000's	30 June 2010 N\$ 000's	30 June 2009 N\$ 000's	30 June 2008 N\$ 000's
<b>Statement of Financial Position as at</b>				
Decrease in investment in a joint venture	437 299	437 299	437 299	437 299
Decrease in elective derivative liability	188 258	188 258	188 258	188 258

#### Deferred operating lease income

As noted above the Directors have also re-evaluated the nature and substance of the recorded deferred operating lease income liability arising from the DHN transaction, as well as the related income streams arising from amortising this balance to income over time.

As a result of this evaluation, the Directors have concluded that the substance of the transaction is such, that as the contribution of the distribution rights forms part of the initial investment in the joint venture (being the contribution of a non-monetary asset) it would not be appropriate to raise a deferred lease liability and as such the Group has derecognised the deferred operating lease liability and has reversed the related lease income previously recognised.

This restatement has been accounted for retrospectively and the relevant effect of this change is shown below:

	6 months ended 31 December 2010 N\$ 000's	year ended 30 June 2010 N\$ 000's	year ended 30 June 2009 N\$ 000's	year ended 30 June 2008 N\$ 000's
<b>Statement of Financial Position as at</b>				
Decrease in retained earnings	27 062	21 650	10 825	0

#### Statement of Comprehensive Income for the year ended

Decrease in net income:				
Decrease in deferred operating lease income	5 412	10 825	10 825	0
Effect on earnings ratio				
Decrease in earnings & headline earnings per share (cents)	2.6	5.2	5.2	0.0

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>				
<b>At cost</b>				
112 459	115 925	Freehold land and buildings	115 925	112 459
4 716	4 028	Leasehold land and buildings	6 186	6 874
524 227	542 301	Plant and machinery	542 301	524 227
44 997	51 056	Vehicles	51 056	44 997
46 106	35 010	Furniture and equipment	35 010	46 106
71 109	98 651	Returnable containers	98 651	71 109
15 561	189 591	Assets under construction	189 591	15 561
<u>819 175</u>	<u>1 036 562</u>		<u>1 038 720</u>	<u>821 333</u>
<b>Accumulated depreciation and impairment losses</b>				
30 372	31 110	Freehold land and buildings	31 110	30 372
701	1 348	Leasehold land and buildings	2 162	1 450
241 161	260 895	Plant and machinery	260 895	241 161
25 834	31 548	Vehicles	31 548	25 834
30 652	18 535	Furniture and equipment	18 535	30 652
17 738	25 896	Returnable containers	25 896	17 738
<u>346 458</u>	<u>369 332</u>		<u>370 146</u>	<u>347 207</u>
<b>Carrying value</b>				
82 087	84 815	Freehold land and buildings	84 815	82 087
4 015	2 680	Leasehold land and buildings	4 024	5 424
283 066	281 406	Plant and machinery	281 406	283 066
19 163	19 508	Vehicles	19 508	19 163
15 454	16 475	Furniture and equipment	16 475	15 454
53 371	72 755	Returnable containers	72 755	53 371
15 561	189 591	Assets under construction	189 591	15 561
<u>472 717</u>	<u>667 230</u>		<u>668 574</u>	<u>474 126</u>
<b>Leased assets</b>				
Included above are leased vehicles under a number of finance lease agreements, details of which are set out below:				
Vehicles				
14 468	18 311	- at cost	18 311	14 468
(5 922)	(9 401)	- accumulated depreciation	(9 401)	(5 922)
<u>8 546</u>	<u>8 910</u>	Carrying value	<u>8 910</u>	<u>8 546</u>
The leased assets are encumbered in terms of finance lease agreements (see note 30).				
<b>Land and buildings</b>				
Company land and buildings with a carrying value of N\$ 55.5 million (2010: N\$ 55.6 million), were encumbered to secure Company liabilities of N\$27.4 million (2010: N\$ 63.3 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.				

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
<b>5. SUBORDINATED LOANS</b>				
78 049	75 029	Balance at beginning of the year		
(3 020)	(17 117)	Decrease in current year		
75 029	57 912	Balance at end of the year		
48 469	0	Long term portion		
26 560	57 912	Short term portion		
75 029	57 912	Balance at end of the year		
<p>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.</p> <p>On 28 December 2001 the Company also 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.</p> <p>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 Annexure A.</p>				

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
<b>6. INTANGIBLE ASSETS</b>				
<b>At cost</b>				
0	3 005	Automation processes	3 005	0
2 717	2 807	Software licences	2 807	2 717
2 717	5 812		5 812	2 717
<b>Accumulated amortisation</b>				
0	451	Automation processes	451	0
0	795	Software licences	795	0
0	1 246		1 246	0
<b>Carrying value</b>				
0	2 554	Automation processes	2 554	0
2 717	2 012	Software licences	2 012	2 717
2 717	4 566		4 566	2 717
Movement of intangible asset has been detailed in Annexure B.				
<b>7. INVESTMENT IN SUBSIDIARIES (ANNEXURE C)</b>				
988	988	Shares at cost		
(160)	(160)	Loan from subsidiary		
828	828			
329	40	Loan to subsidiaries		
1 157	868			
0	0	Current		
1 157	868	Non-current		
1 157	868	Net investment in subsidiaries		
Aggregated losses of subsidiaries 2011 N\$36.3 million (2010: N\$36.7 million). Income earned by subsidiaries for the year amounted to N\$0.4 million (2010: N\$0.2 million).				
The loans are interest free and have no fixed repayment terms.				

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
		<b>8. INVESTMENT IN A JOINT VENTURE</b>		
99 200	106 314	Loans to joint venture	106 314	99 200
137 174	210 179	Shares at cost	210 179	137 174
0	0	Equity accounted losses	(195 134)	(120 268)
<u>236 374</u>	<u>316 493</u>	Carrying amount of the investment	<u>121 359</u>	<u>116 106</u>
		<b>Disclosed as</b>		
0	0	Current	0	0
236 374	316 493	Non-current	121 359	116 106
<u>236 374</u>	<u>316 493</u>		<u>121 359</u>	<u>116 106</u>
		During 2011 additional shares were acquired 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% and has no fixed repayment terms and is not expected to be received in the next 12 months.		
		Trade receivables from the Joint Venture are disclosed in note 13.		
		<b>Jointly controlled entity - DHN Drinks (Pty) Ltd</b>		
		The Group, through a distribution rights and joint venture agreement with Heineken International B.V. and Diageo Plc, has a shareholding in this jointly controlled entity. The principal activity of this entity is the sale the Venturers' 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:		
		Current assets	117 025	112 556
		Non-current assets	93 093	63 973
			<u>210 118</u>	<u>176 529</u>
		Current liabilities	207 049	174 602
		Non-current liabilities	0	0
			<u>207 049</u>	<u>174 602</u>
		Revenue	558 976	541 581
		Total expenses	(662 951)	(650 902)
		Loss before income tax	(103 975)	(109 321)
		Income tax expense	29 108	30 949
		Net loss	<u>(74 867)</u>	<u>(78 372)</u>



<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
		<b>9. LOANS</b>		
		<b>Loan</b>		
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 directors and employees of the Ohlthaver & List Group. The loans are secured by a pledge of 4.22 million shares (2010: 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 a value equivalent to the closing share price of the pledged shares at year end. Refer to note 32.3. The loan bears no interest and has no repayment terms.		
		<b>10. AVAILABLE-FOR-SALE INVESTMENTS</b>		
		<b>Unlisted investments</b>		
14	14	L&T Ventures (Proprietary) Limited	14	14
14	14	Directors' valuation of unlisted investments	14	14
		<b>11. INVENTORIES</b>		
19 898	32 117	Raw materials	32 117	19 898
16 227	13 760	Work in progress	13 760	16 227
30 218	42 866	Finished products	42 866	30 218
57 611	61 652	Consumable stores	61 652	57 611
579	736	Merchandise	736	579
124 533	151 131		151 131	124 533
		On 30 June 2011 the impairment to inventories amounted N\$2.3 million (2010: N\$17.4 million). The impairment is included in operating expenses in the income statement and is mainly due to redundant spares, changes in packaging design and expired finished products.		
		<b>12. TRADE AND OTHER RECEIVABLES</b>		
81 446	71 690	Trade receivables	72 141	81 446
(5 606)	(6 437)	Allowance for credit losses	(6 437)	(5 606)
109 677	194 194	Receivables from Joint Venture	194 505	109 696
503	1 093	Receivables from holding company and fellow subsidiaries (Note 29.1)	1 093	503
17 726	24 585	Receivables from other related parties (Note 29.2)	24 585	17 726
33 497	48 156	Value added taxation	48 156	33 497
11 974	12 969	Refundable deposits	12 969	11 974
15 736	9 516	Other receivables	9 516	15 739
264 953	355 766		356 528	264 975

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
<b>12. TRADE AND OTHER RECEIVABLES (Continued)</b>				
Trade receivables is shown net of impairment of N\$6.4 million (2010: 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 are pledged as security for the medium term loan disclosed in note 15.				
<b>Movement in the allowance account for impairment losses:</b>				
(5 624)	(5 606)	Balance at the beginning of the year	(5 606)	(5 624)
(1 024)	(2 190)	Charge for the year	(2 190)	(1 024)
777	21	Utilised	21	777
265	1 338	Unused/recovered amounts reversed	1 338	265
<u>(5 606)</u>	<u>(6 437)</u>	Balance at the end of the year	<u>(6 437)</u>	<u>(5 606)</u>
<b>Analysed as follows:</b>				
(5 606)	(6 437)	Individually impaired trade receivables	(6 437)	(5 606)
0	0	Collectively impaired trade receivables	0	0
<u>(5 606)</u>	<u>(6 437)</u>		<u>(6 437)</u>	<u>(5 606)</u>
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 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\$3 134 000 (2010: N\$800 000) 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 does not hold any collateral over these balances.				
<b>13. CASH AND CASH EQUIVALENTS</b>				
29 834	35 551	Cash and bank	66 303	31 122
114 482	3 535	Funds on call	25 348	145 901
<u>144 316</u>	<u>39 086</u>	Cash and cash equivalents at end of the year	<u>91 651</u>	<u>177 023</u>
The carrying amount of these assets approximate their fair value.				

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
		<b>14. SHARE CAPITAL</b>		
		<b>Ordinary - Authorised</b>		
		299 000 000 shares of no par value (2010 - 299 000 000)		
		<b>Ordinary - Issued</b>		
1 024	1 024	206 529 000 shares of no par value (2010 - 206 529 000). All shares issued are fully paid.	1 024	1 024
		The 92 471 000 unissued shares of the Company are under the control of the Directors in terms of a members' resolution dated 2 December 2010. 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 2012. 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.		
		<b>15. INTEREST-BEARING LOANS AND BORROWINGS</b>		
		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.		
		<b>Non-current liabilities</b>		
		<b>Secured</b>		
28 189	0	Loan from related parties (Annexure A)	0	0
0	180 000	Medium term loan (Annexure A)	180 000	0
5 444	5 268	Finance lease liabilities (Note 4) (Annexure A)	5 268	5 444
33 633	185 268		185 268	5 444
		<b>Current liabilities</b>		
		<b>Secured</b>		
150 000	0	Medium term loan (Annexure A)	0	150 000
35 107	27 405	Loan from related parties (Annexure A)	0	0
3 631	4 173	Finance lease liabilities (Annexure A) (Note 4)	4 173	3 631
188 738	31 578		4 173	153 631
		For terms and conditions relating to related party receivables, refer to note 29 and Annexure A.		

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
<b>16. RETIREMENT BENEFIT INFORMATION</b>				
<b>16.1 Retirement fund</b>				
The total value of contributions to the Ohlthaver & List Retirement Fund during the period amounted to:				
6 152	7 286	Members	7 286	6 152
9 667	11 449	Employer contributions	11 449	9 667
<u>15 819</u>	<u>18 735</u>		<u>18 735</u>	<u>15 819</u>
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 2011 and its assets were found to exceed its actuarially calculated liabilities.				
<b>16.2 Post employment medical aid benefit plan</b>				
7 705	7 816	Balance at the beginning of the year	7 816	7 705
674	676	Interest cost	676	674
(17)	717	Actuarial loss / (gain)	717	(17)
(546)	(596)	Benefits paid	(596)	(546)
<u>7 816</u>	<u>8 613</u>	Non current balance at the end of the year	<u>8 613</u>	<u>7 816</u>
The Group provides for post employment medical aid benefits in respect of retired employees. The present value of the provision at 30 June 2011, as determined by using projected unit credit method was N\$8.6 million (2010: N\$7.8 million).				
The principle actuarial assumptions used in determining post employment medical aid benefit obligations for the Group's plan are as follows:				
9.00%	8.75%	Discount rate	8.75%	9.00%
7.50%	7.75%	Healthcare cost inflation	7.75%	7.50%
30	28	Employees	28	30
<b>Sensitivity of results</b>				
1% increase in medical inflation assumption				
786	876	Accrued liability	876	786
10.1%	10.2%	% increase	10.2%	10.1%
71	76	Current service + interest cost in next year	76	71
10.5%	11.3%	% increase	11.3%	10.5%
1% decrease in medical inflation assumption				
(678)	(754)	Accrued liability	(754)	(678)
(8.7%)	(8.8%)	% decrease	(8.8%)	(8.7%)
(61)	(66)	Current service + interest cost in next year	(66)	(61)
(9.0%)	(9.8%)	% decrease	(9.8%)	(9.0%)

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
<b>16. RETIREMENT BENEFIT INFORMATION (Continued)</b>				
<b>16.3 Severance benefit</b>				
5 488	6 505	Balance at the beginning of the year	6 505	5 488
541	576	Current service costs	576	541
603	634	Interest cost	634	603
72	(892)	Actuarial (gain) / loss	(892)	72
(199)	0	Benefits paid	0	(199)
6 505	6 823	Non current balance at the end of the year	6 823	6 505
14 321	15 436	Total Retirement benefit liability	15 436	14 321
The principle actuarial assumptions used in determining severance pay obligations for the Group is as follows:				
9.00%	8.75%	Discount rate	8.75%	9.00%
6.50%	5.75%	Inflation rate	5.75%	6.50%
7.50%	6.75%	Salary Increase Rate	6.75%	7.50%
<b>17. DEFERRED TAXATION</b>				
<b>Deferred taxation liability</b>				
83 389	83 441	Balance at beginning of the year	105 107	111 935
17 641	15 547	Accelerated depreciation for tax purposes	15 561	17 653
4	(212)	Debtors allowances	(212)	4
(24 278)	(4 547)	Consumables	(4 547)	(24 278)
0	(6 646)	Other provisions	(6 646)	0
6 892	12 204	Lease and leaseback rentals	0	0
(535)	(124)	Other leases	(124)	(535)
(384)	(379)	Retirement and severance pay benefit obligations	(379)	(384)
712	629	Intangible assets	629	712
52	16 472	Movement during the year	4 282	(6 828)
83 441	99 913		109 389	105 107
<b>Analysis of deferred taxation liability:</b>				
104 470	120 017	Accelerated depreciation for tax purposes	120 177	104 616
(1 430)	(1 642)	Debtors allowances	(1 642)	(1 430)
8 952	4 405	Consumables	4 405	8 952
(21 520)	(9 316)	Lease and leaseback rentals	0	0
0	(6 646)	Other provisions	(6 646)	0
(3 086)	(3 210)	Other leases	(3 210)	(3 086)
(4 869)	(5 248)	Retirement benefit obligations	(5 248)	(4 869)
924	1 553	Intangible assets	1 553	924
83 441	99 913		109 389	105 107

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
<b>18. TRADE AND OTHER PAYABLES</b>				
87 300	137 245	Trade and other payables	137 561	87 300
98 926	124 275	Accruals	128 036	100 856
11 438	14 647	Returnable packaging deposits	14 647	11 438
3 839	2 043	Payables to related parties	2 043	3 839
<b>201 503</b>	<b>278 210</b>		<b>282 287</b>	<b>203 433</b>
<p>Terms and conditions of the above financial liabilities:</p> <p>For terms and conditions and balances owing to relating to related parties refer to note 29.</p> <p>Trade payables are non-interest bearing and are normally settled on 30-60 day terms.</p> <p>Accruals relates to leave medical bonus electricity and management fee accruals.</p>				
<b>19. DERIVATIVE FINANCIAL INSTRUMENTS</b>				
5 874	726	Forward foreign exchange contracts	726	5 874
Refer to note 33.2 for details of outstanding forward exchange contracts at year end.				
<b>20. REVENUE</b>				
1 725 022	1 776 734	Sale of goods	1 776 734	1 725 282
(38 713)	(29 441)	Discounts allowed	(29 441)	(38 713)
43 413	49 107	Royalty income	49 107	43 413
804	800	Rent received	671	1 076
<b>1 730 526</b>	<b>1 797 200</b>		<b>1 797 071</b>	<b>1 731 058</b>
<b>21. OPERATING EXPENSES</b>				
<b>Costs by nature</b>				
838 115	781 387	Raw material and consumables	781 660	838 358
175 023	212 158	Employment costs	212 158	175 023
187 444	177 002	Administration and marketing expenses	178 032	189 006
133 641	135 126	Railage and transport	135 126	133 641
30 539	49 101	Repairs and maintenance	49 101	30 539
61 460	65 615	Depreciation, amortisation and impairments	65 680	61 525
27	0	Impairment (reversal) of loans	0	0
<b>1 426 249</b>	<b>1 420 389</b>		<b>1 421 757</b>	<b>1 428 092</b>

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
		<b>22. OPERATING PROFIT</b>		
		is arrived at after taking account of		
		<b>Income</b>		
		Net gains on disposal of property, plant and equipment:		
0	102		102	0
		<b>Expenses</b>		
1 269	1 100	Audit fees	1 100	1 269
60 838	64 369	Depreciation	64 369	60 903
622	1 246	Amortisation	1 246	622
7 707	9 385	Directors' emoluments (Annexure D)	9 385	7 707
12 880	17 574	Management fees	17 574	8 413
2 129	2 073	Royalties	2 073	3 780
2 155	491	Technical fees	491	1 682
6 282	5 982	Realised loss on foreign exchange transactions	5 982	6 282
		Operating lease payments		
4 053	6 748	- land and buildings	6 748	4 053
		Net loss on disposal/scraping of property, plant and equipment:		
8	3 327	- plant and machinery	3 327	8
0	459	- furniture and equipment	459	0
11 806	2 291	Impairment of inventories	2 291	11 806
1 024	2 190	Impairment of trade receivables	2 190	1 024
5 874	725	Fair value loss on derivative financial instruments	725	5 874
27	0	Impairment of loans and investments	0	0
		<b>23. FINANCE COSTS</b>		
1 169	0	Bank interest	0	1 169
9 744	13 139	Interest bearing loans	13 139	9 744
1 162	1 142	Finance leases	1 142	1 162
8 502	9 853	Fellow subsidiaries and other related parties	0	0
20 577	24 134	Total finance costs	14 281	12 075
		<b>24. FINANCE INCOME</b>		
5 720	7 512	Interest - bank and funds on call	7 531	7 772
10 467	11 143	- jointly controlled entities	11 143	10 467
5 825	4 071	- fellow subsidiaries and other related parties	2 481	101
22 012	22 726	Total finance revenue	21 155	18 340

COMPANY			GROUP	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
		<b>25. INCOME TAX EXPENSE</b>		
		The major components of income tax expense for the years ended 30 June 2011 and 2010 are:		
(56 474)	(78 712)	Namibian taxation	(80 873)	(57 640)
(13 421)	(15 161)	South African taxation	(15 161)	(13 421)
(69 895)	(93 873)	Total income tax expense in income statement	(96 034)	(71 061)
		<b>Comprising</b>		
(56 422)	(65 131)	Normal taxation - current period: Namibia	(79 482)	(64 468)
0	2 891	- prior period: Namibia	2 891	0
(13 421)	(15 161)	- current period: South Africa	(15 161)	(13 421)
(52)	(13 581)	Deferred taxation - current period: Namibia	(1 391)	6 828
0	(2 891)	- prior period: Namibia	(2 891)	0
(69 895)	(93 873)	<b>Income tax expense</b>	(96 034)	(71 061)
		No provision for normal taxation has been made for certain subsidiaries which have estimated tax losses of N\$36.0 million (2010: N\$36.7 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 associated unused tax losses can be utilised.		
		<b>Estimated tax losses available for</b>		
0	0	Set-off against future taxable income	35 982	36 729
0	0	Less: Applied to offset any deferred taxation liability	0	0
0	0		35 982	36 729
0	0	Utilised to create deferred tax asset	0	0
0	0	Available to reduce future taxable income	35 982	36 729
		<b>Reconciliation of effective tax rate</b>		
%	%		%	%
34.0	34.0	Namibian normal tax rate	34.0	34.0
		(Reduction)/ increase in rate of taxation		
(11.2)	(9.7)	- manufacturing allowances	(11.9)	(14.9)
0.1	0.0	- disallowable expenditure	8.4	12
		- effect of rate differential between tax jurisdictions	(0.2)	0.0
0.0	0.7	- prior year adjustment	0.9	0.0
22.9	25.0	Effective rate of taxation	31.2	30.8



<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
		<b>26. BASIC AND HEADLINE EARNINGS PER ORDINARY SHARE</b>		
		Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by 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
0	0	Shares issued during the year to ordinary shareholders	0	0
206 529	206 529	Weighted average number of shares	206 529	206 529
		Profit attributable to ordinary shareholders	211 286	159 798
		Net loss on the sale of property, plant and equipment (after tax)	2 432	6
		Headline earnings	213 718	159 804
		<b>26.1 Basic earnings per ordinary share (cents)</b>		
235 817	281 530	Profit attributable to ordinary shareholders	211 286	159 798
206 529	206 529	Weighted number of shares in issue (000's)	206 529	206 529
114.2	136.3	Basic earnings per ordinary share (cents)	102.3	77.4
		<b>26.2 Headline earnings per ordinary share (cents)</b>		
		Headline earnings	213 719	159 804
		Weighted average number of shares in issue (000's)	206 529	206 529
		Headline earnings per ordinary share (cents)	103.5	77.4
		<b>27. DIVIDENDS PAID AND PROPOSED</b>		
		In respect of the 2011 financial year		
0	50 582	- interim (25 cents per share, paid 13 May 2011)	50 582	0
0	0	- final (25 cents per share, proposed)	0	0
		In respect of the 2010 financial year		
46 534	0	- interim (23 cents per share, paid 14 May 2010)	0	46 534
0	46 535	- final (23 cents per share, paid 19 November 2010)	46 535	0
		In respect of the 2009 financial year		
0	0	- interim (22 cents per share, paid 15 May 2009)	0	0
44 512	0	- final (22 cents per share, paid 16 November 2009)	0	44 512
91 046	97 117	Dividends to equity holders	97 117	91 046
		The dividends paid and proposed are shown after the elimination of dividends received from unissued shares held in the Share Purchase Trust.		
		<b>Dividend paid per ordinary share (net of share purchase trust)</b>		
21.6	22.5	Final dividend (cents)	22.5	21.6
22.5	24.5	Interim dividend (cents)	24.5	22.5
44.1	47.0		47.0	44.1

COMPANY			GROUP	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
		<b>27. DIVIDENDS PAID AND PROPOSED (Continued)</b>		
		<b>Proposed dividend</b>		
		On 23 September 2011 the directors declared a final dividend of 25 cents (30 September 2010: 23 cents) per ordinary share. This dividend will be paid on 18 November 2011.		
	50 582		50 582	
		<b>28. NOTES TO THE CASH FLOW STATEMENTS</b>		
		<b>28.1 Cash generated by operations</b>		
305 712	375 403	Profit before income tax	307 321	230 859
		Adjustments for:		
60 838	64 369	Depreciation	64 434	60 903
622	1 246	Amortisation	1 246	622
8	3 684	Loss on disposal of property plant and equipment	3 684	8
27	0	Impairment of loan granted to subsidiary		
(20 636)	(5 149)	Fair value adjustment for derivative financial instruments	(5 149)	(20 636)
1 128	1 115	Increase in provisions	1 115	1 128
		Equity accounted losses from joint venture	74 867	78 372
(22 012)	(22 726)	Finance income	(21 155)	(18 340)
20 577	24 134	Finance costs	14 281	12 075
346 264	442 076	Operating profit before working capital changes	440 644	344 991
		Inventories	(26 598)	61 281
61 281	(26 598)	Trade and other receivables	(91 553)	60 742
60 347	(90 813)	Trade and other payables	78 854	(68 978)
(65 509)	76 707	Non-interest bearing loans and borrowings	0	(14 929)
(14 929)	0	Working capital changes	(39 297)	38 116
41 190	(40 704)	Cash generated by operations	401 347	383 107
387 454	401 372			
		<b>28.2 Dividends paid</b>		
		Dividends paid are reconciled to the amounts disclosed in the statement of changes in equity as follows:		
(91 046)	(97 117)	Ordinary dividends per statement of changes in equity	(97 117)	(91 046)
		<b>28.3 Income tax paid</b>		
1 361	(7 049)	Balance at beginning of the year	(7 049)	(2 864)
(69 843)	(77 401)	Current tax charge	(91 752)	(77 889)
7 049	10 272	Balance at end of the year	17 740	7 049
(61 433)	(74 178)	Income tax paid during the year	(81 061)	(73 704)

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
<b>29. RELATED PARTIES</b>				
<p>The holding company of Namibia Breweries Limited is NBL Investment Holdings Limited of which the shareholding is held by Ohlthaver &amp; List Finance and Trading Corporation Limited and Heineken International B.V. and Diageo Plc.</p> <p>The Company's ultimate holding Company is List Trust Company (Proprietary) Limited.</p> <p>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.</p> <p>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 2011 and 2010, refer to notes 5, 7, 8, 9, 12, 15, 16 and 18.</p>				
<b>29.1 Holding company and fellow subsidiaries</b>				
<b>Current assets</b>				
3	9	Broll and List Property Management (Namibia) (Proprietary) Limited	9	3
0	33	Dimension Data (Proprietary) Limited	33	0
57	33	Kilimandjaro Investments (Proprietary) Limited	33	57
216	917	Namibia Dairies (Proprietary) Limited	917	216
89	70	Ohlthaver & List Centre (Proprietary) Limited	70	89
0	9	Olifa Hotels & Resorts Namibia (Pty) Limited	9	0
30	5	W.U.M. Properties Limited t/a Model Pick 'n Pay	5	30
20	9	W.U.M. Properties Limited t/a Namib Sun Hotels	9	20
7	1	W.U.M. Properties Limited t/a O & L Properties Division	1	7
9	7	Wernhill Park (Proprietary) Limited	7	9
72	0	Windhoek Schlachtereij (Proprietary) Limited	0	72
503	1 093		1 093	503

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
<b>29. RELATED PARTIES (Continued)</b>				
<b>29.1 Holding company and fellow subsidiaries (Continued)</b>				
<b>Revenue</b>				
<b>Sales during the year</b>				
69 527	70 257	Heineken South Africa Export Company (Pty) Limited	70 257	69 527
897 884	925 607	DHN Drinks (Proprietary) Limited	925 607	897 884
13 097	12 745	Diageo Great Britain Limited	12 745	13 097
99 776	116 045	Diageo South Africa (Proprietary) Limited	116 045	99 776
0	43	Broll and List Property Management (Namibia) (Proprietary) Limited	43	0
40	375	Kilimandjaro Trading (Proprietary) Limited	375	40
23	1 298	Namibia Dairies (Proprietary) Limited	1 298	23
0	276	Ohlthaver & List Centre (Proprietary) Limited	276	0
0	71	W.U.M. Properties Limited t/a Kraatz Steel Division	71	0
0	320	W.U.M. Properties Limited t/a Model Pick 'n Pay	320	0
87	97	W.U.M. Properties Limited t/a Namib Sun Hotels	97	87
283	0	W.U.M. Properties Limited t/a O & L Properties Division	0	283
0	54	Wernhill Park (Proprietary) Limited	54	0
1 239	0	Windhoek Schlachtereier (Proprietary) Limited	0	1 239
1 081 956	1 127 188		1 127 188	1 081 956
<b>Rent received</b>				
0	0	W.U.M. Properties Limited t/a Model Pick 'n Pay	295	265
1 081 956	1 127 188	<b>Total Revenue from related parties</b>	1 127 483	1 082 221
<b>Current liabilities</b>				
0	37	W.U.M. Properties Limited t/a O & L Farming Division	37	0
4	4	W.U.M. Properties Limited t/a Model Pick 'n Pay	4	4
32	2	Namibia Dairies (Proprietary) Limited	2	32
3 719	1 345	Ohlthaver & List Centre (Proprietary) Limited	1 345	3 719
84	86	ICT Holdings (Proprietary) Limited	86	84
0	569	Dimension Data (Proprietary) Limited	569	0
3 839	2 043		2 043	3 839
<b>Purchases during the year</b>				
81	27	Namibia Dairies (Pty) Ltd	27	81
0	142	Eros Air (Pty) Ltd	142	0
0	345	W.U.M. Properties Limited t/a Namib Sun Division	345	0
1 569	138	W.U.M. Properties Limited t/a O&L Properties Division	138	1 569
0	51	W.U.M. Properties Limited t/a Model Pick 'n Pay	51	0
1 650	703		703	1 650
<b>Interest received</b>				
0	107	O&L Centre (Pty) Ltd	107	0
10 467	11 143	DHN Drinks (Pty) Ltd	11 143	10 467
3 707	9 853	CBONAB and SBN trusts	0	0
14 174	21 103		11 250	10 467
<b>Key management personnel</b>				
For directors' emoluments refer to Annexure D.				

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
		<b>29. RELATED PARTIES (Continued)</b>		
		<b>29.1 Holding company and fellow subsidiaries (Continued)</b>		
		<b>Interest paid</b>		
8 502	9 870	CBONAB and SBN trusts	0	0
0	10	W.U.M. Properties Limited t/a O&L Properties Division	10	0
8 502	9 880		10	0
		<b>Management and shared service fees paid</b>		
9 068	12 865	Ohlthaver & List Trust Company Limited	12 865	9 068
		<b>Directors fees</b>		
325	300	Ohlthaver & List Trust Company Limited	300	325
		<b>Dividends received</b>		
1 891	2 017	Share purchase trust	2 017	1 891
		<b>Subsidiaries</b>		
		Details of the subsidiaries are disclosed in Annexure C.		
		<b>Joint Venture</b>		
		Details of the Joint Venture are disclosed in note 8.		
		<b>Retirement benefit information and post employment medical aid benefit plan</b>		
		Details of the above are disclosed in note 16.		
		<b>Terms and conditions of transactions with related parties</b>		
		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 2011, the Group did not have any impairment losses relating to amounts owed by related parties (2010: Nil).		
		<b>Directors interest</b>		
		At the financial year end the directors were directly and indirectly interested in the Company's issued shares as follows:		
			%	%
		Ordinary shares		
		Directly	0.10	0.06
			0.10	0.06
		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.		

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
<b>29. RELATED PARTIES (Continued)</b>				
<b>29.2 Other related parties</b>				
<b>Management fees paid</b>				
2 170	2 354	Diageo Plc	2 354	2 170
2 170	2 354	Heineken International B.V.	2 354	2 170
4 340	4 708		4 708	4 340
<b>Royalties received</b>				
39 473	46 389	DHN Drinks (Proprietary) Limited	46 389	39 473
457	0	Diageo Great Britain Limited	0	457
3 483	2 718	Diageo South Africa (Proprietary) Limited	2 718	3 483
43 413	49 107		49 107	43 413
<b>Royalties paid</b>				
2 129	2 073	Heineken International B.V.	2 073	2 129
<b>Directors fees</b>				
110	150	Engling, Stritter & Partners	150	110
175	275	Diageo Plc	275	175
170	240	Heineken International B.V.	240	170
455	665		665	445
<b>Current assets</b>				
3 304	7 200	Diageo Great Britain Limited	7 200	3 304
9 113	7 899	Diageo South Africa (Proprietary) Limited	7 899	9 113
5 309	9 486	Heineken South Africa Export Company (Proprietary) Limited	9 486	5 309
17 726	24 585		24 585	17 726
<b>Legal fees</b>				
535	224	Engling, Stritter & Partners	224	535
<b>Technical fees</b>				
1 492	491	Heineken International B.V.	491	1 492

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010	for the year ended 30 June 2011		for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's		N\$ 000's	N\$ 000's
<b>30. CAPITAL COMMITMENTS AND CONTINGENCIES</b>				
<b>Authorised</b>				
27 924	49 881	Contracted for	49 881	27 924
126 076	115 434	Not contracted for	115 434	126 076
154 000	165 315		165 315	154 000
<p>These capital commitments are for the acquisition of new plant and machinery.</p> <p>All these capital commitments will be financed from a mix of own funds and new borrowings.</p>				
7 254	6 221	<b>Guarantees and suretyship</b>	6 221	7 254
<p>The suretyships are issued by First Rand Bank Limited in favour of the South African Revenue Services.</p>				
<b>Finance lease liabilities</b>				
<p>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:</p>				
<b>Minimum lease payments</b>				
4 558	5 008	Within one year	5 008	4 558
6 122	5 876	After one year but not more than five years	5 876	6 122
10 680	10 884	Total minimum lease payments	10 884	10 680
(1 605)	(1 443)	Less amounts representing finance charges	(1 443)	(1 605)
9 075	9 441	Principal minimum lease payments	9 441	9 075
<b>Repurchase obligation</b>				
<p>There exists a potential repurchase obligation relating to the Group's Joint Venture in South Africa. The potential obligation arises from a change in product mix or the Joint Venture agreement terminating, necessitating a repurchase of the distribution rights by the Group. The Directors are of the opinion that in substance this obligation is a derivative over a non-financial asset and as such is assessed in terms of IAS 37: Provisions, Contingent Liabilities and Contingent Assets. The obligation only arises upon termination of the agreement and, in the opinion of the Directors cannot be reliably measured at the reporting date. The Directors have assessed the probability of the contract being terminated in the foreseeable future and consider this as being unlikely.</p>				

### 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal 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 or pay, 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.

#### **31.1 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 32.2 for unutilised forward exchange contracts and uncovered foreign trade receivables and payables at year end.

#### **31.2 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 floating borrowings and placings within market expectations.

Refer to Annexure A and note 32.3 for further detail on interest rates.

#### **31.3 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 (2010: Nil).

Management monitors adherence to payment terms by the joint venture, 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.



**COMPANY**

for the year ended 30 June 2010  
for the year ended 30 June 2011

N\$ 000's N\$ 000's

**GROUP**

for the year ended 30 June 2011  
for the year ended 30 June 2010

N\$ 000's N\$ 000's

**31. FINANCIAL RISK MANAGEMENT  
OBJECTIVES AND POLICIES (Continued)**

**31.3 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:

	%	%
Trading industry	100.00	100.00
Namibia	24.11	24.92
RSA	68.04	62.53
Other export markets	7.85	12.55
	100.00	100.00

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

	Original terms		Changed terms	Past due but not impaired		
	Neither past due Total	Neither past due nor impaired	Neither past due nor impaired	0 - 60 days	60 - 120 days	120 + days
<b>GROUP</b>	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
2011	284 794	254 324	0	25 347	2 528	2 595
2010	203 262	196 929	0	4 895	357	1 081
<b>COMPANY</b>						
2011	285 125	254 655	0	25 347	2 528	2 595
2010	203 243	196 910	0	4 895	357	1 081

**31.4 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.

50% of Shareholder's Equity	395 852	338 767
Less total interest bearing borrowings	(189 441)	(159 075)
Unutilised borrowing capacity	206 411	179 692

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
<b>31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)</b>				
<b>31.5 Capital risk management (Continued)</b>				
<p>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.</p> <p>The capital structure of the company and group consists of debt, which includes the borrowings disclosed in note 15, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital reserves and retained earnings.</p> <p><b>Gearing ratio</b> 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.</p> <p>The gearing ratio at the year end was as follows:</p>				
222 371	216 846	Debt (i)	189 441	159 075
(144 316)	(39 086)	Less: Cash and cash equivalents	(91 651)	(177 023)
78 055	177 760	Net debt	97 790	(17 948)
800 150	984 563	Equity (ii)	791 704	677 534
10%	18%	Net debt to equity ratio	12%	-3%
<p>(i) Debt is defined as long- and short-term borrowings. (ii) Equity includes all capital and reserves of the company.</p>				
<b>32. FINANCIAL INSTRUMENTS</b>				
<b>32.1 Fair values</b>				
<p>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:</p> <p><b>Financial assets</b></p>				
32 513	13 672	Subordinated loans (note 5)		
30 071	13 930	- SBN Trust		
		- CBON Trust		
<p><b>Financial liabilities</b></p>				
		Interest bearing loans and liabilities (note 15)		
		- Loan from related parties		
32 346	15 146	- SBN Trust		
30 167	15 179	- CBON Trust		

**32. FINANCIAL INSTRUMENTS (Continued)**
**32.2 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		Exchange rate		Namibian Dollar amount	
		2011 '000	2010 '000	2011	2010	2011 N\$ '000	2010 N\$ '000
<b>Forward exchange contracts:</b>							
Bought:							
Euro	1 - 12 months	2 256	2 750	10.02	11.69	22 611	32 153
These contracts will be utilised during the next twelve months. No amounts were recognised during the year against equity as a result of cash flow hedges.							
<b>Foreign trade receivables:</b>							
US Dollars		567	588	6.83	7.63	3 873	4 484
Euro		724	361	9.82	9.32	7 114	3 365
						<u>10 987</u>	<u>7 849</u>
<b>Foreign trade payables:</b>							
US Dollars		17	0	10.94	0	190	0
Euro		1 575	398	9.82	9.32	15 469	3 708
						<u>15 659</u>	<u>3 708</u>

**COMPANY**

for the year ended 30 June 2010	for the year ended 30 June 2011
N\$ 000's	N\$ 000's

**GROUP**

for the year ended 30 June 2011	for the year ended 30 June 2010
N\$ 000's	N\$ 000's

**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 following table details the company's sensitivity to a 10% increase and decrease in the Namibia Dollar (N\$) against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and 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.

**Effect on profit before taxation**

3 250	3 097	Euro	3 097	3 250
0	19	British Sterling	19	0
(448)	(368)	US Dollars	(368)	(448)
<u>2 802</u>	<u>2 748</u>		<u>2 748</u>	<u>2 802</u>

0

0

**Effect on equity**

0

0

**32. FINANCIAL INSTRUMENTS (Continued)**
**32.3 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 and 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
<b>2011 - Group</b>						
<b>Financial assets</b>						
Cash and cash equivalents	6.75%	91 651	0	0	0	91 651
Loans	0.00%	0	0	0	12 899	12 899
Loans to joint venture	JIBAR +2.0%	0	106 314	0	0	106 314
Trade and other receivables	0.00%	285 887	0	0	0	285 887
Other investments	0.00%	0	0	0	14	14
		<u>377 538</u>	<u>106 314</u>	<u>0</u>	<u>12 913</u>	<u>496 765</u>
<b>Financial liabilities</b>						
Interest-bearing liabilities	Ref. Anex. A	5 008	183 207	2 670	0	190 885
Derivative financial instruments	0.00%	725	0	0	0	725
Trade and other payables	0.00%	222 901	0	0	0	222 901
		<u>228 634</u>	<u>183 207</u>	<u>2 670</u>	<u>0</u>	<u>414 511</u>
<b>2010 - Group</b>						
<b>Financial assets</b>						
Cash and cash equivalents	6.30%	177 023	0	0	0	177 023
Loans	0.00%	0	0	0	12 899	12 899
Loans to joint venture	JIBAR +2.0%	0	99 200	0	0	99 200
Trade and other receivables	0.00%	231 478	0	0	0	231 478
Other investments	0.00%	0	0	0	14	14
		<u>408 501</u>	<u>99 200</u>	<u>0</u>	<u>12 913</u>	<u>520 614</u>
<b>Financial liabilities (restated)</b>						
Interest-bearing liabilities	Ref. Anex. A	154 558	3 635	2 487	0	160 680
Derivative financial instruments	0.00%	5 874	0	0	0	5 874
Trade and other payables	0.00%	154 223	0	0	0	154 223
		<u>314 655</u>	<u>3 635</u>	<u>2 487</u>	<u>0</u>	<u>320 777</u>

**32. FINANCIAL INSTRUMENTS (Continued)**
**32.3 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
<b>2011 - Company</b>						
<b>Financial assets</b>						
Cash and cash equivalents	6.75%	39 086	0	0	0	39 086
Loans	0.00%	0	0	0	12 899	12 899
Loans to joint venture	JIBAR +2.0%	0	106 314	0	0	106 314
Subordinated loans	6.8%-8.74%	57 912	0	0	0	57 912
Trade and other receivables	0.00%	285 623	0	0	0	285 623
Other investments	0.00%	0	0	0	14	14
		<u>382 621</u>	<u>106 314</u>	<u>0</u>	<u>12 913</u>	<u>501 848</u>
<b>Financial liabilities</b>						
Interest-bearing liabilities	Ref. Anex. A	36 827	183 207	2 670	0	222 704
Derivative financial instruments	0.00%	725	0	0	0	725
Trade and other payables	0.00%	218 824	0	0	0	218 824
		<u>256 376</u>	<u>183 207</u>	<u>2 670</u>	<u>0</u>	<u>442 253</u>
<b>2010 - Company</b>						
<b>Financial assets</b>						
Cash and cash equivalents	6.30%	144 316	0	0	0	144 316
Loans	0.00%	0	0	0	12 899	12 899
Loans to joint venture	JIBAR+2%	0	99 200	0	0	99 200
Subordinated loans	6.8%-8.74%	26 560	48 469	0	0	75 029
Trade and other receivables	0.00%	285 623	0	0	0	285 623
Other investments	0.00%	0	0	0	14	14
		<u>456 499</u>	<u>126 822</u>	<u>0</u>	<u>12 913</u>	<u>617 081</u>
<b>Financial liabilities (restated)</b>						
Interest-bearing liabilities	Ref. Anex. A	195 603	33 365	2 487	0	231 455
Derivative financial instruments	0.00%	5 874	0	0	0	5 874
Trade and other payables	0.00%	152 293	0	0	0	152 293
		<u>353 770</u>	<u>33 365</u>	<u>2 487</u>	<u>0</u>	<u>389 622</u>

Interest rate sensitivity analysis

Refer to Annexure A.

<b>COMPANY</b>			<b>GROUP</b>	
for the year ended 30 June 2010 Restated N\$ 000's	for the year ended 30 June 2011 N\$ 000's		for the year ended 30 June 2011 N\$ 000's	for the year ended 30 June 2010 Restated N\$ 000's
<b>32. FINANCIAL INSTRUMENTS (Continued)</b>				
<b>32.4 Carrying value of financial instruments on the statement of financial position</b>				
<b>Financial assets</b>				
Loans and receivables				
75 029	57 912	- Subordinated loans (note 5)		
329	40	- Loans to subsidiaries (note 7)		
12 899	12 899	- Loans (note 9)	12 899	12 899
99 200	106 316	- Loans to joint venture (note 8)	106 314	99 200
231 456	294 641	- Trade and other receivables (note 12)	295 403	231 478
144 316	39 086	- Cash and cash equivalents (note 13)	91 651	177 023
<u>563 229</u>	<u>510 892</u>		<u>506 267</u>	<u>520 600</u>
Available-for-sale financial assets				
14	14	- Available-for-sale investments (note 10)	14	14
<b>Financial liabilities</b>				
Derivative instruments at fair value through profit or loss				
5 874	725	- Forward foreign exchange contracts (note 19)	725	5 874
Amortised cost				
152 293	218 824	- Trade and other payables	222 901	154 223
222 371	216 846	- Interest bearing loans and borrowings (note 15)	189 441	159 075
<u>374 664</u>	<u>435 670</u>		<u>412 342</u>	<u>313 298</u>
Fair values of financial instruments that are not the same as the carrying amounts are detailed in note 32.1.				
<b>33. SHARE BASED PAYMENTS</b>				
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 previously under IFRS 1 paragraph 25(B) not to 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.				

### 34. DIVISIONAL REPORTING

During the year the Group also reassessed its operating segments as the Chief Operating Decision Maker now reviews the financial results of the Group as a whole. Therefore the Group, in terms of IFRS 8, only has one segment. Further divisional information has been provided as additional information.

Information about these divisions is presented below:

	BEER		SOFTS		RTD'S		OTHER		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	N\$ 000's	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	Restated N\$ 000's
Division revenue	1 666 666	1 620 612	69 637	84 117	53 168	20 238	7 600	6 091	1 797 071	1 731 058
Division expenses	(1 306 783)	(1 327 034)	(67 052)	(82 427)	(45 242)	(16 899)	(2 680)	(1 732)	(1 421 757)	(1 428 092)
<b>Division results</b>	<b>359 883</b>	<b>293 578</b>	<b>2 585</b>	<b>1 690</b>	<b>7 926</b>	<b>3 339</b>	<b>4 920</b>	<b>4 359</b>	<b>375 314</b>	<b>302 966</b>
Unallocated corporate expenses									0	0
<b>Operating profit</b>									375 314	302 966
Finance costs									(14 281)	(12 075)
Finance income									21 155	18 340
Equity loss from Joint Venture									(78 867)	(78 372)
<b>Profit before taxation</b>									303 321	230 859
Taxation									(96 034)	(71 061)
<b>Profit attributable to ordinary shareholders</b>									207 287	159 798
<b>BALANCE SHEET</b>										
<b>Division assets</b>										
Assets	1 173 572	868 713	35 868	32 875	26 362	6 543	3 910	2 564	1 239 712	910 695
Unallocated corporate assets									167 010	261 698
Consolidated total assets									1 406 722	1 172 393
<b>Division liabilities</b>										
Liabilities	273 249	203 029	5 462	4 187	3 707	1 356	594	737	283 012	209 309
Unallocated corporate liabilities									332 006	285 550
Consolidated total liabilities									615 018	494 859

OTHER INFORMATION	BEER	SOFTS	RTD'S	OTHER	TOTAL					
Capital expenditure										
- Property, plant and equipment	263 603	97 431	0	0	321	6 805	2 093	6 805	266 017	111 041
Capital expenditure										
- Intangible asset	3 096	2 716	0	0	0	0	0	0	3 096	2 716
Depreciation	62 211	59 075	1 244	1 218	914	544	65	65	64 434	60 902
Amortisation	1 246	623	0	567	0	0	0	39	1 246	1 229

# ANNEXURE A - SECURED INTEREST-BEARING, LOANS AND BORROWINGS

	EFFECTIVE INTEREST RATE			COMPANY		GROUP	
	2011 %	2010 %	Maturity date	2011 N\$ 000's	2010 N\$ 000's	2011 N\$ 000's	2010 N\$ 000's
<b>PREFERENCE SHARE CAPITAL</b>							
<b>Authorised</b>							
1 000 000 Variable rate redeemable preference shares of N\$0.50 each				500	500	500	500
<b>LOANS FROM RELATED PARTIES</b>							
Fixed rate instruments							
- SBN Trust	13.54	13.54	31/12/2011	14 622	32 861		
- CBONAB Trust	11.61	11.61	31/12/2011	12 783	30 435		
Less: Current portion included in short-term interest-bearing borrowings				(27 405)	(35 107)	0	0
Long-term portion of loans from related parties				0	28 189	0	0
<b>MEDIUM TERM LOAN</b>							
Variable rate instruments							
- FirstRand Bank Limited repayable in 6 equal monthly instalments of R30 000 000 commencing in October 2012 (2010: 6 equal monthly instalments commencing in November 2010)				JIBAR +1.85%	01/04/2013	180 000	150 000
Less: Current portion included in short-term interest-bearing borrowings				0	(150 000)	0	(150 000)
Long-term portion of medium term loans				180 000	0	180 000	0
<b>FINANCE LEASE LIABILITIES</b>							
Variable rate instruments							
- Repayable in monthly instalments of N\$366 000 (2010: N\$416 000)				11.25	11.25	9 441	9 075
Less: Current portion included in short-term interest-bearing borrowings				(4 173)	(3 631)	(4 173)	(3 631)
Long-term portion of finance lease liabilities				5 268	5 444	5 268	5 444
<b>TOTAL NON-CURRENT INTEREST-BEARING BORROWINGS</b>				185 268	33 633	185 268	5 444



	<b>COMPANY</b>		<b>GROUP</b>	
	2011 N\$ 000's	2010 N\$ 000's	2011 N\$ 000's	2010 N\$ 000's
<b>ANALYSIS OF REPAYMENTS INCLUDING INTEREST</b>				
Repayable within:				
year 1	36 827	195 603	5 008	154 558
year 2	183 207	33 365	183 207	3 635
year 3	1 896	1 859	1 896	1 859
year 4	682	542	682	542
Repayable thereafter	92	86	92	86
	<b>222 704</b>	<b>231 455</b>	<b>190 885</b>	<b>160 680</b>
<b>ANALYSIS BY CURRENCY</b>				
South Africa Rands	180 000	150 000	180 000	150 000
Namibia Dollars	42 704	81 455	10 885	10 680

**INTEREST RATE SENSITIVITY ANALYSIS**

The sensitivity analyses have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For variable rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet 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:

<b>Interest received:</b>				
- profit before tax for the year would decrease/increase by:	3 887	2 689	3 370	3 042
- other equity reserves would decrease/increase by:	0	0	0	0
<b>Interest paid</b>				
- profit before tax for the year would decrease/increase by:	(1 902)	(1 364)	(1 902)	(1 364)
- other equity reserves would decrease/increase by:	0	0	0	0

# ANNEXURE B - PROPERTY, PLANT AND EQUIPMENT

	Freehold 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	Assets under construction N\$ 000's	Total N\$ 000's
<b>GROUP</b>								
<b>2011</b>								
<b>Cost</b>								
Balance at beginning of the year	112 459	6 874	524 227	44 997	46 106	71 109	15 561	821 333
Additions	2 778	0	26 788	8 942	4 820	34 800	185 475	263 603
Disposals	0	0	(19 493)	(2 883)	(16 959)	0	0	(39 335)
Breakages and write-offs	0	0	0	0	0	(6 881)	0	(6 881)
Other movements	688	(688)	10 779	0	1 043	(377)	(11 445)	0
Balance at end of the year	115 925	6 186	542 301	51 056	35 010	98 651	189 591	1 038 720
<b>Accumulated depreciation</b>								
Balance at beginning of the year	30 372	1 450	241 161	25 834	30 652	17 738	0	347 207
Depreciation charges	583	867	35 850	7 758	4 295	15 081	0	64 434
Accumulated depreciation on disposals	0	0	(16 106)	(2 044)	(16 464)	0	0	(34 614)
Breakages and write-offs	0	0	0	0	0	(6 881)	0	(6 881)
Other movements	155	(155)	(10)	0	52	(42)	0	0
Balance at end of the year	31 110	2 162	260 895	31 548	18 535	25 896	0	370 146
<b>Carrying amount at end of the year</b>	<b>84 815</b>	<b>4 024</b>	<b>281 406</b>	<b>19 508</b>	<b>16 475</b>	<b>72 755</b>	<b>189 591</b>	<b>668 574</b>
<b>2010</b>								
<b>Cost</b>								
Balance at beginning of the year	99 648	3 720	513 169	46 232	35 184	50 594	14 109	762 656
Additions	5 917	707	10 866	7 073	7 878	56 267	15 528	104 236
Disposals	0	0	(1 421)	(8 308)	(78)	0	0	(9 807)
Breakages and write-offs	0	0	0	0	0	(35 752)	0	(35 752)
Other movements	6 894	2 447	1 613	0	3 122	0	(14 076)	0
Balance at end of the year	112 459	6 874	524 227	44 997	46 106	71 109	15 561	821 333
<b>Accumulated depreciation</b>								
Balance at beginning of the year	29 414	1 306	211 760	26 081	28 543	33 847	0	330 951
Depreciation charges	173	144	31 598	7 162	2 183	19 643	0	60 903
Accumulated depreciation on disposals	0	0	(1 412)	(7 409)	(74)	0	0	(8 895)
Breakages and write-offs	0	0	0	0	0	(35 752)	0	(35 752)
Other movements	785	0	(785)	0	0	0	0	0
<b>Balance at end of the year</b>	<b>30 372</b>	<b>1 450</b>	<b>241 161</b>	<b>25 834</b>	<b>30 652</b>	<b>17 738</b>	<b>0</b>	<b>347 207</b>
<b>Carrying amount at end of the year</b>	<b>82 087</b>	<b>5 424</b>	<b>283 066</b>	<b>19 163</b>	<b>15 454</b>	<b>53 371</b>	<b>15 561</b>	<b>474 126</b>

**ANNEXURE B - PROPERTY, PLANT AND EQUIPMENT**

	Freehold 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	Assets under construction N\$ 000's	Total N\$ 000's
<b>COMPANY</b>								
<b>2011</b>								
<b>Cost</b>								
Balance at beginning of the year	112 459	4 716	524 226	44 997	46 106	71 109	15 561	819 175
Additions	2 778	0	26 788	8 942	4 820	34 800	185 475	263 603
Disposals	0	0	(19 493)	(2 883)	(16 959)	0	0	(39 335)
Breakages and write-offs	0	0	0	0	0	(6 881)	0	(6 881)
Other movements	688	(688)	10 779	0	1 043	(377)	(11 445)	0
Balance at end of the year	115 925	4 028	542 301	51 056	35 010	98 651	189 591	1 036 562
<b>Accumulated depreciation</b>								
Balance at beginning of the year	30 372	701	241 161	25 834	30 652	17 738	0	346 458
Depreciation charges	583	802	35 850	7 758	4 295	15 081	0	64 369
Accumulated depreciation on disposals	0	0	(16 106)	(2 044)	(16 464)	0	0	(34 614)
Breakages and write-offs	0	0	0	0	0	(6 881)	0	(6 881)
Other movements	155	(155)	(10)	0	52	(42)	0	0
Balance at end of the year	31 110	1 348	260 895	31 548	18 535	25 896	0	369 332
<b>Carrying amount at end of the year</b>	<b>84 815</b>	<b>2 680</b>	<b>281 406</b>	<b>19 508</b>	<b>16 475</b>	<b>72 755</b>	<b>189 591</b>	<b>667 230</b>
<b>2010</b>								
<b>Cost</b>								
Balance at beginning of the year	99 648	1 562	513 169	46 232	35 184	50 594	14 109	760 498
Additions	5 917	707	10 866	7 073	7 878	56 267	15 528	104 236
Disposals	0	0	(1 421)	(8 308)	(78)	0	0	(9 807)
Breakages and write-offs	0	0	0	0	0	(35 752)	0	(35 752)
Other movements	6 894	2 447	1 613	0	3 122	0	(14 067)	0
Balance at end of the year	112 459	4 716	524 227	44 997	46 106	71 109	15 561	819 175
<b>Accumulated depreciation</b>								
Balance at beginning of the year	29 414	622	211 760	26 081	28 543	33 847	0	330 267
Depreciation charges	173	79	31 598	7 162	2 183	19 643	0	60 838
Accumulated depreciation on disposals	0	0	(1 412)	(7 409)	(74)	0	0	(8 895)
Breakages and write-offs	0	0	0	0	0	(35 752)	0	(35 752)
Other movements	785	0	(785)	0	0	0	0	0
<b>Balance at end of the year</b>	<b>30 372</b>	<b>701</b>	<b>241 161</b>	<b>25 834</b>	<b>30 652</b>	<b>17 738</b>	<b>0</b>	<b>346 458</b>
<b>Carrying amount at end of the year</b>	<b>82 087</b>	<b>4 015</b>	<b>283 066</b>	<b>19 163</b>	<b>15 454</b>	<b>53 371</b>	<b>15 561</b>	<b>472 717</b>

**GROUP & COMPANY**

The carrying amount of motor vehicles held under finance leases at 30 June 2011 was N\$8 910 000 (2010: N\$8 546 000). Additions during the year include N\$5 113 000 (2010: N\$5 640 000) of motor vehicles held under finance leases.

# ANNEXURE B - INTANGIBLE ASSETS

	20% Automation processes	33% Externally purchased software licences	Total 2011 N\$ 000's	33% Externally purchased software licences	Total 2010 N\$ 000's
<b>GROUP</b>					
<b>Cost</b>					
Balance at beginning of the year	0	2 717	2 717	659	659
Disposals	0	0	0	(659)	(659)
Additions	3 005	90	3 095	2 717	2 717
Balance at end of the year	3 005	2 807	5 812	2 717	2 717
<b>Accumulated amortisation</b>					
Balance at beginning of the year	0	0	0	37	37
Disposals	0	0	0	(659)	(659)
Amortisation charges	451	795	1 246	622	622
Balance at end of the year	451	795	1 246	0	0
<b>Carrying amount at end of the year</b>	<b>2 554</b>	<b>2 012</b>	<b>4 566</b>	<b>2 717</b>	<b>2 717</b>
<b>COMPANY</b>					
<b>Cost</b>					
Balance at beginning of the year	0	2 717	2 717	659	659
Disposals	0	0	0	(659)	(659)
Additions	3 005	90	3 095	2 717	2 717
Balance at end of the year	3 005	2 807	5 812	2 717	2 717
<b>Accumulated amortisation</b>					
Balance at beginning of the year	0	0	0	37	37
Disposals	0	0	0	(659)	(659)
Amortisation charges	451	795	1 246	622	622
Balance at end of the year	451	795	1 246	0	0
<b>Carrying amount at end of the year</b>	<b>2 554</b>	<b>2 012</b>	<b>4 566</b>	<b>2 717</b>	<b>2 717</b>

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

# ANNEXURE C - INTEREST IN SUBSIDIARIES

Subsidiary Company	Country of Incorporation	Issued Capital N\$ 000's	Effective Holding		Interest of Holding Company			
			2011	2010	Shares		Indebtedness	
			%	%	2011 N\$ 000's	2010 N\$ 000's	2011 N\$ 000's	2010 N\$ 000's
<b>BEVERAGES</b>								
Hansa Brauerei (Proprietary) Limited	Namibia	160	100	100	160	160	(160)	(160)
Namibia Breweries South Africa (Proprietary) Limited	South Africa	0	100	100	0	0	37 699	37 699
<b>PROPERTY</b>								
Namundjebo Northgate Properties (Proprietary) Limited	Namibia	0	100	100	828	828	40	329
Northgate Exports (Proprietary) Limited	Namibia	0	100	100	0	0	0	0
Accumulated loan impairment							(37 699)	(37 699)
					988	988	(120)	169

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 repay borrowed monies.

# ANNEXURE D - DIRECTORS' EMOLUMENTS

	2011 N\$ 000's	2011 N\$ 000's	2011 N\$ 000's	2011 N\$ 000's	2011 N\$ 000's	2011 N\$ 000's	2010 N\$ 000's
	Directors' fees	Salary	Bonuses	Other Benefits	Pension/ Medical Aid	Total	Total
<b>Executive directors</b>							
B Kidner	0	1 480	769	532	0	2 781	2 581
D van Jaarsveld	0	474	736	1 124	292	2 626	2 599
J Fitzgerald	0	1 288	900	410	0	2 598	1 507
<b>Non-executive directors</b>							
BHW Masche	80	0	0	0	0	80	80
CL List	110	0	0	0	0	110	80
E Ender	110	0	0	0	0	110	80
G Mahinda	95	0	0	0	0	95	65
HB Gerdes	150	0	0	0	0	150	110
JJ Campbell	20	0	0	0	0	20	10
NB Blazquez	115	0	0	0	0	115	100
S Baraz	45	0	0	0	0	45	0
P Grüttemeyer	110	0	0	0	0	110	80
S Thieme	190	0	0	0	0	190	160
TA de Man	130	0	0	0	0	130	75
TZ Hjarunguru	115	0	0	0	0	115	85
Z Mina	110	0	0	0	0	110	95
Total emoluments	1 380	3 242	2 405	2 066	292	9 385	7 707

# NOTICE TO SHAREHOLDERS

Notice is hereby given that the 90th 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 1 December 2011 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 2011 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 D van Jaarsveld, J Fitzgerald, Z Mina and G Mahinda 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 25.0 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 14 October 2011 and payable on 18 November 2011.
7. To approve the Special Resolution to amend the company's Articles of Association so as to grant members the right and option to choose the media format in which they wish to receive the Financial Statements.  
**Resolved that**, as a special resolution in terms of section 67 of the Companies Act, the articles of association of the Company be and are hereby amended by -

- the creation of a new sub section in the Articles of Association after section 108 named "*FORMAT OF MEDIA FOR CORRESPONDENCE*";
- the insertion of the following new article 108 immediately after the newly created sub section: "*108 The company is allowed to request all shareholders and debenture holders or bond holders who in terms of articles 95 and 96 are entitled to receive a copy of the Interim*

*Reports and Annual Financial Statements and Directors Report to advise the Company by way of an electronic mail or reply paid letter (i.e. a fold over insert with provision of name address and ID number) the format of media the said person, etc would like to receive the Interim Reports and Financial Statements and Directors Report."*

- the insertion of the following new article 109: "*109 With reference to section 108, only one of the following media formats may be selected- electronic format distributed by electronic mail; or electronic format posted on a website with a sms/text notification; or hardcopy format mailed through the postal system."*
8. 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

12 October 2011

## Shareholders' Diary

Annual General Meeting: Thursday, 1 December 2011 at 08h30

## Reports Published

Interim Financial Report	25 March 2011
Abridged Financial Report	23 September 2011
Annual Financial Statements	12 October 2011

## Dividends

Interim

Final

## Declared

25 March 2011

23 September 2011

## Paid

13 May 2011

18 November 2011

# PROXY FORM

for the 90th 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 90th 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 1 December 2011 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			
<i>D van Jaarsveld</i>			
<i>J Fitzgerald</i>			
<i>Z Mina</i>			
<i>G Mahinda</i>			
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			
7. Approval of Special Resolution to amend articles to permit shareholders the ability to elect the format they wish to receive the financial statements.			

\*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 2011.

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.







Namibia Breweries Limited

Iscor Street  
Northern Industrial Area, Windhoek, Namibia  
Tel: +264 61 320 4999, Fax: +264 61 263 327  
[www.namibiabreweries.com](http://www.namibiabreweries.com)

