Sechaba Brewery Holdings Limited
Financial Performance Overview

Profit for the Year +8.5%
Share of Results of Associate +8.1%
Total Comprehensive Income +2.8%
Earnings Per Share +8.5%
KBL Total Volumes -0.2%
Total Net Dividend Per Share +9%

Total Net Dividend Per Share +9%
KBL Volumes Overview

Total Volume Growth

<table>
<thead>
<tr>
<th></th>
<th>F'12</th>
<th>F'13</th>
<th>F'14</th>
<th>F'15</th>
<th>F'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>6.8%</td>
<td>8.3%</td>
<td>1.9%</td>
<td>4.9%</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

Beer Volume Growth

<table>
<thead>
<tr>
<th></th>
<th>F'12</th>
<th>F'13</th>
<th>F'14</th>
<th>F'15</th>
<th>F'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>17.3%</td>
<td>19.1%</td>
<td>12.1%</td>
<td>6.1%</td>
<td>7.9%</td>
</tr>
</tbody>
</table>

SSD Volume Growth

<table>
<thead>
<tr>
<th></th>
<th>F'12</th>
<th>F'13</th>
<th>F'14</th>
<th>F'15</th>
<th>F'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>1.3%</td>
<td>-1.6%</td>
<td>-0.4%</td>
<td>12.4%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

Opaque Volume Growth

<table>
<thead>
<tr>
<th></th>
<th>F'12</th>
<th>F'13</th>
<th>F'14</th>
<th>F'15</th>
<th>F'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>5.1%</td>
<td>-24.6%</td>
<td>-9.3%</td>
<td>-4.3%</td>
<td>-16.0%</td>
</tr>
</tbody>
</table>

F16 Category Volume Contribution

- Clear Beer: 31%
- Opaque: 29%
- SSD: 34%
- NAB: 4%
- AFB: 2%
• Overall F16 volumes grew by a respectable 7.9%, although Out-of-Stocks did constrain overall performance considerably.

• The growth was driven by the success of the 750ml Returnable Glass Bottle bulk pack at +6% and the phenomenal success of the 440ml Can

• Carling Black Label continued to be KBL’s flagship brand with a growth of +16% on PY

• Castle Lite volume grew by +4% on PY.

• St Louis Lager is on the road to recovery and the brand finished 9% up on PY
Brand Coke suffered a slight decline -0.93% but still maintained a favourable contribution. Coke 2000ml PET grew by 7%. This pack was supported by the 1000ml PET.

**PACK PERFORMANCE**

- Market share under pressure driven by the success of the imported products, House Brands, and B Brands.
- New pack introduction 600ml/1.25l PET.
• Decline in volumes were driven by the continued effect of water shortages which lead to 16% decline vs PY.

• Performance in the Northern part of the country was pleasing

• Impact of water shortage

• Chibuku 2L pack continued to show growth and contributed 23% to the mix. The 1L carton remains the key pack at 74% contribution and is still popular with our core Chibuku consumer.

• The outlook for F17 is optimistic based on the recent stability and predictability of water supply

• Regulations
Alcoholic Fruit Beverages Performance

- AFBs performed exceptionally and in line with expectations. RVL was at the helm of the growth and was well supported by Core Original.

- Great strides were made in reducing OOS by improving plant capacity.

- AFB growth was driven primarily by the 660ml Rb pack,

- New Product launch (Flying Fish).

- Redds Apple made good inroads after a rocky start.

95.7%
## KBL Capex Expenditure

<table>
<thead>
<tr>
<th>Description</th>
<th>F14 ‘000</th>
<th>F15 ‘000</th>
<th>F16 ‘000</th>
<th>F17 Bud ‘000</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Bottle Line (incl. RGB conv.)</td>
<td>89,960</td>
<td>7,457</td>
<td>59,004</td>
<td>62,250</td>
</tr>
<tr>
<td>Beer Powder expansion</td>
<td>-</td>
<td>-</td>
<td>4,319</td>
<td>10,680</td>
</tr>
<tr>
<td>PET Line</td>
<td>55,815</td>
<td>3,853</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Containers</td>
<td>46,300</td>
<td>46,451</td>
<td>27,743</td>
<td>38,440</td>
</tr>
<tr>
<td>Warehouse Extensions</td>
<td>30,480</td>
<td>19,675</td>
<td>28,689</td>
<td>-</td>
</tr>
<tr>
<td>Coolers &amp; Ice Boxes</td>
<td>12,990</td>
<td>4,912</td>
<td>6,578</td>
<td>3,740</td>
</tr>
<tr>
<td>Production/Technical Capex</td>
<td>40,870</td>
<td>47,069</td>
<td>50,522</td>
<td>66,826</td>
</tr>
<tr>
<td>Fleet replacement and expansion</td>
<td>6,415</td>
<td>10,388</td>
<td>19,151</td>
<td>27,327</td>
</tr>
<tr>
<td>Opaque outlet development</td>
<td>8,510</td>
<td>1,869</td>
<td>1,532</td>
<td>1,500</td>
</tr>
<tr>
<td>Other</td>
<td>1,797</td>
<td>13,793</td>
<td>11,988</td>
<td>13,930</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>P293,137</strong></td>
<td><strong>P155 467</strong></td>
<td><strong>P206,526</strong></td>
<td><strong>P223,693</strong></td>
</tr>
</tbody>
</table>
KBL Marketing Initiatives F16

• Castle lager field of dreams off premise consumers won a chance to attend the COSAFA game in South Africa

• Keone Mooka Mageu “Win a day with Thobo the mealie

• Fresh Festival campaign which was aimed at celebrating summer.

• Castle Lite held the Republic of Extra Cold promotion that sent 12 consumers to the extraordinary Stanley Island in Plettenberg Bay for the ultimate day-to-night extra cold brand experience. The campaign was supported with a series of activations in image on outlets and bottle stores through POS implementation and brand ambassadors.
A Thriving World
• Increase women at KBL Executive and Managerial Levels
• Retailer Development Programme. Our target is to have trained 1000 retailers by 2020 over a four-day training program.
• KickStart youth enterprise development programme

A Sociable World
• Aim to reach 100% beer consumers with responsible consumption campaigns by 2020
• Aim to engage 100% youth on responsible consumption and curb underage alcohol appeal
• Aim to drive road safety campaigns

A Resilient World
• Collaboration with stakeholders to address water shortages
• Beer water efficiency targets to further reduce water/HL
• Reuse pasteurized water for cooling and condensation at Soft drinks plant
• Optimization of water treatment and reuse of rinse water

A Clean World
• 98% of brewery waste is recycled
• We aim to have reduced fuel emissions from energy use by 50% (per HL/beer produced) by 2020
• Aim to packaging and refrigeration carbon footprint by 25% by 2020
• Focus on deriving value from renewable waste
• Improve percentage of returnable bottles

A Productive World
• Aim to support responsible, sustainable use of land for brewing crops
• Create secure and sustainable supply chains
• Help farmers increase productivity, profitability and social development
• Improve food security for small scale farmers
Alcohol Responsibility Roadshows

• Over 30 direct engagement roadshows held across the country including – Gantsi, Maun, Francistown, Phikwe, Mahalapye, Jwaneng, Gaborone, Kanye, Ramotswa, Mochudi and Lobatse

• Ikgalemele Press and Radio consumer campaigns

• Ikgalemele stakeholder-partnered road safety campaigns

• Responsible Retailer Training (Bar owners)
The Coca-Cola Company, SABMiller plc and Gutsche Family Investments announce that they had agreed to combine the bottling operations of their non-alcoholic ready-to-drink beverages businesses in Southern and East Africa.

Having received all necessary approvals, the merger parties officially completed the transaction on 2 July, 2016.

First day of operations 4 July 2016 and is headquartered in South Africa.

The new company will produce and distribute approximately 40% of all Coca-Cola beverage volumes in Africa more than 30 African bottling plants.

CCBA will serve 14 high growth countries. In the first phase of the merger, which is now complete, the countries are South Africa, Namibia, Kenya, Uganda, Tanzania, Ethiopia, Mozambique, Ghana, Mayotte, Comoros and Nigeria.

Second phase: Botswana, Swaziland and Zambia are expected to join CCBA in the next 12 to 18 months.

Regulatory and shareholder approval necessary
AB InBev/SABMiller Transaction

• Nov 2015 – AB Inbev (the world’s biggest brewer) formally announces deal to buy SABMiller Plc (second largest brewer)

• Deal would create the first truly global beer company with complementary geographic footprint with access to high-growth regions, notably Africa.

• The deal will create the world’s largest brewer, with a nearly 30% market share.

• SABMiller Board unanimously reached agreement for the cash offer of £44.00 /share. Total transaction value $104 billion.

• The transaction is subject to various regulatory and shareholder approvals

• Global competition authority approvals rolling in.
  – Approved 16 jurisdictions incl. South Africa, Europe, US
  – Pending: China.
Alcohol Levy
Alcohol Levy - History and Status Quo

- New levy was gazzetted with the effect date 1 April 2016
- New calculation method will have a negative impact
- Engagement ongoing
  - Mutual understanding between KBL and Government on the impact
  - Final proposals /suggestion to be presented before the end of July

Way Forward?
Thank you