



**Nigerian Breweries Plc**

RC: 613

**Unaudited Condensed Interim Financial Statements**

**For the Nine Months Ended 30<sup>th</sup> September, 2017**

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**CONDENSED INTERIM INCOME STATEMENT**

**For the three-month period ended**

|  |       | 30 <sup>th</sup><br>September,<br>2017 | 30 <sup>th</sup><br>September,<br>2017 | 30 <sup>th</sup><br>September,<br>2016 | 30 <sup>th</sup><br>September,<br>2016 |
|--|-------|--|--|--|--|
|  |       | Group                                  | Company                                | Group                                  | Company                                |
|  | Notes | 2017                                   | 2017                                   | 2016                                   | 2016                                   |
|  |       | ₦'000                                  | ₦'000                                  | ₦'000                                  | ₦'000                                  |
| Revenue                                  |       | 73,679,960                             | 73,679,960                             | 65,343,292                             | 65,343,292                             |
| Cost of Sales                            | 5     | (48,324,139)                           | (48,324,139)                           | (41,923,944)                           | (41,923,944)                           |
| <b>Gross Profit</b>                      |       | <b>25,355,821</b>                      | <b>25,355,821</b>                      | <b>23,419,348</b>                      | <b>23,419,348</b>                      |
| Other Income                             |       | 212,412                                | 212,412                                | 118,327                                | 118,327                                |
| Marketing and Distribution Expenses      | 5     | (16,017,131)                           | (16,017,131)                           | (13,881,000)                           | (13,881,000)                           |
| Administrative Expenses                  | 5     | (6,571,732)                            | (6,570,482)                            | (5,638,996)                            | (5,637,496)                            |
| <b>Results from operating activities</b> |       | <b>2,979,369</b>                       | <b>2,980,619</b>                       | <b>4,017,678</b>                       | <b>4,019,178</b>                       |
| Finance income                           | 6a    | 37,988                                 | 37,988                                 | 74,100                                 | 74,100                                 |
| Finance costs                            | 6b    | (2,648,166)                            | (2,664,908)                            | (1,844,534)                            | (1,858,980)                            |
| <b>Net Finance costs</b>                 |       | <b>(2,610,178)</b>                     | <b>(2,626,920)</b>                     | <b>(1,770,434)</b>                     | <b>(1,784,880)</b>                     |
| Profit before tax                        |       | <b>369,191</b>                         | <b>353,699</b>                         | <b>2,247,244</b>                       | <b>2,234,298</b>                       |
| Income tax expenses                      | 7     | (109,299)                              | (104,341)                              | (1,202,341)                            | (1,198,198)                            |
| <b>Profit after tax</b>                  |       | <b>259,892</b>                         | <b>249,358</b>                         | <b>1,044,903</b>                       | <b>1,036,100</b>                       |
| Profit for the year attributable to:     |       |  |  |  |  |
| Owners of the Company                    |       | 258,765                                | 249,358                                | 1,043,961                              | 1,036,100                              |
| Non-controlling interest                 |       | 1,127                                  |  | 942                                    | -                                      |
| <b>Profit for the period</b>             |       | <b>259,892</b>                         | <b>249,358</b>                         | <b>1,044,903</b>                       | <b>1,036,100</b>                       |
| Earnings per share                       |       |  |  |  |  |
| Basic Earnings per share (kobo)          |       | 3                                      | 3                                      | 13                                     | 13                                     |
| Diluted earnings per share (kobo)        |       | 3                                      | 3                                      | 13                                     | 13                                     |

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the three-month period ended,

|   | 30th<br>September,<br>2017 | 30th<br>September,<br>2017 | 30th<br>September,<br>2016 | 30th<br>September,<br>2016 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | Group                      | Company                    | Group                      | Company                    |
| Notes   | 2017                       | 2017                       | 2016                       | 2016                       |
|   | ₦'000                      | ₦'000                      | ₦'000                      | ₦'000                      |
| <b>Profit for the period</b>                                    | <b>259,892</b>             | <b>249,358</b>             | <b>1,044,903</b>           | <b>1,036,100</b>           |
| Other comprehensive income, net of tax                          |                            |                            |                            | -                          |
| Total comprehensive income for the period                       | <b>259,892</b>             | <b>249,358</b>             | <b>1,044,903</b>           | <b>1,036,100</b>           |
| <b>Total comprehensive income for the year attributable to:</b> |                            |                            |                            |                            |
| Owners of the Company   | 258,765                    | 249,358                    | 1,043,961                  | 1,036,100                  |
| Total comprehensive income for the period                       | <b>258,765</b>             | <b>249,358</b>             | <b>1,043,961</b>           | <b>1,036,100</b>           |

The notes on pages 13 to 17 are an integral part of these interim financial statements.

**CONDENSED INTERIM INCOME STATEMENT**

For the Nine-month period ended,

|  |       | 30 <sup>th</sup><br>September,<br>2017 | 30 <sup>th</sup><br>September,<br>2017 | 30 <sup>th</sup><br>September,<br>2016 | 30 <sup>th</sup><br>September,<br>2016 |
|--|-------|--|--|--|--|
|  |       | Group                                  | Company                                | Group                                  | Company                                |
|  | Notes | 2017                                   | 2017                                   | 2016                                   | 2016                                   |
|  |       | ₦'000                                  | ₦'000                                  | ₦'000                                  | ₦'000                                  |
| Revenue                                  |       | 254,689,997                            | 254,689,997                            | 222,716,888                            | 222,716,888                            |
| Cost of Sales                            | 5     | (148,000,286)                          | (148,000,286)                          | (125,314,963)                          | (125,314,963)                          |
| <b>Gross Profit</b>                      |       | <b>106,689,711</b>                     | <b>106,689,711</b>                     | <b>97,401,925</b>                      | <b>97,401,925</b>                      |
| Other Income                             |       | 2,030,663                              | 2,030,663                              | 402,290                                | 402,290                                |
| Marketing and Distribution Expenses      | 5     | (49,415,270)                           | (49,415,270)                           | (43,356,685)                           | (43,356,685)                           |
| Administrative Expenses                  | 5     | (17,008,236)                           | (17,004,236)                           | (16,488,806)                           | (16,484,806)                           |
| <b>Results from operating activities</b> |       | <b>42,296,867</b>                      | <b>42,300,867</b>                      | <b>37,958,724</b>                      | <b>37,962,724</b>                      |
| Finance income                           | 6a    | 124,685                                | 124,685                                | 325,696                                | 325,696                                |
| Finance costs                            | 6b    | (7,993,765)                            | (8,040,584)                            | (10,488,223)                           | (10,530,297)                           |
| <b>Net Finance costs</b>                 |       | <b>(7,869,080)</b>                     | <b>(7,915,899)</b>                     | <b>(10,162,527)</b>                    | <b>(10,204,601)</b>                    |
| Profit before tax                        |       | <b>34,427,787</b>                      | <b>34,384,968</b>                      | <b>27,796,197</b>                      | <b>27,758,123</b>                      |
| Income tax expenses                      | 7     | (10,416,863)                           | (10,403,161)                           | (7,684,553)                            | (7,657,467)                            |
| <b>Profit after tax</b>                  |       | <b>24,010,924</b>                      | <b>23,981,807</b>                      | <b>20,111,644</b>                      | <b>20,100,656</b>                      |
| Profit for the year attributable to:     |       |  |  |  |  |
| Owners of the Company                    |       | 24,007,809                             | 23,981,807                             | 20,110,468                             | 20,100,656                             |
| Non-controlling interest                 |       | 3,115                                  |  | 1,176                                  | -                                      |
| <b>Profit for the period</b>             |       | <b>24,010,924</b>                      | <b>23,981,807</b>                      | <b>20,111,644</b>                      | <b>20,100,656</b>                      |
| Earnings per share                       |       |  |  |  |  |
| Basic Earnings per share (kobo)          |       | 300                                    | 300                                    | 254                                    | 254                                    |
| Diluted earnings per share (kobo)        |       | 300                                    | 300                                    | 254                                    | 254                                    |

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME**

**For the Nine-month period ended**

|   | <b>30th<br/>September,<br/>2017</b> | <b>30th<br/>September,<br/>2017</b> | <b>30th<br/>September<br/>2016</b> | <b>30th<br/>September<br/>2016</b> |
|---|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
|   | <b>Group</b>                        | <b>Company</b>                      | <b>Group</b>                       | <b>Company</b>                     |
| Notes   | <b>2017</b>                         | <b>2017</b>                         | <b>2016</b>                        | <b>2016</b>                        |
|   | <b>₦'000</b>                        | <b>₦'000</b>                        | <b>₦'000</b>                       | <b>₦'000</b>                       |
| <b>Profit for the period</b>                                    | <b>24,010,924</b>                   | <b>23,981,807</b>                   | <b>20,111,644</b>                  | <b>20,100,656</b>                  |
| Other comprehensive income, net of tax                          |                                     |                                     |                                    | -                                  |
| Total comprehensive income for the period                       | <b>24,010,924</b>                   | <b>23,981,807</b>                   | <b>20,111,644</b>                  | <b>20,100,656</b>                  |
| <b>Total comprehensive income for the year attributable to:</b> |                                     |                                     |                                    |                                    |
| Owners of the Company   | 24,007,809                          | 23,981,807                          | 20,110,468                         | 20,100,656                         |
| Total comprehensive income for the period                       | <b>24,007,809</b>                   | <b>23,981,807</b>                   | <b>20,110,468</b>                  | <b>20,100,656</b>                  |

The notes on pages 13 to 17 are an integral part of these interim financial statements.

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT:**

|                                | Notes | 30th September 2017 |                    | 31st December 2016 |                    |
|--------------------------------|-------|---------------------|--------------------|--------------------|--------------------|
|                                |       | Group               | Company            | Group              | Company            |
|                                |       | 2017                | 2017               | 2016               | 2016               |
|                                |       | ₦'000               | ₦'000              | ₦'000              | ₦'000              |
| <b>ASSETS</b>                  |       |                     |                    |                    |                    |
| Property, plant and equipment  | 8     | 180,801,409         | 180,620,159        | 191,181,700        | 190,996,700        |
| Intangible assets and goodwill |       | 98,450,025          | 98,450,025         | 99,477,826         | 99,477,826         |
| Investments                    |       | 150,000             | 829,625            | 150,000            | 829,625            |
| Other receivables              |       | 563,230             | 563,230            | 623,331            | 623,331            |
| Prepayments                    |       | 9,023,697           | 9,023,697          | 1,154,399          | 1,154,399          |
| <b>Non-current assets</b>      |       | <b>288,988,361</b>  | <b>289,486,736</b> | <b>292,587,256</b> | <b>293,081,881</b> |
| Inventories                    |       | 49,985,698          | 49,985,698         | 31,244,703         | 31,244,703         |
| Trade and other receivables    |       | 24,778,702          | 24,778,702         | 19,974,024         | 19,974,024         |
| Prepayments                    |       | 637,834             | 637,834            | 301,169            | 301,169            |
| Deposit for imports            |       | 6,071,975           | 6,071,975          | 8,429,048          | 8,429,048          |
| Cash and cash equivalents      |       | 14,991,250          | 14,990,072         | 12,156,432         | 12,155,254         |
| Assets held for sale           | 9     | -                   | -                  | 2,453,836          | 2,453,836          |
| <b>Current assets</b>          |       | <b>96,465,459</b>   | <b>96,464,281</b>  | <b>74,559,212</b>  | <b>74,558,034</b>  |
| <b>Total assets</b>            |       | <b>385,453,820</b>  | <b>385,951,017</b> | <b>367,146,468</b> | <b>367,639,915</b> |

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT: (Cont'd)**

|   | Notes | 30th September 2017 |                    | 31st December 2016 |                    |
|---|-------|---------------------|--------------------|--------------------|--------------------|
|   |       | Group               | Company            | Group              | Company            |
|   |       | 2017                | 2017               | 2016               | 2016               |
|   |       | ₦'000               | ₦'000              | ₦'000              | ₦'000              |
| <b>EQUITY</b>                                       |       |                     |                    |                    |                    |
| Share capital                                       |       | 3,998,451           | 3,998,451          | 3,964,551          | 3,964,551          |
| Share premium                                       |       | 73,770,356          | 73,770,356         | 64,950,103         | 64,950,103         |
| Share based payment reserve                         |       | 568,758             | 568,758            | 571,106            | 571,106            |
| Retained earnings                                   |       | 99,894,437          | 99,844,509         | 96,343,708         | 96,319,782         |
| <b>Equity attributable to owners of the company</b> | 11    | <b>178,232,002</b>  | <b>178,182,074</b> | <b>165,829,468</b> | <b>165,805,542</b> |
| <b>Non-controlling interest</b>                     |       | <b>87,415</b>       |                    | <b>84,300</b>      | <b>-</b>           |
| <b>Total Equity</b>                                 |       | <b>178,319,417</b>  | <b>178,182,074</b> | <b>165,913,768</b> | <b>165,805,542</b> |
| <b>LIABILITIES</b>                                  |       |                     |                    |                    |                    |
| Loans and borrowings                                |       | 28,000,000          | 28,000,000         | 17,000,000         | 17,000,000         |
| Employee benefits                                   |       | 10,389,084          | 10,389,084         | 10,101,065         | 10,101,065         |
| Deferred tax liabilities                            |       | 26,609,861          | 26,609,861         | 29,876,508         | 29,876,508         |
| <b>Non-current liabilities</b>                      |       | <b>64,998,945</b>   | <b>64,998,945</b>  | <b>56,977,573</b>  | <b>56,977,573</b>  |
| Bank overdraft and Commercial Papers                |       | 102,760             | 102,760            | 870,611            | 870,611            |
| Current tax liabilities                             |       | 17,161,419          | 17,113,116         | 19,024,168         | 18,989,567         |
| Dividend payable                                    |       | 7,957,785           | 7,957,785          | 12,676,038         | 12,676,038         |
| Trade and other payables                            |       | 116,913,494         | 117,596,337        | 111,184,310        | 111,820,584        |
| Provisions  |       | -                   | -                  | 500,000            | 500,000            |
| <b>Current liabilities</b>                          |       | <b>142,135,458</b>  | <b>142,769,998</b> | <b>144,255,127</b> | <b>144,856,800</b> |
| <b>Total liabilities</b>                            |       | <b>207,134,403</b>  | <b>207,768,943</b> | <b>201,232,700</b> | <b>201,834,373</b> |
| <b>Total equity and liabilities</b>                 |       | <b>385,453,820</b>  | <b>385,951,017</b> | <b>367,146,468</b> | <b>367,639,915</b> |

Approved by the Board of Directors on 25<sup>th</sup> October, 2017 and signed on its behalf by:



Mr. Johan A. Doyer (Managing Director/CEO)\*



Mr. Mark P. Rutten (Finance Director)

FRC/2014/MULTI/00000009921

The notes on pages 13 to 17 are an integral part of these interim financial statements

\* Mr Doyer has a waiver from the Financial Reporting Council of Nigeria to sign the Interim Financial Statements while processing his FRC registration with the Council.



Condensed interim statement of changes in equity

For the Nine-month period ended September 2017

| Group  | Notes | Share Capital | Share Premium | Share Based Payment Reserve | Retained Earnings | Total        | Non-Controlling Interest | Total Equity |
|--|-------|---------------|---------------|-----------------------------|-------------------|--------------|--------------------------|--------------|
|  |       | ₦'000         | ₦'000         | ₦'000                       | ₦'000             | ₦'000        | ₦'000                    | ₦'000        |
| Balance at 1 <sup>st</sup> January 2017              |       | 3,964,551     | 64,950,103    | 571,106                     | 96,343,708        | 165,829,468  | 84,300                   | 165,913,768  |
| Profit for the year                                  |       | -             | -             | -                           | 24,007,809        | 24,007,809   | 3,115                    | 24,010,924   |
| Other comprehensive income for the year              |       | -             | -             | -                           | -                 | -            | -                        | -            |
| Total comprehensive income for the year              |       | -             | -             | -                           | 24,007,809        | 24,007,809   | 3,115                    | 24,010,924   |
| Transaction with owners, recorded directly in equity |       |               |               |                             |                   |              |                          |              |
| <b>Contributions and distributions</b>               |       |               |               |                             |                   |              |                          |              |
| Issue of ordinary shares                             |       | 33,900        | 8,820,253     | -                           | -                 | 8,854,153    | -                        | 8,854,153    |
| Share based payment charge                           |       | -             | -             | 276,173                     | -                 | 276,173      | -                        | 276,173      |
| Share based payment recharge                         |       | -             | -             | (278,521)                   | -                 | (278,521)    | -                        | (278,521)    |
| Dividends  |       | -             | -             | -                           | (20,457,080)      | (20,457,080) | -                        | (20,457,080) |
| Unclaimed dividends written back                     |       | -             | -             | -                           | -                 | -            | -                        | -            |
| Total contributions and distributions                |       | 33,900        | 8,820,253     | (2,348)                     | (20,457,080)      | (11,605,275) | -                        | (11,605,275) |
| Changes in ownership interest                        |       |               |               |                             |                   |              |                          |              |
| Total transactions with owners of the company        |       | 33,900        | 8,820,253     | (2,348)                     | (20,457,080)      | (11,605,275) | -                        | (11,605,275) |
| Balance as at 30 <sup>th</sup> September, 2017       |       | 3,998,451     | 73,770,356    | 568,758                     | 99,894,437        | 178,232,002  | 87,415                   | 178,319,417  |

**Condensed interim statement of changes in equity**

For the Nine-month period ended September 2017

**Company**

|  | Share Capital      | Share Premium       | Share Based Payment Reserve | Retained Earnings   | Total Equity         |
|--|--------------------|---------------------|-----------------------------|---------------------|----------------------|
| Balance at 1 <sup>st</sup> January 2017              | ₦'000<br>3,984,551 | ₦'000<br>64,950,103 | ₦'000<br>571,106            | ₦'000<br>96,319,782 | ₦'000<br>165,805,542 |
| Profit for the year                                  | -                  | -                   | -                           | 23,981,807          | 23,981,807           |
| Other comprehensive income for the year              | -                  | -                   | -                           | -                   | -                    |
| Total Comprehensive income for the year              | -                  | -                   | -                           | 23,981,807          | 23,981,807           |
| Transaction with owners, recorded directly in equity | -                  | -                   | -                           | 23,981,807          | 23,981,807           |
| <b>Contributions and distributions</b>               |                    |                     |                             |                     |                      |
| Issue of ordinary shares                             | 33,900             | 8,820,253           |                             |                     | 8,854,153            |
| Share based payment charge                           | -                  | -                   | 276,173                     | -                   | 276,173              |
| Share based payment recharge                         | -                  | -                   | (278,521)                   | -                   | (278,521)            |
| Dividends  | -                  | -                   |                             | (20,457,080)        | (20,457,080)         |
| Unclaimed dividends written back                     | -                  | -                   | -                           |                     |                      |
| Total contributions and distributions                | 33,900             | 8,820,253           | (2,348)                     | (20,457,080)        | (11,701,031)         |
| Changes in ownership interest                        |                    |                     |                             |                     |                      |
| Total transactions with owners of the company        | 33,900             | 8,820,253           | (2,348)                     | (20,457,080)        | (11,701,031)         |
| Balance as at 30 <sup>th</sup> September, 2017       | 3,998,451          | 73,770,356          | 568,758                     | 99,844,509          | 178,182,074          |

**Condensed interim statement of changes in equity**

For the Nine-month period ended 30th September, 2016

**Group**

|   | Notes | Share capital<br>N'000 | Share premium<br>N'000 | Share based<br>Payment<br>reserve<br>N'000 | Retained<br>earnings<br>N'000 | Total<br>N'000      | Non-<br>Controlling<br>Interest<br>N'000 | Total Equity<br>N'000 |
|---|-------|------------------------|------------------------|--|-------------------------------|---------------------|--|-----------------------|
| Balance at 1 <sup>st</sup> January 2016                 |       | 3,964,551              | 64,950,103             | 365,702                                    | 102,959,007                   | 172,239,363         | 82,140                                   | 172,321,503           |
| Profit for the period                                   |       | -                      | -                      | -  | 20,110,468                    | 20,110,468          | 1,176                                    | 20,111,644            |
| Other comprehensive income for the period               |       | -                      | -                      | -  | -                             | -                   | -  | -                     |
| <b>Total comprehensive income for the period</b>        |       | -                      | -                      | -  | <b>20,110,468</b>             | <b>20,110,468</b>   | <b>1,176</b>                             | <b>20,111,644</b>     |
| Transaction with owners,<br>recorded directly in equity |       |                        |                        |  |                               |                     |  |                       |
| <b>Contributions and distributions</b>                  |       |                        |                        |  |                               |                     |  |                       |
| Equity contribution reserve                             |       |                        |                        |  |                               |                     |  | -                     |
| Issue of Ordinary shares                                |       |                        |                        |  |                               |                     |  | -                     |
| Share based payment charge                              |       |                        |                        | 115,631                                    |                               | 115,631             |  | 115,631               |
| Share based payment recharge                            |       |                        |                        | (88,532)                                   |                               | (88,532)            |  | (88,532)              |
| Dividends   |       |                        |                        |  | (28,544,763)                  | (28,544,763)        |  | (28,544,763)          |
| Unclaimed dividends written back                        |       |                        |                        |  |                               |                     |  | -                     |
| <b>Total contributions and distributions</b>            |       |                        |                        | <b>27,099</b>                              | <b>(28,544,763)</b>           | <b>(28,517,664)</b> |  | <b>(28,517,664)</b>   |
| <b>Changes in ownership interest</b>                    |       |                        |                        |  |                               |                     |  |                       |
| Acquisition of subsidiary                               |       |                        |                        |  |                               |                     |  | -                     |
| <b>Total transactions with owners of the company</b>    |       |                        |                        |  |                               |                     |  |                       |
| <b>Balance as at 30<sup>th</sup> September, 2016</b>    |       | <b>3,964,551</b>       | <b>64,950,103</b>      | <b>392,801</b>                             | <b>94,524,712</b>             | <b>163,832,167</b>  | <b>83,316</b>                            | <b>163,915,483</b>    |

**Condensed interim statement of changes in equity**  
For the Nine-month period ended 30 September, 2016

**Company**

|  | Notes | Share capital<br>N'000 | Share premium<br>N'000 | Share base<br>Payment reserve<br>N'000 | Retained<br>earnings<br>N'000 | Total<br>N'000      |
|--|-------|------------------------|------------------------|--|-------------------------------|---------------------|
| Balance at 1 <sup>st</sup> January 2016              |       | 3,964,551              | 64,950,103             | 365,702                                | 102,953,109                   | 172,233,465         |
| Profit for the period                                |       | -                      | -                      | -                                      | 20,100,656                    | 20,100,656          |
| Other comprehensive income for the period            |       | -                      | -                      | -                                      | -                             | -                   |
| <b>Total comprehensive income for the period</b>     |       | -                      | -                      | -                                      | <b>20,100,656</b>             | <b>20,100,656</b>   |
| Transaction with owners, recorded directly in equity |       |                        |                        |  |                               |                     |
| <b>Contributions and distributions</b>               |       |                        |                        |  |                               |                     |
| Equity contribution reserve                          |       |                        |                        |  |                               | -                   |
| Issue of Ordinary shares                             |       |                        |                        |  |                               | -                   |
| Share based payment charge                           |       |                        |                        | 115,631                                |                               | 115,631             |
| Share based payment recharge                         |       |                        |                        | (88,532)                               |                               | (88,532)            |
| Dividends  |       |                        |                        |  | (28,544,763)                  | (28,544,763)        |
| Unclaimed dividends written back                     |       |                        |                        |  |                               |                     |
| <b>Total contributions and distributions</b>         |       | -                      | -                      | <b>27,099</b>                          | <b>(28,544,763)</b>           | <b>(28,517,664)</b> |
| <b>Changes in ownership interest</b>                 |       |                        |                        |  |                               |                     |
| Acquisition of subsidiary                            |       |                        |                        |  |                               | -                   |
| <b>Total transactions with owners of the company</b> |       |                        |                        |  |                               |                     |
| <b>Balance as at 30<sup>th</sup> September, 2016</b> |       | <b>3,964,551</b>       | <b>64,950,103</b>      | <b>392,801</b>                         | <b>94,509,002</b>             | <b>163,816,457</b>  |

## Condensed interim statement of cash flows

For the Nine-month period ended 30<sup>th</sup> September

| Notes   | Group<br>2017<br>N'000 | Company<br>2017<br>N'000 | Group<br>2016<br>N'000 | Company<br>2016<br>N'000 |
|---|------------------------|--------------------------|------------------------|--------------------------|
| Profit for the year   | 24,010,924             | 23,981,807               | 20,111,644             | 20,100,656               |
| Adjustments for:  |                        |                          |                        |                          |
| Depreciation  | 24,759,848             | 24,756,098               | 20,663,187             | 20,659,437               |
| Amortization of intangible assets                             | 1,078,749              | 1,078,749                | 1,088,383              | 1,088,383                |
| Finance income  | (124,685)              | (124,685)                | (325,696)              | (325,696)                |
| Interest expenses   | 2,896,955              | 2,943,774                | 2,769,154              | 2,811,228                |
| Gratuity, employee benefit and share based payment charges    | 1,665,317              | 1,665,317                | 1,489,931              | 1,489,931                |
| Loss/(Gain) on sale of property, plant and equipment          | 491,562                | 491,562                  | (144,799)              | (144,799)                |
| Income tax expense  | 10,416,863             | 10,403,161               | 7,684,553              | 7,657,467                |
|   | <b>65,195,533</b>      | <b>65,195,783</b>        | <b>53,336,357</b>      | <b>53,336,607</b>        |
| Changes in:   |                        |                          |                        |                          |
| Inventories   | (18,740,995)           | (18,740,995)             | (2,060,397)            | (2,060,397)              |
| Trade and other receivables                                   | (4,744,577)            | (4,744,577)              | (13,947,451)           | (13,947,451)             |
| Prepayments   | (8,205,963)            | (8,205,963)              | (58,303)               | (58,303)                 |
| Trade and other payables                                      | 21,569,096             | 21,615,665               | 22,658,256             | 22,700,080               |
| Provisions  | (500,000)              | (500,000)                | -                      | -                        |
| Deposit for imports   | 2,357,073              | 2,357,073                | (6,238,036)            | (6,238,036)              |
| <b>Cash generated from operating activities</b>               | <b>56,930,167</b>      | <b>56,976,986</b>        | <b>53,690,426</b>      | <b>53,732,500</b>        |
| Income tax paid   | (15,546,259)           | (15,546,259)             | (15,042,997)           | (15,042,997)             |
| Gratuity paid   | (849,400)              | (849,400)                | (838,266)              | (838,266)                |
| Other long term employee benefits paid                        | (530,246)              | (530,246)                | (339,501)              | (339,501)                |
| VAT paid*   | (11,287,485)           | (11,287,485)             | (8,482,770)            | (8,482,770)              |
| <b>Net cash from operating activities</b>                     | <b>28,716,777</b>      | <b>28,763,596</b>        | <b>28,986,892</b>      | <b>29,028,966</b>        |
| <b>Cash flows from investing activities</b>                   |                        |                          |                        |                          |
| Finance income  | 124,685                | 124,685                  | 325,696                | 325,696                  |
| Proceeds from sale of property, plant and equipment           | 49,321                 | 49,321                   | 225,812                | 225,812                  |
| Acquisition of property, plant and equipment                  | (18,436,031)           | (18,436,031)             | (12,051,914)           | (12,051,914)             |
| Acquisition of intangible assets                              | (44,875)               | (44,875)                 | (26,883)               | (26,883)                 |
| <b>Net cash used in investing activities</b>                  | <b>(18,306,900)</b>    | <b>(18,306,900)</b>      | <b>(11,527,289)</b>    | <b>(11,527,289)</b>      |
| <b>Cash flows from financing activities</b>                   |                        |                          |                        |                          |
| Proceeds from loans and borrowings                            | 32,000,000             | 32,000,000               | 34,500,000             | 34,500,000               |
| Repayment of loans and borrowings                             | (21,000,000)           | (21,000,000)             | (3,000,000)            | (3,000,000)              |
| Interest paid   | (1,486,028)            | (1,532,847)              | (2,128,876)            | (2,170,950)              |
| Dividends paid  | (16,321,180)           | (16,321,180)             | (28,774,378)           | (28,774,378)             |
| <b>Net cash used in financing activities</b>                  | <b>(6,807,208)</b>     | <b>(6,854,027)</b>       | <b>596,746</b>         | <b>554,672</b>           |
| Net increase/(decrease) in cash and cash equivalents          | <b>3,602,669</b>       | <b>3,602,669</b>         | <b>18,056,349</b>      | <b>18,056,349</b>        |
| Cash and cash equivalents at 1 <sup>st</sup> January          | 11,285,821             | 11,284,643               | (14,108,097)           | (14,109,275)             |
| <b>Cash and cash equivalents at 30<sup>th</sup> September</b> | <b>14,888,490</b>      | <b>14,887,312</b>        | <b>3,948,252</b>       | <b>3,947,074</b>         |
| Represented by:   |                        |                          |                        |                          |
| Cash balance  | 14,991,250             | 14,990,072               | 4,920,422              | 4,919,244                |
| Bank Overdraft and Commercial Papers                          | (102,760)              | (102,760)                | (972,170)              | (972,170)                |
| <b>Cash and cash equivalents at 30<sup>th</sup> September</b> | <b>14,888,490</b>      | <b>14,887,312</b>        | <b>3,948,252</b>       | <b>3,947,074</b>         |

The notes on pages 13 to 17 are an integral part of these financial statements.

\* Value Added Tax (VAT) paid shown separately above has been adjusted for in deriving the change in trade and other payables

## **Notes to the condensed interim financial statements**

### **1. REPORTING ENTITY**

Nigerian Breweries Plc, a public Company quoted on The Nigerian Stock Exchange, was incorporated in Nigeria on the 16<sup>th</sup> November 1946, under the name, Nigerian Brewery Limited. The name was changed on 7<sup>th</sup> January 1957, to Nigerian Breweries Limited and thereafter to Nigerian Breweries Plc in 1990 when the Companies and Allied Matters Act of that year came into effect. The Company is a subsidiary of Heineken N.V. a company domiciled in the Netherlands, the latter having a 55.95% interest in the equity of Nigerian Breweries Plc. The address of the Company's registered office is 1, Abebe Village Road, Iganmu, Lagos. The condensed interim financial statements of the Company as at and for the Nine-month period ended 30th September 2017 comprise the Company and its subsidiaries.

The financial statements of Nigerian Breweries Plc as at and for the year ended 31<sup>st</sup> December 2016 are available upon request from the Company's registered website [www.nbplc.com/investor-relations.html](http://www.nbplc.com/investor-relations.html)

### **2. BASIS OF PREPARATION**

#### **a. Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of Nigerian Breweries Plc as at and for the year ended 31<sup>st</sup> December 2016.

These condensed interim financial statements were approved by the Board of Directors of the Company on October 25, 2017.

#### **b. Functional and presentation currency**

These condensed interim financial statement are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless stated otherwise.

#### **c. Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31<sup>st</sup> December 2016.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **a. General**

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31<sup>st</sup>

December 2016.

**b. Income tax**

Income tax expenses are recognised based on management's best estimation of the weighted average expected full year income tax rate.

**4. SEASONALITY**

The performance of the Company is subject to seasonal fluctuations as a result of weather conditions and festivities. The Company's full year results and volumes are dependent on the performance in the peak-selling season, typically resulting in higher revenue and profitability in the last quarter of the year. The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

**5. ANALYSIS OF EXPENSES BY NATURE**

For the Nine -month period ended 30<sup>th</sup> September

|  | Group<br>2017<br>N'000 | Company<br>2017<br>N'000 | Group<br>2016<br>N'000 | Company<br>2016<br>N'000 |
|--|------------------------|--------------------------|------------------------|--------------------------|
| Raw materials and consumables  | 91,978,372             | 91,978,372               | 76,932,779             | 76,932,779               |
| Advertising and sales expenses   | 16,368,151             | 16,368,151               | 15,417,441             | 15,417,441               |
| Depreciation   | 24,759,848             | 24,756,098               | 20,663,187             | 20,659,437               |
| Amortization   | 1,078,749              | 1,078,749                | 1,088,383              | 1,088,383                |
| Employee benefits  | 31,568,156             | 31,568,156               | 30,112,972             | 30,112,972               |
| Distribution   | 20,927,677             | 20,927,677               | 17,038,315             | 17,038,315               |
| Repairs and Maintenance  | 11,307,283             | 11,307,283               | 9,725,813              | 9,725,813                |
| Royalty and technical service fees   | 7,804,419              | 7,804,419                | 6,780,418              | 6,780,418                |
| Others   | 8,630,887              | 8,630,887                | 7,401,146              | 7,400,896                |
| <b>Total cost of sales, marketing &amp; distribution and administration expenses</b> | <b>214,423,792</b>     | <b>214,419,792</b>       | <b>185,160,454</b>     | <b>185,156,454</b>       |

In the cost of sales ₦7.011 billion (2016:0) has been recognized for royalties and licenses for 3 contracts subject to NOTAP approval. The total accrual subject to NOTAP approval amounts to ₦7.011 billion (2016:0). The earlier received NOTAP certification has expired as at December 31<sup>st</sup> 2016. Nigerian Breweries has requested for re-approval and renewal of the certificates as at 20<sup>th</sup> December 2016. Nigerian Breweries sought and obtained a waiver from the Financial Reporting Council of Nigeria to accrue for the expired certificates.

**6. INTEREST INCOME , INTEREST EXPENSES AND OTHER NET FINANCE EXPENSES**

Net finance income and expenses for the nine-month period ended 30<sup>th</sup> September 2017 amounted to ₦7.9billion (Nine-month period ended 30<sup>th</sup> September 2016: ₦10.2billion) mainly driven by exchange losses.

**a. Finance income**

Interest income for the nine-month period ended 30<sup>th</sup> September 2017 amounted to ₦125 million (Nine-month period ended 30<sup>th</sup> September 2016: ₦325 million).

**b. Finance expense**

Interest expenses for the nine-month period ended 30<sup>th</sup> September 2017 amounted to ₦8.0 billion (Nine-months ended 30<sup>th</sup> September 2016: ₦10.5 billion expenses).

Other net finance expenses for the nine-months period ended 30<sup>th</sup> September 2017 amounted to ₦5.0 billion (nine-months ended 30<sup>th</sup> September 2016: ₦7.7 billion expenses). The interest expenses on the net pension liability for the period ended 30<sup>th</sup> September 2017 amounted to ₦1.0 billion (nine-month period ended 30<sup>th</sup> September 2016: ₦1.01 billion).

**7. INCOME TAX EXPENSES**

The Company's effective tax rate in respect of continuing operations for the nine-months period ended 30<sup>th</sup> September 2017 was 30.3 per cent (for the nine-months period ended 30<sup>th</sup> September 2016: 27.5 per cent).

**8. PROPERTY PLANT AND EQUIPMENT****Acquisitions**

During the nine-months period ended 30<sup>th</sup> September 2017 the Company acquired, plant and equipment with a cost of ₦18.5 billion (nine-month period ended 30<sup>th</sup> September 2016: ₦12.05 billion).

**Capital commitments**

As at 30<sup>th</sup> September 2017, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦22.2 billion (30<sup>th</sup> September 2016: ₦6.7 billion).

**9. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS****Financial risk management**

The aspect of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31<sup>st</sup> December 2016.

**10. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE**

Assets and liabilities hitherto classified as held for sale have been reclassified to Property, Plant and Equipment, in accordance with IFRS 5.6-8. Note that the respective asset is still for sale. Depreciation for the period the asset was accounted for as 'held for sale' have been booked in Q3 2017.



## 11. EQUITY

### Reserves

The reserves consist of share premium, share-based payment reserves, equity contribution reserves and retained earnings.

### Weighted average number of shares (basic and diluted)

For the nine-months period ended 30th September

In shares

|                                   | 2017          | 2016          |
|-----------------------------------|---------------|---------------|
| 1st January                       |               |               |
| Weighted average number of shares | 7,929,100,888 | 7,929,100,888 |
| Scrip issues                      | 67,801,163    | 0             |
| <hr/>                             |               |               |
| 30th September                    |               |               |
| Weighted average number of shares | 7,996,902,051 | 7,929,100,888 |

## 12. NET CASH COVERAGE/ INTEREST-BEARING DEBT POSITION

|  | Group<br>30 <sup>th</sup> September 2017<br>₦'000 | Company<br>30 <sup>th</sup> September<br>2017<br>₦'000 | Group<br>31 <sup>st</sup> December<br>2016<br>₦'000 | Company<br>31 <sup>st</sup> December<br>2016<br>₦'000 |
|--|---|--|---|---|
| Loans and borrowings   | 28,000,000  | 28,000,000   | 17,000,000  | 17,000,000  |
| Bank overdrafts  | 102,760   | 102,760  | 870,611   | 870,611   |
| Cash, cash equivalents<br>and current                                      | (14,991,250)                                      | (14,990,072)   | (12,156,432)  | (12,155,254)  |
| <b>(Net cash coverage<br/>position)/interest<br/>bearing debt position</b> | <b>13,111,510</b>                                 | <b>13,111,510</b>                                      | <b>5,714,179</b>                                    | <b>5,715,357</b>                                      |

The company has revolving credit facilities with five Nigerian banks to finance its working capital. The approved limit of the loan with each of the banks range from ₦6 billion to ₦15 billion (total of ₦66 billion). ₦28 billion was utilized as at 30<sup>th</sup> September, 2017 (2016: ₦34.5 billion).

## 13. CONTINGENCIES

No material updates in comparison with 2016 year-end reporting were identified that need to be reported.

#### **14. RELATED PARTY TRANSACTIONS**

The Company has related party relationships with its parent company, Heineken N.V. and Heineken group entities. These transactions are conducted on terms comparable to transactions with third parties. The related party transactions in the first nine-month period ended 30<sup>th</sup> September 2017 do in substance not deviate from the transactions as reflected in the financial statements as at and for the year 31<sup>st</sup> December 2016.

#### **15. SUBSEQUENT EVENTS**

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 30<sup>th</sup> September 2017 that have not been adequately provided for or disclosed in these condensed interim financial statements.