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The payment date for the interim dividend  
is the 18th of May 2007.

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**Namibia Breweries Limited**  
Condensed Consolidated Interim Financial Statements

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The unaudited condensed consolidated results of the Group  
for the six months ended 31 December 2006



Namibia Breweries Limited



Namibia Breweries Limited

Condensed Income Statement	6 months ended 31 Dec 06 NS '000 Unaudited	6 months ended 31 Dec 05 NS '000 Reviewed	12 months ended 30 Jun 06 NS '000 Audited
<b>Revenue</b>	<b>565,640</b>	<b>511,706</b>	<b>929,297</b>
Operating profit before depreciation	87,249	74,857	139,525
Depreciation (Note 4)	(17,690)	(17,693)	(38,026)
Operating profit	69,559	57,164	101,499
Interest paid	(4,123)	(6,499)	(7,818)
Income from investments	5,325	2,611	6,471
Reversal of impairment/ (impairment) of loan to Share Purchase Trust	1,891	(2,521)	1,681
Profit before taxation	72,652	50,755	101,833
Taxation (Note 6)	(21,796)	(2,769)	(18,568)
<b>Profit attributable to ordinary shareholders</b>	<b>50,856</b>	<b>47,986</b>	<b>83,265</b>
Ordinary shares in issue (thousands)	206,529	206,529	206,529
Basic earnings per share (cents)	24.6	23.2	40.3
Headline earnings per share (cents) (Note 7)	24.6	23.1	39.2
Dividend per ordinary share (cents)	12.0	1.8	13.8

Condensed Balance Sheet	31 Dec 06 NS '000 Unaudited	31 Dec 05 NS '000 Reviewed	30 Jun 06 NS '000 Audited
<b>ASSETS</b>			
Property, plant and equipment (Note 4)	329,432	324,706	318,902
Intangible assets (Note 5)	19,377	24,395	22,056
Investments and loans	12,788	6,797	10,897
Deferred taxation asset	17,692	19,756	18,477
	379,289	375,654	370,332
Current assets	398,783	341,941	356,840
<b>Total assets</b>	<b>778,072</b>	<b>717,595</b>	<b>727,172</b>
<b>EQUITY AND LIABILITIES</b>			
Ordinary shareholders' equity	416,183	399,801	390,110
Interest-bearing loans and borrowings	21,000	43,176	36,866
Deferred taxation liability	89,019	48,280	87,170
Provisions	6,823	4,651	6,223
Current liabilities	245,047	221,687	206,803
<b>Total equity and liabilities</b>	<b>778,072</b>	<b>717,595</b>	<b>727,172</b>

Condensed Cash Flow Statement	6 months ended 31 Dec 06 NS '000 Unaudited	6 months ended 31 Dec 05 NS '000 Reviewed	12 months ended 30 Jun 06 NS '000 Audited
Cash generated before working capital changes	90,777	64,248	125,504
Working capital changes	(19,835)	(26,792)	17,807
Cash generated by operations	70,942	37,456	143,311
Net finance income/ (cost)	1,202	(3,888)	(1,347)
Dividends paid	(24,783)	(3,718)	(27,921)
Taxation paid	-	(113)	(50)
Net cash flow from operating activities	47,361	29,737	113,993
Net cash flow from investing activities	(28,469)	(34,270)	(45,968)
Net cash flow from financing activities	(21,802)	(18,860)	(41,283)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(2,910)</b>	<b>(23,393)</b>	<b>26,742</b>

Condensed Statement of Changes in Equity	6 months ended 31 Dec 06 NS '000 Unaudited	6 months ended 31 Dec 05 NS '000 Reviewed	12 months ended 30 Jun 06 NS '000 Audited
Ordinary shareholders' equity			
Balance at beginning of period / year	390,110	355,533	334,766
Profit attributable to ordinary shareholders	50,856	47,986	83,265
Dividends on ordinary shares	(24,783)	(3,718)	(27,921)
<b>Ordinary shareholders' equity at end of the period / year</b>	<b>416,183</b>	<b>399,801</b>	<b>390,110</b>

Condensed Segmental Analysis	6 months ended 31 Dec 06 NS '000 Unaudited	6 months ended 31 Dec 05 NS '000 Reviewed	12 months ended 30 Jun 06 NS '000 Audited
<b>Business segmentation</b>			
<b>Segment revenue</b>			
Beer	499,231	447,733	820,808
Softs	62,607	60,632	101,753
Other	3,802	3,341	6,736
<b>Total</b>	<b>565,640</b>	<b>511,706</b>	<b>929,297</b>
<b>Geographical segmentation</b>			
<b>Segment revenue</b>			
Local	228,654	216,783	392,169
Export	336,986	294,923	537,128
<b>Total</b>	<b>565,640</b>	<b>511,706</b>	<b>929,297</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Note 1 Reporting entity

Namibia Breweries Limited is a company domiciled in Namibia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2006 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended 30 June 2006 are available upon request from the Company's registered office.

### Note 2 Statement of compliance

This condensed consolidated 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 consolidated financial statements of the Group as at and for the year ended 30 June 2006.

### Note 3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are substantially the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2006.

### Note 4 Movement of property, plant and equipment

	31 Dec 06 NS '000 Unaudited	31 Dec 05 NS '000 Reviewed	30 Jun 06 NS '000 Audited
Net book value at beginning of the period / year	318,902	308,567	308,567
Capital expenditure	29,611	47,202	65,344
Disposals	(1,391)	(13,370)	(16,983)
Depreciation	(17,690)	(17,693)	(38,026)

Net book value at end of the period / year	329,432	324,706	318,902
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### Note 5 Movement of intangible assets

	31 Dec 06 NS '000 Unaudited	31 Dec 05 NS '000 Reviewed	30 Jun 06 NS '000 Audited
Net book value at beginning of the period / year	22,056	26,462	26,462
Capital expenditure	329	859	1,414
Amortisation	(3,008)	(2,926)	(5,820)

Net book value at end of the period / year	19,377	24,395	22,056
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### Note 6 Taxation

Namibian Normal Taxation: Current Year	(19,161)	-	(6)
Deferred Taxation: Current Year	(1,850)	(2,769)	(17,283)

South Africa Deferred Taxation: Current Year	(785)	-	(1,279)
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<b>Total</b>	<b>(21,796)</b>	<b>(2,769)</b>	<b>(18,568)</b>
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### Note 7 Reconciliation between earnings and headline earnings

Earnings (used for basic EPS)	50,856	47,986	83,265
Net profit on sale of property, plant and equipment	(52)	(274)	(2,407)

	50,804	47,712	80,858
Headline earnings per ordinary share (cents)	24.6	23.1	39.2

### Notes 8 Related parties

During the six months ended, the Group sold products to companies within the Ohlthaver & List Group to the value of N\$804,826 (2005: N\$552,054). Outstanding debtors balances at the reporting date, amounted to N\$1,856,300 (2005: N\$1,008,840).

Management fees for the six months ended amounted to N\$2,600,000 (2005: N\$2,489,735). Intercompany interest paid amounted to N\$2,188,876 (2005: N\$2,725,129). The outstanding loan balance at 31 December 2006 amounted to N\$40,000,000 (2005: N\$56,000,000).

### Note 9 Capital commitments

Authorised capital commitments at 31 December 2006 amounted to N\$29,267,466 (2005: N\$33,731,757) of which N\$22,323,493 (2005: N\$17,589,624) was contracted for. These capital commitments will be financed by own funds.

## Group Operational and Financial Review

The Board is pleased to report on the Group's Financial Results for the six months ended 31 December 2006.

### Operating Profit

The Group's Operating Profit for the six months ended 31 December 2006 showed a 21.7% increase over the previous period. This increase was driven by volume growth, price increases (to partly cover input cost increases) and the continued focus on cost. Despite increased investment in marketing, costs grew at a slower rate than revenue. As a result, the operating margin for the period was 12.3% compared to 11.2% in the same period last year.

### Namibian Market

The Group's strategy of increasing investment behind the brands in Namibia along with the ruthless focus on executional excellence, resulted in the continued growth of the Group's beer brands during the period. This growth was, to a large extent driven by the strong performance of the Windhoek Lager brand in Namibia along with the significant volume contribution of Tafel Lager. The Group's soft drink business in Namibia remained under pressure but the benefits of strategic initiatives put in place in the prior financial year have started to yield results.

Although the Namibia market is becoming increasingly competitive including a notable increase in home brewed product, the Board is confident that the Group's strategy of continuing to invest in Namibia and it's people will ensure sustainable growth in the Group's home market.

### South Africa

The Group's volumes in South Africa grew during the period driven by the performance of the Windhoek range. This represents a continuation of the trend established in the second half of the prior financial year and gives encouraging signs that investments made in marketing and sales resource are positively impacting the brand's performance. The Group also benefited from the very strong performance of Heineken during the period. South Africa represents a great opportunity for the Group's brands and the Board believes that with continued investment behind the brands and the leverage created by Brandhouse that the Group is on the right course in this market.

### Exports (Excluding South Africa)

The Group's export markets, with the exception of Angola, posted strong growth in the period. However, due to the importance of the Angolan market, overall beer export volumes declined marginally. Steps are being taken to recover volumes in Angola and the Group's business in this market should be strengthened when the bilateral agreements between Namibia and Angola are implemented. The Group's soft drink export business performed well with total volumes increasing over the same period last year.

### Revenue

Overall, revenue grew by 10.5% year on year. This growth was primarily a result of the volume growth in Namibia and South Africa explained above along with price increases in both markets.

### Operating Expenses

Operating expenses in the six month period increased by 9.1% due to the growth in volumes and increased investment in marketing. The Group remains committed to increasing efficiencies and this resulted in an increase in the operating margin from 11.2% to 12.3% in the period under review.

### Profit Attributable to Shareholders

Due to the significant increases in profitability over the past eighteen months, the Group has now utilised it's tax losses and is in a tax paying position. Namibian income tax on profits for the six months is estimated at N\$19.2m which further entrenches the Group's position as a key contributor to the economic development of Namibia. Overall, Profit Attributable to Shareholders increased by 6.0% year on year.

### Significant Balance Sheet Changes

Current Assets increased during the period due to higher inventory levels and trade receivables resulting from the increase in volumes. Likewise, increases in Current Liabilities are a result of the increased business which resulted in higher trade payables. Interest-bearing loans and borrowings continue to decrease as the debt is repaid.

### Prospects

During the period under review, the Group delivered a strong performance which was driven primarily by volume and revenue growth. The Group's future will be dependent on continuing this growth trend and in ensuring that the ruthless focus on driving efficiencies remains. The Board is confident that the Group, with the continued support of all it's shareholders is on a firm course to sustainable and profitable growth.

### Dividend Declaration

The Board of Directors declare an interim dividend of 15 cents per ordinary share. Payment will be effected to the shareholders of ordinary shares in the books of the company registered at the close of business on 13 April 2007 and will be paid on 18 May 2007.

### Directors

S Thieme (Chairman), OS Adebani\*\*\*\*+ (Managing Director), CD Duffy\*\*\*\*+, BHW Masche, C-L List, E Ender\*+, H-B Gerdas, TA de Man\*\*\*\*+, TZM Hijarunguru, P Grüttemeyer, PS Litherland\*\*, NB Blazquez\*\*, AC Van Citters\*\*\*\*\*, J Campbell\*\* (alternative)

\*German \*\*British \*\*\*Irish \*\*\*\*Nigerian \*\*\*\*\*Dutch +Executive

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**Attorneys**  
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P O Box 43  
Windhoek

**Windhoek, 29 March 2007**

**Sponsor to Namibia Breweries Limited**  
Investment House Namibia (Pty) Limited  
Member of the Namibian Stock Exchange

