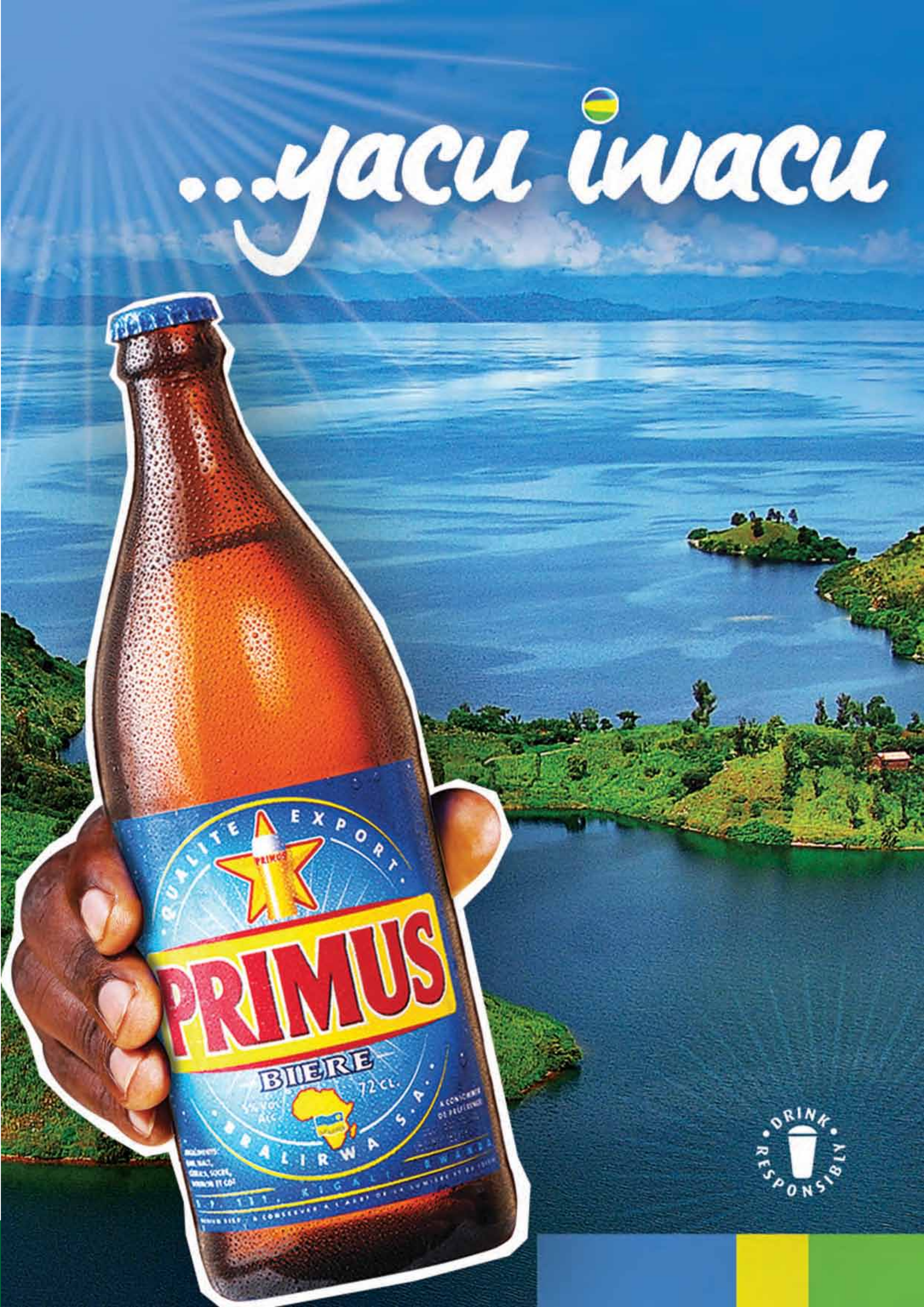
Annual Report 2010

Bralirwa

Brasseries et Limonaderies du Rwanda

• Passion for Quality • Enjoyment of Life • Respect for the People, Society and Environment we live in



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QUALITE EXPORT
PRIMUS
BIERE
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BRALIRWA S.A.
KIGALI RWANDA
DRINK RESPONSIBLY

Contents

Mission Statement

To become a world class sustainable beverage producing company in Rwanda with high quality brands that satisfy needs and give enjoyment to our consumers, while respecting our people, society and the environment we live in.

• Passion for Quality • Enjoyment of Life • Respect for the People, Society and Environment we live in

DRINK RESPONSIBLY

The BRALIRWA Ltd Values

Passion for Quality

As a subsidiary of Heineken N.V. and license holder of The Coca-Cola Company, BRALIRWA ensures that everything it does and produces is of a high quality. BRALIRWA Ltd continually aims to obtain and maintain its internal and external quality standards, such as ISO. This is not only reflected in its products and brands, but also in other activities such as the social and employment policies. In BRALIRWA Ltd there is a belief that being a 'quality' employer by investing in employees creates benefit and value for the Company, its reputation as well as all it's stakeholders.

Enjoyment for Life

BRALIRWA Ltd participates in making life more enjoyable by producing high quality beers and sparkling beverages, marketing them responsibly through innovative sponsorships, advertising and countrywide promotions. BRALIRWA's sponsorship portfolio, which spans sports, music and arts, also involves other events that contribute to the enjoyment of many. The enjoyment of life is also reflected in the working life and atmosphere within the Company.

Respect for People, Society and the Environment we live in

As an integral part of the local and global communities in which it operates, BRALIRWA Ltd is very respectful of the laws and regulations of countries in which it operates by paying attention to the different cultures and environmental preservation. BRALIRWA Ltd aims to be a good corporate citizen and feels the responsibility to be fully integrated, in a sustainable way, in the society in which it operates.

Business Overview

1. History

BRASSERIES ET LIMONADERIES DU RWANDA was founded in 1957 by a former Congolese company BRALIMA S.A.R.L. with the construction of a brewery located in Nyamyumba-Rubavu (Gisenyi).

Since 1974, the Company has been producing and selling sparkling beverages brands under a licensing agreement with The Coca-Cola Company. It changed its name and became BRALIRWA Ltd in June 2010 and is the first domestic company listed on RWANDA STOCK EXCHANGE S.A from January 31 2011.

2. Brands

i. Beers

The Company has a strong portfolio of brands which include local and international brands: Primus, Mützig, Amstel, Guinness and Turbo King, while Heineken beer is imported.

ii. Sparkling Beverages

As a licensee of The Coca-Cola company, BRALIRWA Ltd sparkling beverages portfolio comprises a wide range of brands: Coca-Cola, Fanta Orange, Fanta Citron, Fanta Fiesta, Sprite and Krest Tonic. It has also Vital'o Eau Gazeuse as its own brand.The Company imports sparkling beverage products such as Coca-Cola, Fanta Orange and Sprite in 50cl PET bottles.

A Bralirwa boats carries beer across the Lake Kivu

3. Location and Distribution

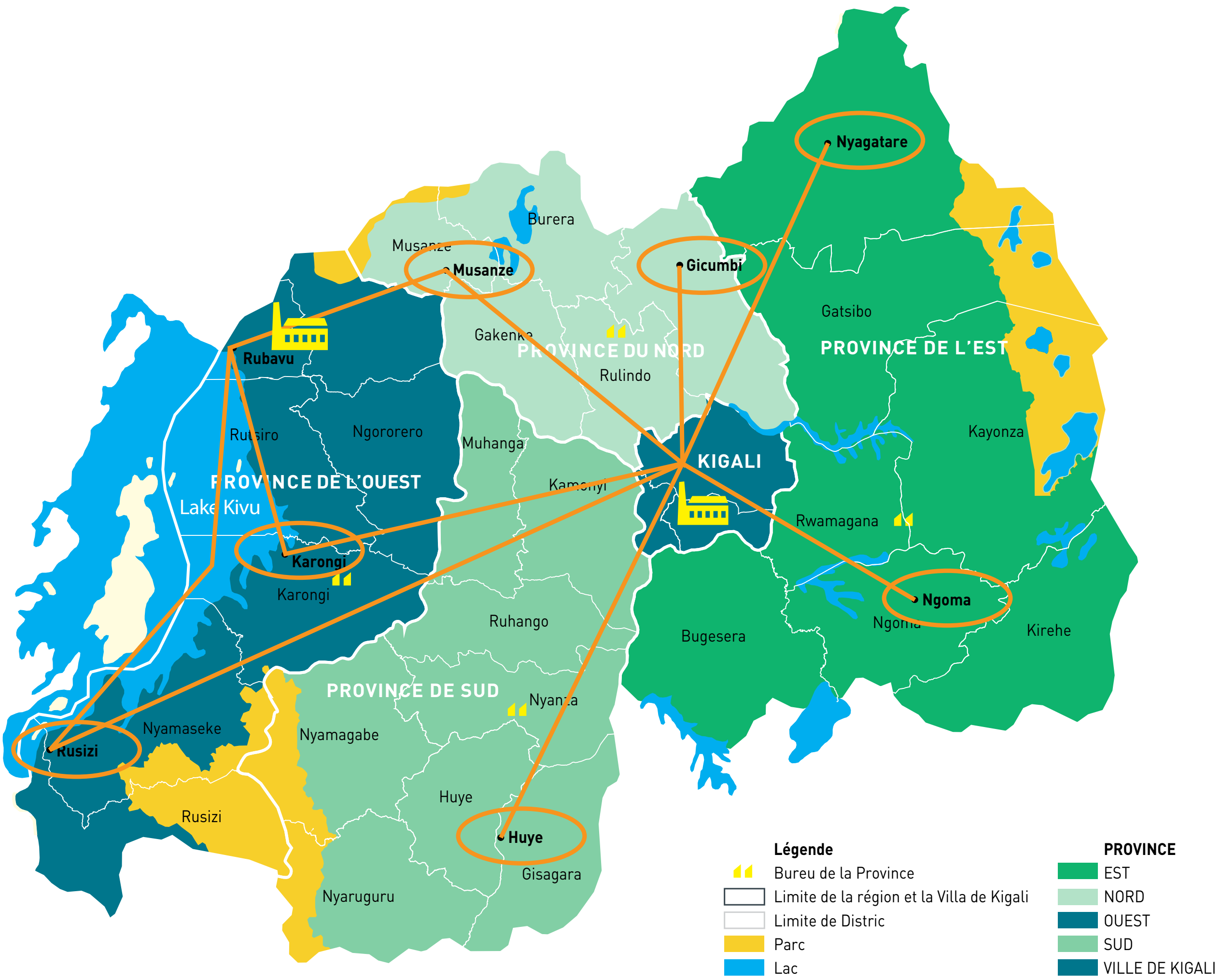
The Company has two production sites, a brewery and sparkling beverages plant. The brewery is located in Rubavu District (Northern Province) along the shores of Lake Kivu.

The sparkling beverages plant is located at Kicukiro, Urban District of Kigali, where the Company's head office is also situated. The Company relies on its strong distribution network to bring its products closer to consumers. The distribution network covers the entire country and distribution is achieved via third-party transporters. BRALIRWA-owned distribution centers ('depots') are Ngoma, Nyagatare, Musanze, Karubanda, Karongi, Rusizi and Gicumbi

4. People

The Company attaches great value to its employees. It consists of dynamic highly qualified individuals, who play an important role in ensuring that the Company's objectives are achieved.

Map showing BRALIRWA's distribution network in Rwanda.



Key Figures

RESULTS In FRW million	2010	2009	Change in %
Gross Revenue	80,672	71,355	13.1%
Revenue	52,799	45,478	16.1%
EBIT	14,530	9,738	49.2%
Net Profit	10,331	6,347	62.8%
EBITDA	17,540	12,365	41.9%
Dividend (proposed)	10,331	6,330	63.2%
Free Operating Cash Flow	9,518	8,774	8.5%

BALANCE SHEET In FRW million	2010	2009	Change in %
Total Assets	38,685	37,086	4.3%
Net Assets	12,304	11,622	5.9%
Shareholders' Equity	16,094	15,200	5.9%
Net Debt	23	289	-92.0%

Results and balance sheet per share (0.75 Frw)			
Weighted average number of share	514,285,000	514,285,000*	0.0%
Net Profit	20.09	12.34	62.8%
Dividend proposed	20.09	12.34	63.2%
Free Operating Cash Flow	18.51	17.06	8.5%

RESULTS	2010	2009	Change in %
EBIT as % of Gross Revenue	18%	14%	32.0%
EBIT as % of Revenue	28%	21%	28.5%
Net Profit as % of average Shareholder's equity	66%	45%	45.7%
Net Debt/EBITDA	0.00	0.02	-94.4%
EBITDA/Interest Expenses	0.1	0.0	262.2%
RONA	84%	55%	53.7%
Cash Conversion rate	92%	138%	-33.3%
Dividend % payout (% of Net Profit)	100%	100%	0.0%

* During the year 2009, the total shares were 102,857. In June 9, 2010 shares were split into 1/5000. For comparison with 2010, it represents 514,285,000 shares

Chairman Statement

Dear Shareholders,

It is my great pleasure and honour to chair the first Annual Meeting of Shareholders of BRALIRWA Ltd as a listed company taking place on June 21, 2011 at the Serena Hotel, Kigali, Rwanda.

Following the successful listing of BRALIRWA Ltd on the Rwanda Stock Exchange on January 31, 2011, I am proud to present you the BRALIRWA Ltd Annual Report and welcome you to the Annual Meeting of our great Company.

The Agenda for the Annual Meeting is contained in this Annual Report for the year ended December 31, 2010, copies of which have been made available to all shareholders as provided by the law and BRALIRWA Ltd articles of association.

I would like to highlight hereafter some significant developments in the business environment that impacted on our operations and performance during the year under review. Thereafter, I will present a summary of BRALIRWA Ltd performance, the dividend proposal and comment on the future outlook for our Company.

1. Business Environment

The year 2010 witnessed the recovery of the Rwandan economy after the global financial crisis and the liquidity constraints in the Rwandan financial system.

According to the monetary policy and financial stability statement of National Bank of Rwanda, dated February 24th 2011, Rwanda recorded a real GDP growth of 7.4% in 2010 driven by global recovery in all economic activities, particularly services, agriculture production and the construction sector.

The National Bank of Rwanda further states that better economic performance in 2010 has been achieved with a very low inflation of 2.3%, against 5.7% recorded in the same period of 2009.

BRALIRWA Ltd was the first domestic company to undertake an Initial Public Offering (IPO) in Rwanda. The BRALIRWA Ltd IPO process was part of the government privatization program and has been implemented jointly by the Government of the Republic of Rwanda and the Heineken Group, our majority shareholder.

The successful IPO led to an over subscription of 174% for the sale of Rwanda Government's 25% share in BRALIRWA Ltd I am convinced that this listing will further support and promote the development of a savings and investment culture amongst Rwandans by broadening citizens' shareholding of well-governed, public companies with a sound financial track record.

Encouraging investment by both local residents and foreign investors in Rwanda provides important access to long-term capital for domestic companies to fund their future expansion and promote economic prosperity in the country.

2. The Beverage Product Market

After a challenging 2009, the beverage market in 2010 witnessed a strong recovery, supported by growth across most sectors. Against this backdrop, BRALIRWA Ltd's sales volume increased by 12.5% and Net Revenue by 16.1%, despite the entrance of a new local competitor and increased competition from EAC countries. Owing to the success of marketplace initiatives, BRALIRWA Ltd maintained market share and its strong leadership position during the year under review.

3. Review of Performance

BRALIRWA Ltd delivered a strong performance in 2010, with Net Profit growing by 62.8% to Frw 10,330,543,575. Over the period 2007-2010, BRALIRWA Ltd achieved compounded average growth in Net Profit of 56.1%, demonstrating the successful implementation of strategic initiatives aimed at strengthening the financial position of BRALIRWA Ltd

The BRALIRWA Ltd Board and management defined clear priorities to support the achievement of planned 2010 objectives. A strong operational focus on top line growth and disciplined cost management, combined with a favourable economic environment and the consistent implementation of constructive government policies drove a robust profit.

The positive impact of our successful celebration of BRALIRWA's and Primus' 50th anniversary in 2009, and our new partnership with the National Football League have further strengthened our main brand, Primus. The successful Mützig Gold promotion in 2010 and our strong sales execution confirmed our leading position and strong commitment to further contribute to the development of the Rwandan beverage market.

BRALIRWA Ltd was able to deliver the strong performance owing to a continuous focus on our core values, the talent and commitment of our people, the strengths of our brands, the partnerships with our distributors and our ambition to continue to lead the market and promote profitable future growth.

4. Dividend

The Board of Directors recommends to the shareholders, the declaration of Frw 10,330,542,575 that is Frw 20.09 per share for 2010 on an enlarged number of shares outstanding (total dividend 2009: Frw 12.34 per comparable share). The proposed dividend to be declared of Frw 10,330,542,575 represents the total Bralirwa Ltd 2010 Net Profit. If approved, a final dividend of Frw 7,330,542,575 corresponding to Frw 14.26 per share will be paid on July 21, 2011, as an interim dividend of Frw 3,000,000,000 corresponding to Frw 5.83 per share was paid on November 12, 2010.

5. Board of Directors

On behalf of all Shareholders, I wish to express our profound gratitude to the retiring Directors for their contributions to the growth and development of the Company during their tenure on the Board. During this meeting, new Directors will be appointed.

6. Our Future Prospects

The year 2011 is expected to offer promising opportunities for businesses on the African continent due to the current positive political and economic climate. The Rwandan economy continues to demonstrate strong resilience with ongoing economic development expected to support the commercial beverage market and BRALIRWA Ltd's operations.

As always, we will strive to build on our leadership position. Our internal processes will be strengthened to drive improved operating efficiencies. Further investment in our infrastructure network and human capital will continue as we aim to meet the growing market demand for our products. The training and development of our people remains a key priority and an important source of ongoing competitive advantage. We will not cease to strive for improvements in all areas of our business.

7. Conclusion

In conclusion, I would like to express my gratitude to our parent company, the Heineken Group for their continuing support and co-operation. I would also like to thank our long-standing partners, The Coca-Cola Company for their ongoing dedication to our business. Finally, I would like to thank the Board, Management and employees of BRALIRWA Ltd at all levels for their efforts and dedication to our continued success.

My thanks also go to our customers, our consumers and our shareholders for their continued trust in our business.

Jean Paul VAN HOLLEBEKE
Chairman of the Board of Directors

Kigali 16 / 05 / 2011

Board of Directors

Jean Paul VAN HOLLEBEKE
(Chairman of the Board)

Jean Paul, aged 54, joined the Board in 2008. He joined the Heineken Group in 1988 as the Managing Director of Companie Industrielle de Boisson in DR Congo. In 1990, he became the Managing Director of BRARUDI and BRAGITA in Burundi. He has held various positions in the Group including the position of Deputy Director Asia Pacific (1994-1998), Managing Director Heineken Slovensko (1999 – 2005), and Managing Director North Africa & Middle East (2005 – 2008).

He is currently the Managing Director Middle East, North and Central Africa. He holds a Masters degree in Business Engineering from the University of Brussels, École de Commerce Solvay.

James KAMANZI
(Vice Chairman of the Board)

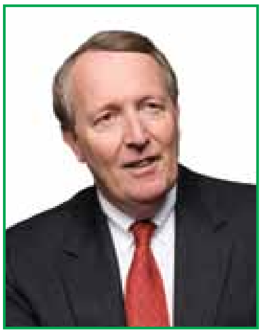
James, aged 41, joined the Board in 2009. He is currently the Chief Financial Officer of the Rwanda Development Board (RDB) after holding the position for Director General – Corporate Services for a period of two years. He has previously worked for Rwanda Investment & Export Promotion Agency (RIEPA), Kigali Institute of Science, Technology and Management (KIST) and ELECTROGAZ- Rwanda.

He holds a Masters degree in Business Administration (MBA), from the University of Natal, Durban (South Africa). He is currently studying for the final stage of the Association of Chartered Certified Accountants ACCA (UK).

Pierantonio COSTA
(Non-Executive Director)

Pierantonio, aged 71, joined the Board in 1993. He has been a businessman since 1955 with operations in various sectors of the economy in Rwanda and Burundi. He is a director of many companies in Rwanda including MINIMEX and SORWATHE. He is the former Italian consul in Rwanda. He is a graduate from the agricultural school of Verona in Italy.

Thomas DE MAN
(Non-Executive Director)



Thomas, aged 62, joined the Board in 2003. He first joined the Heineken group (Brouwerijen) in 1971 where he was posted in the Dutch- based Heineken Technical Services, after which he held a number of positions in various regions including Asia Pacific Breweries — Singapore, Nigerian Breweries Plc, license operations in Korea/Japan and Heineken Italy.

He returned to the Netherlands in 1986 to take up the position of Regional Technical Manager for the Asia, Australia and the Oceania region, and was subsequently appointed Corporate Production Policy & Control Director Heineken International.

In February 2003 he was appointed Managing Director of Heineken's operating companies, Participations and License operations in the Sub-Saharan African continent, and from October 2005 as the Regional President Africa and Middle East, based in Amsterdam.

He is a member of Heineken's executive committee. Thomas holds a Masters degree in food technology from Agricultural University of Wageningen, the Netherlands.

Georges GAKUBA
(Non-Executive Director)

Georges, aged 38, joined the Board in 2005 representing the Government of Rwanda. Georges has held various leadership positions in the wider Rwanda, African and the global arena. Currently he is the executive secretary for Rwanda Economic and Social Development Council (RESC), in the prime minister's office.

He holds a Master of laws (Corporate law) degree from the University of Witwatersrand, Johannesburg South Africa; and a Bachelor's degree in Law from the National University of Rwanda.

Chantal MUBARURE
(Non-Executive Director)

Chantal, aged 41, joined the Board in 2005. She is a consultant working with both government and non governmental institutions in countries around the globe.

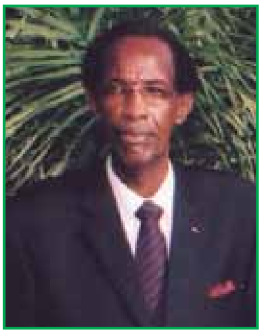
Her recent consulting roles include the operational review and audit for PAFOR (a forest management project) in July 2010, assistance to the public Investment Secretariat (Ministry for Finance & Economic Planning) on Development Budget programming in March 2010, and review of the East African Community institutional framework for operationalization of the common market in 2009.

She holds a Bachelor's degree in Economic Sciences from the National University of Rwanda, and a Masters degree in Audit and Management control from High School of Management, Paris, France.

John NYOMBAYIRE
(Non-Executive Director)

John, aged 65, joined the Board in 1999. He possesses vast experience in the banking industry in a career spanning 29 years in which he has held various executive positions. He is a director of various other companies. He was President of the Rwanda Association of Manufacturers and has been an active member of Rotary in Rwanda. He holds a Bachelors degree in Economics from University of Kinshasa, DR Congo.

Lazare NZORUBARA
(Non-Executive Director)



Lazare, aged 67, joined the Board in 1999. He is a trustee for several organizations. During the period 1998 to 2003, he served as delegated regional director of investor relations for the Heineken Group. Between 1977 and 1985 Lazare was Burundi Ambassador in various countries including France, Spain, Germany, Sweden, Vatican, Denmark, Norway, Austria and Finland. He holds Bachelor's Degree in Law from Fribourg University, Switzerland.

René VAN DER GRAAF
(Non-Executive Director)

Réne, aged 45, joined the Board in 2009. He is currently the General Manager BRARUDI (Burundi), a position he has held since 1 April 2009. Prior to this he was the Commercial Director (from 1 January 2006 till 31 March 2009) monitoring and guiding of marketing and sales related initiatives for all the seven markets in Asia Pacific region (New Caledonia, Australia, Japan, South Korea, Taiwan, Hong Kong, Exports Asia Pacific), combined. He holds a Bachelors degree from Amsterdam School for Business Administration and Economics, Amsterdam.

Senior Management

Sven-Erik PIEDERIET
(General Manager)

Sven, aged 38, joined BRALIRWA Ltd in August 2007 as the Finance Director. He served in that position until January 2009 when he was promoted to Managing Director.

Prior to joining BRALIRWA Ltd, he worked at Al Ahram Beverages (Heineken Egypt) in the position of Corporate Finance Manager and Associate Director of Costing and Financial Analysis.

Prior to this, he was Finance Director at Cervecerias Baru (Heineken Panama), Business Analyst at Heineken Head Office in Amsterdam and Senior Financial Controller at the Heineken Netherlands sparkling beverages company Vrumona.

He holds a Post Graduate Degree (Certified Management Accountant & Certified in Financial Management) from the Institute of Certified Management Accountants (USA), a Masters degree in Finance and Economics from Vrije Universiteit Amsterdam and a Bachelor degree in Business Administration from Nijenrode University, The Netherlands Business School.

Pascal Karangwa
(Technical Director)

Pascal Karangwa aged 50, graduated from "Institut Superieur Industriel Liegeois "in Belgium in 1983 with a Distinction in Mechanical Engineering. Upon completing his academics, Pascal joined "Tubemeuse Belgium "from 1984-1985 as a Technician.

He also worked with Bujumbura Sea Port in Burundi as Chief Engineer from 1985 to 1994 before he joined Bralirwa Ltd From 1995 to 1997, Pascal worked as Mechanical Maintenance Engineer. From 1997 to 2000, he worked as Fleet and Garage Manager. From 2000 to 2001, Pascal worked as Soft Drink plant Manager before he started an international career in Chad where he worked as Supply Chain Manager / Site Manager from 2002 and 2004.

From 2004 to 2005, he worked as Production and Packaging Manager and from 2005 to 2008, Pascal worked as Soft Drink Plant Manager again in Bralirwa Ltd Rwanda and was seconded to Sierra Leone Brewery Limited as Supply Chain Manager in 2009.

Beginning 2011, he again joined Bralirwa as Technical Director.

Alexander KOCH
(Commercial Director)

Alexander, aged 39, joined BRALIRWA in November 2007. Prior to the current position, he was based in the Netherlands at Heineken Head Office as Regional Marketing Manager for the Heineken Western Europe Region. He started his career at Heineken in November 1997 and has held several commercial positions (marketing, trade marketing, sales) in Heineken's Dutch operating company. He holds a Masters Degree in Law from the University of Leiden.

Sonia KUBWIMANA
(Human Resource Director)

Sonia, aged 41, joined BRALIRWA in January 1995 as a Treasury Manager. She served in this position for eight years after which, she moved to the Training and Development position within the HR department. Sonia's human resources experience spans performance management, job evaluation and classification, recruitment, employee training and career development, motivation and feedback models.

She holds a Bachelors Degree in Economics and Administrative Sciences from the University of Burundi and is currently pursuing a Masters Degree in Business Administration from Maastricht School of Management.

Daaf Jacobus van TILBURG,
(Bralirwa Logistics Director)

Daaf, aged 33 joined Bralirwa Ltd on April 15, 2011, replacing Mr. Gérard B. BAYINGANA in the position of Logistics Director.

He started his career as project implementation manager within Lekkerland Nederland BV in 2004. In 2005, he joined Heineken Group Supply Chain in Zoeterwoude in the role of Consultant Corporate Distribution and Logistics.

Since 2010, Daaf has been Manager of Inbound and Domestic Logistics within Heineken Netherlands Supply (ad interim position).

He holds a master degree in Science from Twente University in the Netherlands and a Professional Doctorate in Logistics from Eindhoven University in the Netherlands.

Willy NGANA
(Finance Director)

Willy, aged 49, joined BRALIRWA in March 2009. He started his career as an external auditor at PricewaterhouseCoopers in Kinshasa, DR Congo. After his external audit experiences at PWC, he was the audit manager of BRALIMA, DRC.

Prior to the current position, he was based in the Netherlands at Heineken Head Office as Regional Business Controller Manager for the Heineken Western Europe Region (2007-2009) responsible for France, Italy, Spain, Ireland, Duty Free and Export Businesses. This was preceeded by the position of Regional Audit Manager for Heineken Global Internal Audit, responsible for Africa and the Middle East Region (August 2002-May 2007).

He coordinated the functioning of internal audit department of the Heineken operating companies located in Egypt, Lebanon, Emirates Dubai, Nigeria, South Africa, Namibia, Sierra Leone, Democratic Republic of Congo, Congo Brazzaville, Rwanda, Burundi, Reunion, New Caledonia, Martinique and Guadeloupe.

He holds a Bachelors degree in Economics (Finance and Accountancy) from the Institute Superieur de Commerce of DR Congo.

Notice of Annual Meeting

NOTICE IS HEREBY GIVEN that the 1st Annual Meeting of shareholders of BRALIRWA Ltd as a listed company will be held at the Kigali Serena Hotel, on June 21, 2011 at 2.30 p.m for the following purposes:

A. ORDINARY BUSINESS

1. Consideration of the annual report;
2. Receiving of the auditor's report;
3. Consideration and approval of the financial statements;
4. Appropriation of profit and total comprehensive income for the year;
5. Discharge of the Directors and Auditors for financial year 2010;
6. Consideration and approval of Directors remuneration;
7. Appointment of Directors;
8. Appointment of Auditors;
9. Amendments of the Articles of association / share capital increase.

NOTES:

(a) Proxies

A shareholder of the company entitled to attend and vote is entitled to appoint a proxy to attend instead of him. A Proxy for a Corporation may vote on a show of hands. A proxy must be a shareholder. If the proxy form is to be valid for the purposes of the meeting, it must be completed and deposited at the Head office of the BRALIRWA's Registrar's CDSC Rwanda Ltd, EcoBank Building (Head office), Kigali - Rwanda ten days before the meeting.

(b) Dividend

The Board of Directors recommends to the shareholders the declaration of Frw 10,330,542,575 (ten billion, three hundred thirty million, five hundred forty two thousand five hundred and seventy five Rwandan francs) that is 20.09 (twenty francs and 9 cents) per share for 2010 on an enlarged number of shares outstanding (total dividend 2009: Frw 12.34 per comparable share). The proposed dividend to be declared of Frw 10,330,542,575 (ten billion, three hundred thirty million, five hundred forty two thousand five hundred and seventy five Rwandan franc) represents the total BRALIRWA Ltd 2010 Net Profit. If approved, a final dividend of Frw 7,330,542,575 (seven billion, three hundred thirty million, five hundred forty two thousands five hundred and seventy five Rwandan francs) corresponding to Frw 14.26 (fourteen Rwandan franc and twenty six cents) per share will be paid on July 21 2011, as an interim dividend of Frw 3,000,000,000 (three billion Rwandan francs) corresponding to Frw 5.83 (five Rwandan francs and eighty three cents) per share was paid on November 12, 2010. The payment will be subject to a withholding tax. The ex-final dividend date for BRALIRWA Ltd shares will be June 13, 2011. The book close date for BRALIRWA Ltd shares will be June 21, 2011, meaning that the final dividend will be paid to all shareholders whose names appear in the Register of Shareholders at the close of business on June 21, 2011.

Dated May 16, 2011

By order of the Board

Eugène TWAHIRWA
Company Secretary

Director's Report

1. LEGAL STATUS OF THE COMPANY

The company changed from a private to a public company and became BRALIRWA Ltd on June 9, 2010, in accordance with law n°7//2009 of 27/4/2009 relating to companies and registered by the Registrar General's Office (RGO) under certificate n° 100004348. BRALIRWA Ltd is the first domestic company to be listed on the Rwanda Stock Exchange (RSE) on January 31, 2011, which made it a listed public company.

The company is a subsidiary of Heineken N.V of Netherlands which controls 75% of the total shareholding while the remaining 25% is owned by other shareholders. The company has a share capital of Frw 385,713,750 divided into 514,285,000 ordinary shares with a nominal value of Frw 0.75 cents each. The number of shareholders was 3,707 as at April 28, 2011.

BRALIRWA Ltd is required to comply with the minimum capital requirement of the CMAC Blue print by not later than December 31, 2011.

Indeed for the purpose of listing the shares of BRALIRWA Ltd on the Rwanda Stock Exchange, the Board of the Capital Market Advisory Council granted a waiver from the requirement in the CMAC blue print to have a minimum paid up capital of Rwf 500 million for a period of 12 months.

Hence BRALIRWA Ltd shall increase its share capital from Frw 385,713,750 million to Rwf 514,285,000 by an ordinary resolution to be taken at the Annual meeting of the Shareholders.

2. REVIEW OF OPERATIONS

BRALIRWA Ltd delivered a solid performance in 2010 with net profit growing by 62.8% driven by a robust result from operating activities, lower interest expense and lower income tax expense;

- Result from operating activities growth by 49.2% driven by a strong volume performance, higher pricing and effective cost management;
- Revenue growth accelerated during 2010, increasing by 16.1% to Frw 52 billions, supported by higher volumes, increased pricing and improved sales execution;
- Volume growth by 12.5% driven by strong growth of the Primus and Mützig beer brands and higher soft drink sales;
- Strong free operating cash flow generation of Frw 9.5 billion, driven by a significant increase in profitability and working capital improvements.

The following is a summary of the operating results as at 31st December 2010:

In FRW '000'	2010	2009	Change in %
Gross Revenue	80,671,770	71,354,892	13.1%
Revenue	52,798,553	45,478,111	16.1%
Result from operating activities	14,529,927	9,737,857	49.2%
Income Tax expenses	-4,071,307	-2,985,627	36.4%
Profit and total comprehensive income for the year	**10,330,543**	**6,347,444**	**62.8%**

3. DIVIDEND

The Board of Directors recommends to the shareholders the declaration of Frw 10,330,542,575 (ten billion, three hundred thirty million, five hundred forty two thousand five hundred and seventy five Rwandan francs) that is 20.09 (twenty francs and 9 cent) per share for 2010 on an enlarged number of shares outstanding (total dividend 2009: Frw 12.34 per comparable share).

The proposed dividend to be declared of Frw 10,330,542,575 (ten billion, three hundred thirty million, five hundred forty two thousand, five hundred and seventy five Rwandan francs) represents the total BRALIRWA Ltd 2010 Net Profit.

If approved, a final dividend of Frw 7,330,542,575 (seven billion, three hundred thirty million, five hundred forty two thousands, five hundred and seventy five Rwandan francs) corresponding to Frw 14.26 (fourteen Rwandan francs and twenty six cents) per share will be paid on July 21 2011, as an interim dividend of Frw 3,000,000,000 (three billion Rwandan francs) corresponding to Frw 5.83 (five Rwandan franc and eighty three cents) per share was paid on November 12 2010.

The payment will be subject to withholding tax. The exfinal dividend date for BRALIRWA Ltd shares will be June 13, 2011. The book close date for BRALIRWA Ltd shares will be June 21, 2011, meaning that the final dividend will be paid to all shareholders whose names appear in the Register of Shareholders at the close of business on June 21, 2011.

4. BOARD OF DIRECTORS

The Board of Directors is composed of 9 members. The annual meeting held on June 9, 2010 set a transition period. That period starts from the adoption of the new articles of association of BRALIRWA Ltd on 9th June 2010 and ends on the date of Ordinary shares of the company admitted to listing of the BRALIRWA on the Rwanda Stock Exchange on 31st January 2011.

During this period, current Directors will continue to hold office until the annual meeting approves the resignation and appoints new Directors.

5. ANALYSIS OF SHAREHOLDING

SHAREHOLDER	NUMBER AND CLASS OF SHARES	PERCENTAGE OF ISSUED SHARE CAPITAL
Heineken International B.V.	205,740,000 ordinary shares	40%
BeleggingsmaatschappijLimba B.V.	179,975,000 ordinary shares	35%
Other Shareholders	128,570,000 ordinary shares	25%
Total	**514,285,000 Ordinary Shares**	

6. QUALITY POLICY STATEMENT

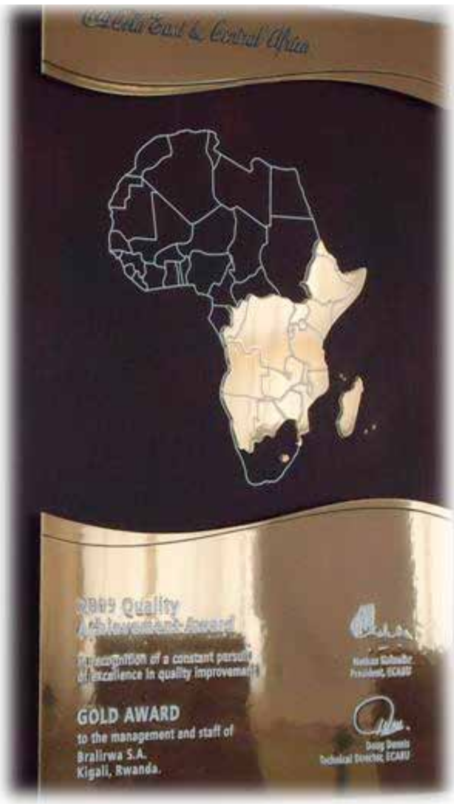
BRALIRWA Ltd believes that it is its responsibility to implement the best international and national standards as well as regulations to maintain the values that have regularly brought enormous recognition to the company.

BRALIRWA Ltd will continue to raise its performance in terms of Quality to satisfy the needs of the consumers.

Highlighted below are some of the company's external recognitions

6.1. Coca Cola Gold Award

The Quality Award recognizes Coca Cola bottling companies operating in Africa which excelled in complying with The Coca Cola Company requirements regarding Quality of Products and Packaging, Environment and Occupational Safety & Health. The Award is offered to plants that exceed the year's expectations. In 2009 Bralirwa Ltd also won a Coca-Cola Gold Award.



6.2. RDB General Manufacturing Award

BRALIRWA Ltd was for the third year in a row, awarded the Best General Manufacturing RDB Award 2010. Such recognition confirms the role played by BRALIRWA Ltd in the country's economy.

This high level recognition came three days after the official announcement of the company's listing on Rwanda Stock Exchange on January 31st, 2011.

6.3. ISO Certification

BRALIRWA Ltd plays a leadership role in Rwanda regarding quality and ISO certification in particular. ISO certification allows the brewery to pursue its efforts in maintaining and producing the best quality products.

- 2004: First Company in Rwanda to be ISO certified. (Universal Quality Audit)
- 2009: Obtained ISO 22000 Standard Certificate
- 2010: -Obtained ISO 14001:2004 Environment Management System Certificate,
  -Obtained OHSAS 18001:2007 Occupational Health and Safety Management System
  -Obtained ISO 9001:2008 Quality Management Systems

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Based on its values BRALIRWA Ltd believes in making a difference in the society in which it operates and seeks to participate in CSR activities in a pro-active way.

CSR is not only an important aspect to the Company's business but it also plays an important role in the economic social development of the country. The Company's key theme in all its CSR programs / activities is ensuring sustainability across all aspects of its business by:

- improving environmental impact;
- empowering their communities;
- promoting responsible consumption.

Some of the activities above are highlighted below:

7.1. Improving environmental impact

7.1.1 Tree planting

BRALIRWA Ltd as a socially responsible corporate citizen followed the example set by the government in an effort to respect the environment and combat erosion. It started a tree planting project in primary and secondary schools located in Nyagatare, Bugesera and Kicukiro Districts. BRALIRWA Ltd also initiated another project with employees in Runda, Kamonyi District where 500 trees were planted.

In partnership with a local NGO named CAE, formed by seven agronomists and involving environmental clubs in schools, 50,000 trees were planted in 2010. In light of the success of the project in 2010, a new contract is being considered with the intention of planting 150,000 trees during the next three years from 2010 - 2012.

7.1.2 Waste Water treatment

The Waste Water Treatment Plant in Kigali is an example of BRALIRWA Ltd's commitment to its core values, with respect to the environment in which the company lives in.

The facility, built on SBR (Sequencing Batch Reactors) technology, permits the sparkling beverages' plant to treat all the water that it uses for manufacturing processes at the highest standards possible and subsequently returns it to the environment at a level that supports aquatic life. It provides the plant's nearby population with agricultureally useful water while protecting the environment.

Bralirwa employees plant trees in Runda, Kamonyi district. Over 500 trees were planted as part of the Company's corporate social respobility to the community. Other tree planting initiatives were also carried out in some schools around the country.

7.2 EMPOWERING COMMUNITIES

7.2.1 Agriculture - Maize Project

Since mid-2008 BRALIRWA Ltd has used maize grit for the production of its beers. Maize grit of the right quality delivers a high quality beer and enables BRALIRWA Ltd to reduce the imported malted barley content in the beer. BRALIRWA Ltd is purchasing maize grit from Minimex, a Rwandan maize-milling company that converts maize into maize grit and other products. Availability of high quality maize in Rwanda is not enough to supply Minimex. Therefore, Minimex has to import part of its maize needs.

To obtain a stable and sufficient supply of maize grit that achieves the required quality standard Bralirwa Ltd and Minimex have formed a joint venture (BraMin) to cultivate maize in Rwanda. The location of the project is NDEGO, (Eastern Province) where an area of 250ha is being prepared for modern maize farming.

The mission of the project is to produce high quality maize in large quantities. The High Yielding Varieties (HYV) maize will be grown on large scale with high level of production inputs including: proven HYV seed, mechanization, irrigation, integrated pest management and fertilization.

The maize will be suitable to make meal and grit for the local market and, in a later stage, for export. The meal and grit produced will meet international quality standards.

By this innovative maize production the project will contribute to the green revolution as initiated by the Government of Rwanda. This project will contribute to food security, create employment, and lessen the dependency of Rwanda on imported foods.

The budget of the project is Euro 1.3m of which Euro 0.5m is financed by the State of The Netherlands. The remaining part of the budget is financed by BRALIRWA Ltd, Minimex and a local banking institution.

7.2.2 Community engagement project

Support to Gisozi Genocide Memorial Gardens

BRALIRWA Ltd supports the Memorial Gardens which offers an appropriate and meaningful place of reflection and moreover, respect to the victims of the Genocide. It is well-maintained and is of a high importance to the Rwandan community.

The Genocide Memorial Gardens at Gisozi - Kigali City.

In order to secure the supply of high quality maize in sufficient quantities, BRALIRWA and MINIMEX established a joint venture company, BRAMIN, which ndertook a project to grow maize locally and to train farmers in maize production. MINIMEX was unable to deliver all the quantity needed by BRALIRWA Ltd and therefore had to supplement its supply with imported maize from neighbouring EAC states.

7.2.3 Health care

In line with its mission and core values, BRALIRWA Ltd focuses on continuously on improving healthcare for its workforce and external community by undertaking various initiatives.

i. HIV program:

Fighting the threat of HIV/AIDS is a priority for BRALIRWA Ltd

The Company put in place a comprehensive HIV/AIDS workplace program providing preventive and curative services to 3000 people, including current employees, dependants and retired employees. More than 95% of the beneficiaries have done a voluntary HIV test. The program is currently in place and has generated visible tangible results.

At the Heineken Global Medical Conference in September 2010, in Johannesburg – South Africa, The Heineken International Health Affairs awarded BRALIRWA Ltd with the 2009-2010 Medical Award.

The Heineken Medical Award is a recognition of the head of the Medical department and his team for strong commitment and a high performance in executing the HIV program.

ii. Health Support

BRALIRWA Ltd supported by the Heineken Africa Foundation, provided financing to a local company, UTEXRWA, with € 600,000 to produce 140,000 malaria mosquito nets.

Under the arrangement, UTEXRWA will deliver the mosquito nets to BRALIRWA Ltd, which in turn will be donated to the Ministry of Health to distribute to the local communities.

BRALIRWA's General Manager, Sven-Erik PIEDERIET, and the company's head of the medical department Mr. Jean Pierre Kabalega, display samples of the mosquito nets.

7.3 Responsible Consumption

When consumed in moderation, beer can be part of a healthy, balanced lifestyle. It is, however, an unfortunate fact that a minority of people abuse alcohol and can consequently harm themselves or others. This is a serious, complex problem.The company has long been committed to playing its part in finding solution to this problem.

This includes communication to raise awareness, self-regulation and working with governments and partners to suggest appropriate and effective legislative measures which when rigorously enforced will support a real improvement in the levels of abuse.

- ## Don't drink and drive campaign launch

The campaign was designed to promote responsible drinking among drivers and other road users. It creates awareness about the dangers of "drinking and driving" and aims at reducing the incidence of alcohol induced road accidents.

8. INDEPENDENT AUDITORS

The Auditors KPMG Rwanda Ltd were appointed from 11th November 2010 and have indicated willingness to continue office as independent Auditors to the company.

Dated March 28th, 2011

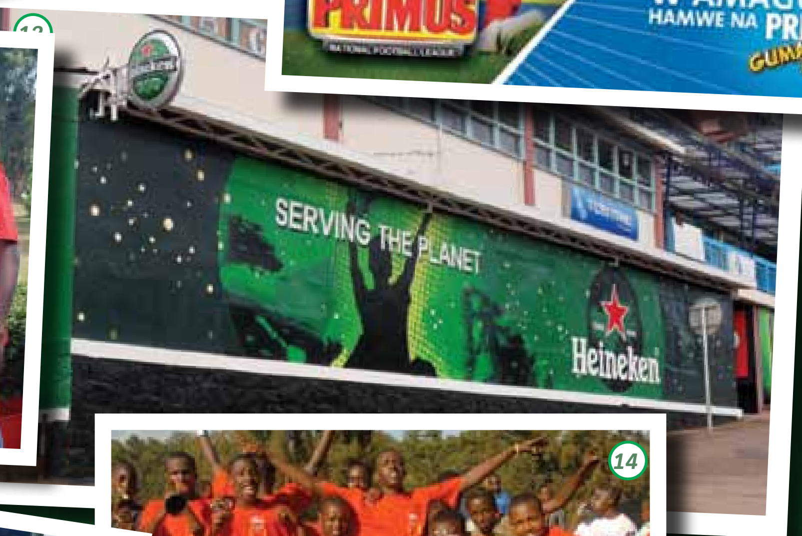
For the Board of Directors

Chairman of the Board

Vice Chairman of the Board

BRALIRWA WORLD *in pictures*

1. MUTZIG GOLD TOMBOLA WINNER
2. TOM CLOSE DANCING ON STAGE
3. MUTZIG GOLD TOMBOLA PARTICIPANTS ENJOING THEIR FAVORITE BEER
4. KIDUMU ADRESSING FANS
5. MUTZIG PROMO TEAM
6. MUTZIG GOLD TOMBOLA WINNERS POSING WITH THEIR PRIZES
7. MUTZIG BEER FEST AT JURU PARK
8. MUTZIG BAR PAINTING



Our promotional campaigns

9. EAST AFRICA PARTY 3rd EDITION
10. PRIMUS NATIONAL LEAGUE ADVERT
11. PRIMUS BAR PAINTING
12. HEINEKEN BAR ACTIVATION
13. COCA-COLA
14. COPA COCA-COLA FANS
15. PRIMUS “YACU IWACU” NEW CAMPAIGN
16. COPA COCA-COLA FOOTBALL GIRLS TEAMS DURING A MATCH

Directors, Officers and Administration

DIRECTORS

Jean Paul VAN HOLLEBEKE *	(Chairman)
James KAMANZI	(Vice Chairman)
Pierantonio COSTA ****	
Thomas Arie DE MAN **	
George GAKUBA	
Chantal MUBABURE	
John NYOMBAYIRE	
Lazare NZORUBARA ***	
René VAN DER GRAAF **	

* Belgian ** Dutch *** Burundian **** Italian

COMPANY SECRETARY

Eugène TWAHIRWA
P. O. Box 131, Kigali Rwanda

AUDITORS

KPMG Rwanda Limited
Omega Building
Boulevard de l'OUA
P.O Box 6755, Kigali Rwanda

REGISTERED OFFICE

Brasseries et Limonaderies du Rwanda "BRALIRWA Ltd"
Kicukiro P. O. Box 131
Kigali-RWANDA
Tel: (+250) 252 587 200 / 582 993
Email: bralirwa@heineken.com
Website:www.bralirwa.com

LAWYERS

MHAYIMANA Isaie & Associes
B. P. 713
Kigali, RWANDA

BANKERS

Banque de Kigali S. A. (BK)
53, Avenue du Commerce
B P 175, Kigali, Rwanda

Compagnie Générale de Banque
(COGEBANQUE) S.A.
B P 5230, Kigali, Rwanda

Banque Commerciale du Rwanda S. A. (BCR)
11 Boulevard de la Révolution
P O Box 354 Kigali, Rwanda

Kenya Commercial Bank Rwanda S. A. (KCB)
Avenue de la Paix
P O Box 5620, Kigali, Rwanda

Fina Bank S. A.
20 Boulevard de la Révolution
P O Box 331, Kigali, Rwanda

Eco Bank Rwanda S. A.
Plot 314, Avenue de la Paix
B P 3268, Kigali , Rwanda

Rwanda Banque Populaire du Rwanda S. A. (BPR)
32 Avenue de l Armee
B P 1348, Kigali, Rwanda

Rwanda Access Bank Rwanda Limited
UTC Building, 3rd floor Avenue de la Paix 1232
P O Box 2059, Kigali, Rwanda

Statement of Directors Responsibility

The Directors are responsible for the preparation and presentation of the financial statements of Brasseries et Limonaderies du Rwanda Ltd set out on pages 34 to 68 which comprise the statement of financial position as at 31 December 2010, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Directors' responsibility includes: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal control relevant to the preparation and presentation of these financial statements that 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.

Under the Rwanda Companies Act, the Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the Directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Rwanda Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the company will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on
March 28, 2011 and were signed on its behalf by:

Jean Paul Hillebrand

Director

Director

Report of the Independent Auditor to the Shareholders of Brasseries et Limonaderies du Rwanda

We have audited the financial statements of Brasseries et Limonaderies du Rwanda set out on pages 34 to 68 which comprise the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As stated on page 28, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and the requirements of the Rwanda Companies Act, 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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company at 31 December 2010, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Rwanda Companies Act.

Report on other legal requirements

As required by the provisions of Article 247 of Law No. 07/2009 of 27/04/2009 relating to companies in Rwanda, we report to you, based on our audit, that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;

(ii) In our opinion, proper books of account have been kept by the company, so far as appears from our examination;

(iii) The statement of comprehensive income and statement of financial position are in agreement with the books of account;

(iv) We have no relationship, interest or debt with the Brasseries et Limonaderies du Rwanda. As indicated in our report on the financial statements, we comply with ethical requirements. These are the International Federation of Accountants' Code of Ethics for Professional Accountants, which includes comprehensive independence and other requirements.

(v) As described under the heading "Auditor's Responsibility" in our report on the Financial Statements, the auditor considers internal controls 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 controls. In the course of our audit while performing such procedures, we became aware of certain internal control matters. We have reported these matters, together with our recommendations, to management in a separate management letter. These matters do not affect our audit opinion on the financial statements.

JOHN NDUNYU
KPMG RWANDA LIMITED
Certified Public Accountants
P. O. Box 6755
Kigali
Rwanda

Date: **March 28, 2011**

Statement of Comprehensive Income for the Year Ended 31 December 2010

	NOTES	2010 Rwf'000	2009 Rwf'000
Revenue	7	52,798,553	45,478,111
Cost of sales		(27,115,035)	(26,729,543)
Gross profit		25,683,518	18,748,568
Other income		5,850,355	5,965,936
Selling and distribution costs	8	(6,449,142)	(5,335,790)
Administrative expenses		(10,239,784)	(8,947,521)
Other operating expenses		(315,020)	(693,336)
Total expenses		(17,003,946)	(14,976,647)
Results from operating activities		14,529,927	9,737,857
Finance income	9	120,614	44,552
Finance costs		(248,691)	(449,338)
Net finance cost	11	(128,077)	(404,786)
Profit before income tax		14,401,850	9,333,071
Income tax expense	12	(4,071,307)	(2,985,627)
Profit and total comprehensive income for the year		10,330,543	6,347,444
Basic and diluted earnings per share – Rwf	21	20.09	12.34

The notes on pages 38 to 68 are an integral part of these financial statements.

Statement of Financial Position as at 31 December 2010

	NOTES	2010 Rwf'000	2009 Rwf'000	1 January 2009 Rwf 000
Non-current assets				
Property, plant and equipment	13	18,160 ,813	17,164,068	14,527,942
Intangible assets	14	259,362	1,194	2,676
Investment in associate company	15	9,224	9,224	9,224
Other investments	16	128,000	2,000	18,000
Total non-current assets		18,557,399	17,176,486	14,557,842
Current assets				
Inventories	17	11,366,532	12,061,938	14,941,725
Receivable from related parties	29(e)	65,568	56,164	42,500
Trade and other receivables	18	3,912,124	2,930,131	2,013,131
Cash and cash equivalents	19	4,783,239	4,860,960	2,529,384
Total current assets		20,127,463	19,909,193	19,526,740
TOTAL ASSETS		38,684,862	37,085,679	34,084,582
EQUITY				
Share capital	20	385,714	385,714	385,714
Share premium	20	84,857	84,857	84,857
Other reserves	20	2,200,560	2,200,560	2,200,560
Retained earnings		13,423,230	12,528,521	10,253,026
Total equity		16,094,361	15,199,652	12,924,157
Non-current liabilities				
Loans and borrowings	22	-	22,829	-
Deferred income	23	36 865	53,880	72 312
Deferred tax liability	25	804 163	822,275	818 001
Total non-current liabilities		841 028	898,984	890 313
Current liabilities		-	74	1,209,489
Bank overdraft	19	23 031	266,015	1,415,746
Loans and borrowings	22	1 496 924	1,402,121	1,261,358
Payable to related parties	29(e)	18,357,858	17,387,306	15,347,117
Trade and other payables	26	18 432	18,432	18,432
Deferred income	23	1 853 228	1,913,095	1,017,970
Current income tax payable				
Total current liabilities		21 749 473	20,987,043	20,270,112
Total liabilities		22 590 501	21,886,027	21,160,425
Total equity and liabilities		38 684 862	37,085,679	34,084,582

The Board of Directors approved the financial statements on pages 31 to 65 on and were signed on its behalf by:

Director:______________________________ Director:______________________________

The notes on pages 34 to 68 are an integral part of these financial statements.

Statement of Changes In Equity for the Year Ended 31 December 2010

Year ended 31 December 2009	NOTES	Share capital Rwf 000	Share premium Rwf 000	Other reserves Rwf 000	Retained earnings Rwf 000	Total equity Rwf 000
01-Jan-09		385,714	84,857	2,200,560	10,253,026	12,924,157
Comprehensive income for the year						
Profit and total comprehensive income for the year		-	-	-	6,347,444	6,347,444
Transactions with owners, recorded directly in equity						
Distributions to owners						
Dividends						
- Paid in the year for 2008		-	-	-	(4,105,656)	(4,105,656)
Share based payment		-	-	-	47,613	47,613
Re-charge on share based payment		-	-	-	(13,906)	(13,906)
Balance at 31 December 2009		385,714	84,857	2,200,560	12,528,521	15,199,652

Year ended 31 December 2010	NOTES	Share capital Rwf 000	Share premium Rwf 000	Other reserves Rwf 000	Retained earnings Rwf 000	Total equity Rwf 000
01-Jan-10		385,714	84,857	2,200,560	12,528,521	15,199,652
Comprehensive income for the year						
Profit and total comprehensive income for the year					10,330,543	10,330,543
Transactions with owners, recorded directly in equity						
Distributions to owners						
Dividends						
- Paid in the year for 2009	20	-	-	-	(6,330,166)	(6,330,166)
- Interim dividend paid in the year	24	-	-	-	(3,000,000)	(3,000,000)
Share based payment		-	-	-	(95,379)	(95,379)
Re-charge on share based payment		-	-	-	(10,289)	(10,289)
Balance at 31 December 2009		385,714	84,857	2,200,560	13,423,230	16,094,361

The notes on pages 38 to 68 are an integral part of these financial statements.

Statement of Cashflows
for the Year Ended 31 December 2010

	NOTES	2010 Rwf'000	2009 Rwf'000
Operating activities			
Profit before tax		14,401,850	9,333,071
Adjustments for:			
Finance costs	11	120,384	313,049
Depreciation	13	3 010,356	2,626,754
Amortisation of intangible assets	14	260,557	3,871
Gain on sale of property, plant, and equipment.	8	(401,451)	(29,596)
Equity-settled share-based payment transactions	24	(105,668)	33,707
		17,286,028	12,280,856
Changes in working capital			
Changes in receivables and prepayments	18	(981,993)	9,17,000)
Changes in related party balances	29	85,399	127,099
Changes in inventories	17	695,406	2,879,787
Changes in payables and accrued expenses	26	970,552	2,040,189
Deferred income	23	(17,015)	(18,432)
Cash generated from operating activities		18,038,377	16,392,499
Interest received	11	5,827	9,177
Interest paid	11	(126,211)	(322,226)
Income tax paid		(4,149,286)	(2,086,228)
Net cash flow (used in)/from operating activities		13,768,707	13,993,222
Investing activities			
Proceeds from sale of property, plant, and equipment.		484,359	334,623
Purchase of property, plant and equipment	13	(4,090,009)	(5,567,907)
Purchase of intangible assets	14	(518,725)	(2,389)
Investment in Joint venture	15	(126,000)	16,000
Net cash used in investing activities		(4,250,375)	(5,219,673)
Financing activities			
Repayment of loans and borrowings	22	(265,813)	(1,126,902)
Dividends paid		(9,330,166)	(4,105,656)
Net cash flow used in financing activities		(9,595,979)	(5,232,558)
(Decrease) /Increase in cash and cash equivalents		(77,647)	3,540,991
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 January		4,860,960	2,529,384
Bank overdrafts		(74)	(1,209,489)
Net (decrease)/ increase in cash and cash equivalents		(77,647)	3,540,991
Cash and cash equivalents as at 31 December		4,783,239	4,860,886

The notes on pages 38 to 68 are an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2010

1 Reporting entity

Brasseries et Limonaderies du Rwanda is incorporated in Rwanda under the Rwanda Companies Act and is domiciled in Rwanda. The address of its registered office is:

Kicukiro,
P.O. Box 131
Kigali, Rwanda.

The company is engaged in the production and distribution of beers, gaseous and non gaseous products.

2 Basis of preparation

a Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). These are the Company's first financial statements prepared in accordance with IFRSs and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

An explanation of how the transition to IFRSs has affected the reported financial position, and financial performance is provided in note 30

b Basis of measurement

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

c Functional and presentation currency

These financial statements are presented in Rwanda Francs (Rwf), which is the Company's functional currency. All financial information presented in Rwanda Francs has been rounded to the nearest thousand.

d Use of estimates and judgement

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

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 estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in **Note 5 Financial risk management**

3 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the company at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss arising on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Foreign currency differences arising on retranslation are recognised in profit and loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at cost remain translated into the functional currency at historical exchange rates.

b. 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. The cost of certain items of property, plant and equipment was determined by reference to a previous GAAP revaluation. The Company elected to apply the optional exemption to use this previous revaluation as deemed cost at 1 January 2009, the date of transition.

Cost comprises expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

Borrowing costs related to the acquisition or construction of qualifying assets are capitalised as part of the cost of that asset.

Spare parts that are acquired as part of an equipment purchase and only to be used in connection with this specific equipment are initially capitalised as part of the equipment.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

ii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value.

Land is not depreciated. Depreciation on other property, plant, and equipment is charged to profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment, and major components that are accounted for separately, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Assets under construction are not depreciated.

The estimated useful lives are as follows:

• Land and Buildings	40	years
• Plant and equipment	20-25	years
• Motor vehicles and office equipment	3-5	years
• Returnable packaging	5–7	years

The depreciation methods, residual values, as well as the useful lives are reassessed, and adjusted if appropriate, at each financial year-end.

iii) Subsequent costs

The cost of replacing a component of an item of property, plant, and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, if it is probable that the future economic benefits embodied within the component will flow to the company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant, and equipment are recognised in profit or loss when incurred.

iV) Gains and losses on disposal

Net gains on sale of items of property, plant, and equipment are presented in profit or loss as other income. Net losses on sale are included in depreciation. Net gains and losses are recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing management involvement with the property, plant, and equipment.

c. Intangible assets-Computer software

The costs incurred to acquire and bring to use specific computer software licences are capitalised. Capitalised computer software licences are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is based on the cost of the asset less its residual value. Amortisation is recognised in profit or loss on a straight line basis over the expected useful lives, from the date it is available for use. The estimated useful life for the current and comparative years is 3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Costs associated with maintaining software are recognised as an expense as incurred.

d. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Costs include an appropriate share of direct production overheads based on normal operating capacity.
Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Spare parts are valued at the lower of cost and net realisable value. Value reductions and usage of parts are charged to profit or loss.

e. Impairment

(i) Financial assets

A financial asset not carried at fair value 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 that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

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

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the 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. For financial assets measured at amortised cost, the reversal is recognised in the profit or loss.

(ii) Non-Financial assets

The carrying amounts of the Company's non-financial assets and inventories 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

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.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 had been recognised.

f. Employee benefits

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The company and all its employees contribute to the national Social Security Fund, which is a defined contribution scheme. The company also operates a separate defined contribution retirement benefit scheme for its eligible employees. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Other long-term employee benefits

The company's net obligation in respect of long-term employee benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised as an expense when the company is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Benefits falling due more than 12 months after the reporting date are discounted to their present value.

(iv) Short-term employment benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term benefits if the company 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.

(v) Share-based payment transactions

The grant date fair value of the share rights granted is recognised as personnel expenses with a corresponding increase in equity. The costs of the share plan for senior management members are spread evenly over the performance period for market conditions and are adjusted to reflect the actual number of share rights that will vest (for internal conditions). The fair value (for market conditions) is measured at grant date using the Monte Carlo model taking into account the terms and conditions of the plan.

On each reporting date, Bralirwa revises its estimates of the number of share plan rights that are expected to vest, only for the 75% internal performance conditions of the share plan of the senior management members. It recognises the impact of the revision of original estimates, if any in profit or loss with a corresponding adjustment to equity. The fair value is measured on grant date.

(vi) Leave

Accrual for annual leave is made as employees earn it and reduced when taken.

g. Revenue

Revenue from the sale of products in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT), excise duties, returns, customer discounts, and other sales-related discounts.

Revenue from the sale of products is recognised in profit or loss when the amount of revenue can be measured reliably, the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably, and there is no continuing management involvement with the products.

h. Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

i. Lease payments

Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

j. Finance income and finance cost

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

Finance costs comprise interest expense on borrowings.

Foreign currency gains and losses are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

k. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

l. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares, which comprise share rights granted to employees.

m. Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared.

n. Comparatives

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year.

o. Financial instruments

(i) Classification

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The company classifies its financial instruments into the following categories: financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets or financial liabilities at fair value through profit or loss are financial assets or financial liabilities held for trading and those designated at fair value through profit or loss at initial recognition. A financial asset or financial liability is classified into this category at inception if acquired or incurred principally for the purpose of selling or repurchasing in the near term, if it forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or if so designated by management.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the company intends to sell in the short term or that it has designated as at fair value through profit or loss or available-for-sale.
Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities –other than those that meet the definition of loans and receivables – that the company's management has the positive intention and ability to hold to maturity. These assets include deposits with financial institutions.

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

(ii) Recognition

The company recognises financial assets through profit or loss and available-for-sale financial assets on the date it commits to purchase the assets. From this date, available-for-sale financial assets and financial assets at fair value through profit or loss are carried at fair value.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as net realised gains/losses on financial assets.

Loans and receivables and held-to-maturity receivables are recognised on the day they are transferred to the company and carried at amortised cost using the effective interest method.

(iii) Measurement

Financial instruments are measured initially at fair value, including transaction costs.

Subsequent to initial recognition all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities, loans and receivables and held-to-maturity assets are measured at amortised cost less impairment losses.

Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

(iv) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the reporting date without any deduction for transaction costs.

If the market for a financial asset is not active, the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

(v) Derecognition

A financial asset is derecognised when the company loses control over the contractual rights to the cash flows of the asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when its contractual obligations are discharged, cancelled or expire

(Vi) Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Loans and borrowings, for which the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, are classified as non-current liabilities.

(Vii) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(Viii) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and short term investments net of bank overdrafts.

(ix) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to set-off the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2010, and have not been applied in preparing these financial statements:

- IAS 24 Related Party Disclosures amends the definition of a related party and modifies certain related party disclosure requirements for government related entities. The amendment to IAS 24 will become mandatory for the company's 2011 financial statements and are expected to have an impact on the presentation of related party information in the Company's financial statements.

- IFRS 7 Financial Instruments: The amendments add an explicit statement that qualitative disclosure should be made in the contact of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments.

- IAS 1 Presentation of Financial Statements The amendments clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income also is required to be presented, but may be presented either in the statement of changes in equity or in the notes.

- IAS 34 Interim Financial Reporting The amendments add examples to the list of events or transactions that require disclosure under IAS 34 and remove references to materiality in IAS 34 that describes other minimum disclosures.

- IFRS 9 Financial Instruments retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised costs and fair value. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.

  IFRS 9 will become mandatory for the Company's 2013 financial statements and is not expected to have a significant effect on the financial statements.

4 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values or for the purpose of impairment testing is disclosed in the notes specific to that asset or liability.

(i) Investments in equity

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only. In case the quoted price does not exist at the date of exchange or in case the quoted price exists at the date of exchange but was not used as the cost, the investments are valued indirectly based on discounted cash flow models.

(ii) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

5 Financial risk management objectives and policies

Overview

The company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

This note presents information about the company's exposure to financial risks, the company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities

The Company's Treasury function focuses primarily on the management of financial risk and financial resources. Some of the risk management strategies include the use of cash flow forecasts to ensure that the company has cash to meet its obligations and surplus cash is invested.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other receivables.

i. Trade and other receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered

Sales are made subject to the customer making a prepayment to secure the products. To mitigate the credit exposure, customers are also required to pay a deposit for the returnable containers and crates.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The main components of this allowance are a specific loss component that relates to individually significant exposures. The collective allowance is determined based on historical data of payment statistics for similar financial assets.

ii. Investments

The Company limits its exposure to credit risk by only investing in liquid securities. The Company's main investment is in term deposits with local financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

iii. Guarantees

The Company's policy is to avoid issuing guarantees where possible unless this leads to substantial savings for the Company. In cases where the Company does provide guarantees, such as to banks, the Company aims to receive security from the third party.

	2010 Rwf'000	2009 Rwf'000	1 Jan 2009 Rwf'000
Cash at bank and short term bank deposits	4,783,239	4,860,960	2,529,384
Trade receivables	3,343,634	2,586,866	1,592,586
Receivables from related companies	65,568	56,164	42,500
	8,192,441	7,503,990	4,164,470

The ageing of trade receivables at the reporting date was:

	Gross 2010 Rwf'000	Gross 2009 Rwf'000	Gross 1 Jan 2009 Rwf'000
Neither past due nor impaired	3,343,634	2,889,122	1,592,586
Impaired	151,128	151,128	151,128
	3,494,762	2,737,994	1,743,714
Less: allowance for impairment	151,128	151,128	151,128
Net	3,343,634	2,586,866	1,592,586

iv. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due.

Cash flow forecasting is performed on a monthly basis to monitor rolling forecasts of the company liquidity requirements to ensure it has sufficient cash to meet its contractual obligations. Such forecasting takes into consideration the company working capital requirements, covenant compliance and compliance with internal ratio targets at reporting date.

The company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the company has in place unsecured banking facilities with Bank of Kigali, Commercial Bank of Rwanda, Fina Bank, Kenya Commercial Bank and Access Bank which have a combined facility limit of Rwf 4.15 billion (2009 – Rwf 3.5 billion, 2008-Rwf 3.5 billion) and are repayable on demand. The banking facilities comprises of bank overdraft, medium term loan and letters of credit.

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

2009	Carrying amount Rwf '000	6 months or less Rwf '000	6-12 months Rwf '000
Loans and borrowings	288,844	132,906	155,938
Trade payables	4,653,375	4,245,000	408,375
Payable to related companies	1,402,121	1,095,638	306,483
Bank overdraft	74	74	-
Total financial liabilities	6,344,414	5,473,618	870,796

2010	Carrying amount Rwf '000	6 months or less Rwf '000	6-12 months Rwf '000
Loans and borrowings	23,031	23,031	-
Trade payables	3,723,500	3,521,484	364,316
Payable to related companies	1,496,924	1,473,793	23,131
Bank overdraft	-	-	-
Total financial liabilities	5,243,455	5,018,308	387,447

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign currency risk

Foreign currency exposure arises mainly from purchase transactions that are denominated in a currency other than the functional currency (Rwanda Franc). The currencies in which these transactions are primarily denominated are U.S. Dollars (USD) and Euro.

The currency fluctuation for the USD and Euro within the Rwanda market is closely monitored by the government through the National Bank of Rwanda and is therefore considered fairly stable within plus minus 5%.

The table below summarises the company's exposure to foreign currency risks:

	31 December 2010		31 December 2009	
	EUR Rwf '000	USD Rwf '000	EUR Rwf '000	USD Rwf '000
Cash and cash equivalents	193,724	743,602	203,591	727,081
Related party balances	(1,324,114)	(107,242)	(1,225,884)	(120,073)
Trade and other payables	(236,872)	(1,350,059)	(843,907)	(1,829,759)
Gross balance sheet exposure	(1,367,262)	(713,699)	(1,866,200)	(1,222,751)

The following exchange rates were applied during the year

	Average rate		Closing rates		
Currency	2010	2009	2010	2009	1January 2009
EUR	774.17	792.65	780.00	818.41	792.00
USD	583.26	568.32	594.45	571.23	558.89

Sensitivity analysis on foreign currency rates

A 5 percent strengthening of the Rwanda Francs against the following currencies at 31 December would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remains constant.

Effect in thousands Rwanda Francs	Income statement	
As at 31 December	2010	2009
EUR	68,363	93,310
USD	35,685	61,138

(ii) Interest rate risk

The company has term deposits and loan and borrowings that have fixed interest rates.

The table below summarises the interest rate profile of the company's financial assets and liabilities.

	Effective interest rate	On demand Rwf'000	Due between three and twelve months Rwf'000	Total Rwf'000
As at 31 December 2010				
Deposits (USD/EURO)	6%	317,351	-	317,351
Loans and borrowings	12.25%	23,031	-	23,031
As at 31 December 2009				
Deposits (USD/EURO)	6%	311,460	-	311,460
Bank overdraft	13-14%	74	-	74
Loans and borrowings	12.25%	132,906	155,938	288,844

(d) Capital management

Capital is herein defined as equity attributable to shareholders of the company. The policy of the Board of Directors is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as total shareholders' equity.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements other than the legal reserves.

(e) Fair value estimation

IFRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

6 Segment reporting

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and are managed separately because they require different technology. For each of the strategic business units, the Company's General Manager reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

Business segments

The two main business segments are:

- Beer; Includes purchasing, manufacturing, sale, and distribution of beer products.
- Soft drinks; Includes purchasing, manufacturing, sale and distribution of soft drinks.

	Beer		Soft drink	
	2010 Rwf '000	2009 Rwf '000	2010 Rwf '000	2009 Rwf '000
External revenue	38,355,011	32,590,512	14,443,542	12,887,599
Interest revenue	78,297	28,921	42,318	15,631
Interest expense	(161,438)	(291,687)	(87,254)	(157,651)
Depreciation and amortisation	2,387,684	1,920,356	883,116	710,269
Staff cost	3,636,465	3,385,723	1,364,151	1,270,089

7 Analysis of revenue

	2010 Rwf'000	2009 Rwf'000
Net turnover		
- Beer	38,355,011	32,590,512
- Soft drinks	14,443,542	12,887,599
	52,798,553	45,478,111

8 Other income

	2010 Rwf'000	2009 Rwf'000
Transport income	5,134,973	5,498,517
Miscellaneous income	313,931	437,823
Net gain on sale of property, plant and equipment	401,451	29,596
	5,850,355	5,965,936

9 Results from operating activities

The following items have been charged in arriving at the profit before income tax:	2010 Rwf'000	2009 Rwf'000
Depreciation on property, plant and equipment (Note 13)	3,010,356	2,626,754
Repairs and maintenance expenditure on property, plant and equipment	465,056	538,652
Staff costs (Note 10)	5,000,616	4,655,812
Auditors' remuneration	145,475	101,465

10 Staff Cost

	2010 Rwf'000	2009 Rwf'000
The following items are included within staff costs:		
Salaries and wages	3,373,818	3,127,225
Contributions to defined contribution scheme	226,090	76,285
Contributions to National Social Security Fund	317,947	297,401
Equity settled share based payments	95,319	47,613
Other staff costs	1,178,140	1,107,288
	5,000,616	4,655,812

11 Finance costs and income

	2010 Rwf'000	2009 Rwf'000
Finance costs:		
Foreign exchange losses	122,480	127,112
Interest expense	126,211	322,226
	248,691	449,338
Finance income:		
Foreign exchange gains	114,787	35,375
Interest income	5,827	9,177
	120,614	44,552

12 Income tax expense

	2010 Rwf'000	2009 Rwf'000
Current income tax	4,089,419	2,981,353
Deferred income tax		
Original reversal of temporary differences	39,328	4,274
Reduction in tax rate	(57,440)	-
Deferred income tax charged to profit and loss	(18,112)	4,274
Income tax expense	4,071,307	2,985,627
The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:		
Profit before income tax	14,401,850	9,333,071
Tax calculated at the statutory income tax rate of 28% (30% -2009)	4,032,518	2,799,921
Tax credit	(261,027)	-
Expenses not deductible for tax purposes	299,816	185,706
Income tax expense	4,071,307	2,985,627

13 Property, plant and equipment

	Land and Buildings	Plant and Equipment	Motor vehicles and office equipment	Work in progress	Returnable packaging	Total
Year ended 31 December 2009	Rwf '000'	Rwf '000'	Rwf '000'	Rwf '000'	Rwf '000'	Rwf '000'
Cost						
1 January 2009	3,372,346	12,270,773	7,014,699	580,636	5,743,557	28,982,011
Additions	399,851	-	982,178	898,007	3,287,871	5,567,907
Transfers	-	692,772	85,069	(777,841)	-	-
Disposals	(164)	(11,989)	(114,918)	-	(681,589)	(808,660)
31 December 2009	3,772,033	12,951,556	7,967,028	700,802	8,349,839	33,741,258
DEPRECIATION						
1 January 2009	1,456,614	5,259,626	5,073,038	-	2,664,791	14,454,069
Charge for the year	142,624	731,442	730,307	-	1,022,381	2,626,754
Disposals	-	-	(114,918)	-	(388,715)	(503,633)
31 December 2009	1,599,238	5,991,068	5,688,427	-	3,298,457	16,577,190
Net book value						
At 31 December 2009	2,172,795	6,960,488	2,278,601	700,802	5,051,382	17,164,068

13 Property, plant and equipment

	Land and Buildings	Plant and Equipment	Motor vehicles and office equipment	Work in progress	Returnable packaging	Total
Year ended 31 December 2010	Rwf '000'	Rwf '000'	Rwf '000'	Rwf '000'	Rwf '000'	Rwf '000'
Cost						
1 January 2010	3,772,033	12,951,556	7,967,028	700,802	8,349,839	33,741,258
Additions	390,932	502,786	686,011	-	2,510,280	4,090,009
Transfers	-	295,125	-	(295,125)	-	-
Disposals	-	-	-	-	(263,215)	(263,215)
31 December 2010	4,162,965	13,749,467	8,653,039	405,677	10,596,904	37,568,052
DEPRECIATION						
1 January 2010	1,599,238	5,991,068	5,688,427	-	3,298,457	16,577,190
Charge for the year	194,814	558,223	656,963	-	1,600,356	3,010,356
Disposals	-	-	-	-	(180,307)	(180,307)
31 December 2010	1,794,052	6,549,291	6,345,390	-	4,718,506	19,407,239
Net book value						
At 31 December 2010	2,368,913	7,200,176	2,307,649	405,677	5,878,398	18,160,813

14 Intangible assets

	2009	2010
Cost	Rwf'000	Rwf'000
Balance at 1 January	190,327	187,938
Additions	518,725	2,389
Disposal	-	-
Balance at 31 December	709,052	190,327
Amortisation and impairment loss		
Balance at 1 January	189,133	185,262
Amortisation for the year	260,557	3,871
Balance at 31 December	449,690	189,133
Net book value at end of year	259,362	1,194

15 Investments in associates

	2010	2009	1 January 2009
	Rwf'000	Rwf'000	Rwf'000
At cost			
Banque Rwandaise de Development	9,224	9,224	9,224

The above equity investment is carried at cost less impairment as the directors cannot reliably determine the fair value due to the absence of a ready market for the shares.

16 Other investments

	% Interest held	2010	2009	1 January 2009
		Rwf'000	Rwf'000	Rwf'000
Cogelgaz*	62%	179,861	179,861	179,861
Bramin**	50%	128,000	2,000	18,000
Less: Impairment allowance		179,861	179,861	179,861
		128,000	2,000	18,000

* Cogelgaz is incorporated in Rwanda as a private limited liability company, and is domiciled in Rwanda. The company was founded for the exploitation of methane gas from Lake Kivu. An initial investment of Rwf 109,200,000 was made in 2001 and successively increased in 2003 and 2004. The investment has been fully impaired as the company has ceased operations.

** Bramin is a joint venture between Bralirwa and Minimex, a maize processing company in Rwanda, to produce and commercialize high yield maize. In 2009, as the project phase did not require the planned investment, Bralirwa divested Rwf 16,000,000 out of the initial investment. In 2010, Bralirwa Ltd made an additional investment of Rwf 126,000,000. Bramin will commence activities in 2011.

17 Inventories

	2010	2009	1 January 2009
	Rwf'000	Rwf'000	Rwf'000
Raw materials	4,716,532	5,556,621	8,279,768
Consumables and returnable packaging	700,949	1,101,406	1,063,801
Work in progress	841,263	449,071	444,416
Finished goods	278,637	461,848	319,066
Goods for resale	473,059	303,630	627,963
Non-returnable packaging	1,040,336	892,822	972,461
Spare parts	2,296,522	2,709,382	2,561,412
Other inventories	1,019,234	587,158	672,838
	11,366,532	12,061,938	14,941,725

18 Receivables and pre-payments

	2010	2009	1 January 2009
	Rwf'000	Rwf'000	Rwf'000
Trade receivables	3,494,762	2,737,994	1,743,714
Less: Impairment losses	(151,128)	(151,128)	(151,128)
Trade receivables – net	3,343,634	2,586,866	1,592,586
Other receivables and prepayments	568,490	343,265	420,545
	3,912,124	2,930,131	2,013,131
The allowance at the end of the year is made up of:			
Provision for trade receivables	151,128	151,128	151,128
Provision for other receivables	462,035	462,550	461,978
At end of year	613,163	613,678	613,106

19 Cash and cash equivalents

Cash at bank and in hand	4,465,888	4,549,500	2,250,951
Short term bank deposits	317,351	311,460	278,433
	4,783,239	4,860,960	2,529,384
Bank overdraft	-	(74)	(1,209,489)
	4,783,239	4,860,886	1,319,895

20 Capital and reserves

	2010 Rwf '000	2009 Rwf '000	2010 Rwf '000	2009 Rwf '000
Ordinary shares	Number of shares	Ordinary share capital Rwf' 000	Share premium Rwf' 000	Total Rwf' 000
Balance from 1 January 2009 to 31 December 2010	514,285,000	385,714	84,857	470,571

In November 2010, the Share holders resolved to split the company's 102 857 authorised and issued ordinary shares with a par value of Rwf 3 750by a ratio of 5000:1 thereby increasing the total number of authorised and issued ordinary shares to 514 285 000 with a par value of Rwf 0.75 per share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Other reserves

	2010	2009	1 January 2009
	Rwf'000	Rwf'000	Rwf'000
Fiscal reserve	148,252	148,252	148,252
Statutory reserve	2,013,737	2,013,737	2,013,737
Legal reserve	38,571	38,571	38,571
	2,200,560	2,200,560	2,200,560

Fiscal reserve

The legal reserve is based on Article 138 paragraph 3 of the Ministerial order of 1964 which required the company to maintain a special reserve of 20% of the profits for 1964. The reserve is not distributable to shareholders.

Statutory reserve

The statutory reserve is voluntary reserve created by the shareholders of the company and is not distributable to shareholders.

The reserve includes revaluation for the inventory done in 1994 after a strong depreciation of the Rwandese franc (Rwf-1,297,370) and Rwf 212 466 being the outstanding balance of revaluation reserve for property, plant and equipment. The Company elected to apply the optional exemption to use this previous revaluation as deemed cost at 1 January 2009, the date of transition.

Legal reserve

The legal reserve is based on a company's act of 12 February 1988 which required a non-appropriation of 5% of net income for the prior year until a maximum level of 10% of the issued share capital. The legal reserve is not distributable to shareholders.

Dividends

During the year, the company paid interim dividend amounting to Rwf 3 billion (2009, Nil).

After the respective reporting dates the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

For the year ended 31 December	2010	2009
	Rwf'000	Rwf'000
Final dividend 14.25 Francs per qualifying ordinary share (2009: 61 540 Francs)	7,330,543	6,330,167

21 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2010 was based on the profit attributable to ordinary shareholders of Rwf 10 330 543 thousand (2009: Rwf 6 347 444), and the weighted average number of ordinary shares outstanding of 514 285 000.

	Note	2010	2009
Profit and total comprehensive income for the year		10,330,543	6,347,444
Weighted average ordinary shares at 31 December	20	514,285,000	514,285,000
		20.09	12.34

There were no potentially dilutive shares and therefore Diluted Earnings per Share is the same as Basic Earnings per Share for the periods presented. Basic Earnings per Share has been calculated using the weighted average number of authorised and issued ordinary shares after the stock split from the earliest period presented.

22 Loan and Borrowings

	2010	2009	1 January 2009
	Rwf' 000	Rwf' 000	Rwf' 000
The borrowings are made up as follows:			
Non-current			
Bank borrowings	-	22,829	-
Current			
Bank borrowings	23,031	266 015	1,415,746
Total borrowings	23,031	288,844	1,415,746

In 2007, the Company obtained a three year term loan amounting to Rwf 1.2 billion from Banque de Kigali, to finance the acquisition of new equipment in Rubavu. The loan bears a fixed interest rate of 12.25% annually. The loan was disbursed in three instalments; December 2007-Rwf 500 million, January 2008-Rwf 500 million and February 2008-Rwf 500 million.

23 Deferred income

	2010	2009	1 January 2009
	Rwf' 000	Rwf' 000	Rwf' 000
Non-current	36,865	53,880	72,312
Current	18,432	18,432	18,432
Total	55,297	72,312	90,744

Deferred income relates to refund subsidies received from Diageo for equipments purchased amounting to Rwf 136 117 thousand. The total amount is being amortised over the expected useful life of the asset (8 years) on a straight line basis - Rwf 18 432 thousand per annum

24 Share based payments

Long term incentive plan

As from 1 January 2006 Heineken N.V. established a performance-based share plan (Long-Term Incentive Plan; LTIP) for Senior Management.

The LTIP share rights conditionally awarded each year in the 2008-2010 plan and the 2009-2011 plan are for 25 per cent subject to Heineken's RTSR performance and for 75 per cent subject to internal performance conditions.

The LTIP share rights conditionally awarded to senior management for the 2010-2012 plan are fully subject to internal performance conditions. These performance conditions are Organic Gross Profit beia growth, Organic EBIT beia growth, Earnings Per Share (EPS) beia growth, and Free Operating Cash Flow. At target performance, 100 per cent of the shares will vest. At maximum performance 150 per cent of the shares will vest.

The performance period for share rights granted in 2008 is from 1 January 2008 to 31 December 2010. The performance period for share rights granted in 2009 is from 1 January 2009 to 31 December 2011. The performance period for share rights granted in 2010 is from 1 January 2010 to 31 December 2012.

The vesting date is for senior management the latest of 1 April and twenty business days, after the publication of the annual results 2010, 2011, and 2012 respectively.

The terms and conditions of the Heineken N.V share rights granted to senior management is as follows:

Grant date	Number	Share price	Contractual life of rights
2007	1,157	35.199	3 Years
2008	845	17.432	3 Years
2009	2,246	27.215	3 Years

The number and weighted average share price per share is as follows:

2009	Weighted average Share price	Number of shares
Outstanding at I January	30.658	2,700
Granted during the year	27.215	2,246
Vested during the year	-	(2,645)
Exercised	-	-
Outstanding at end of year	25.497	2,301

2010		
Outstanding at I January	25.497	2,301
Granted during the year	31.170	972
Vested during the year	24.468	(560)
Exercised	–	–
Outstanding at end of year	26.117	2,713

25 Deferred income tax liability

Deferred income tax liability is calculated using the enacted income tax rate of 28% (2009-30%).

Deferred income tax liabilities, deferred income tax charge/ (credit) in the income statement, and deferred income tax charge/ (credit) in equity are attributable to the following items:

	2010	2009	1 January 2009
Year ended 31 December	Rwf' 000	Rwf' 000	Rwf' 000
Property, plant and equipment:	847,210	896,932	878,375
Provisions	(43,047)	(74,657)	(60,374)
Net deferred income tax liability	804,163	822,275	818,001

The movement on the deferred income tax account is as follows:

2009	1 January 2009	Recognised in income statement	At 31 December 2009
	Rwf' 000	Rwf' 000	Rwf' 000
Property, plant and equipment:	878,375	18,557	896,932
Provisions	(60,374)	(14,283)	(74,657)
Net deferred income tax liability	818,001	4,274	822,275

2010			
Property, plant and equipment:	896,932	49,722	847,210
Provisions	(74,657)	(31,610)	(43,047)
Net deferred income tax liability	822,275	18,112	804,163

26 Trade and other payables

	2010	2009	1 January 2009
	Rwf'000	Rwf'000	Rwf'000
Trade payables	3,723,500	4,653,375	4,505,649
Deposit on returnable containers	8,310,817	7,553,093	6,469,157
Other payables and accrued expenses	6,323,541	5,180,838	4,372,311
	18,357,858	**17,387,306**	**15,347,117**

27 Capital commitments

	2010	2009	1 January 2009
Contracted but not provided for	-	-	-
Authorised but not contracted for	1,892,960	-	1,319,000

In respect of the Company interest in a joint venture, the joint venture is committed to incur capital expenditure of Rwf 324,473 thousand (2009: Nil), of which the Company's share of this commitment is Rwf 162,237 thousand. These commitments are expected to be settled in 2011.

28 Leases

The Company leases a number of vehicles under operating leases. The leases run for a period of four years, with no option of renewal after that date.

	2010	2009
	Rwf' 000	Rwf' 000
Less than one year	182,191	190,630
Between one and five years	114,147	256,556
	296,338	**447,186**

During the year an amount of Rwf 200,355 thousand was recognised as an expense in profit or loss in respect of operating leases (2009: Rwf 186,263 thousand).

29 Related party transactions

The Company is controlled by Heineken incorporated in Netherlands. The ultimate parent of the Company is Heineken Holdings N.V, a group also incorporated in Netherlands. There are other companies which are related to BRALIRWA through common shareholdings or common directorships.

The following transactions were carried out with related parties:

a) Management & manufacturing fees and royalties paid to group companies

	2010	2009
	Rwf '000'	Rwf '000'
i) Management fees		
Heineken Supply Chain	223,481	192,774
Heineken International	200,707	179,473
Total	424,188	372,247
ii) Royalties paid/payable		
Heineken International	543,831	454,259
AMSTEL BROUWERIJ BV	66,627	107,568
Total	610,458	561,827

b) Purchase of goods and services

IBECOR SA	1,109,340	127,994
Heineken Brouwerijen BV	658,824	248,678
Mouterij Albert NV	1,766,179	873,554
Brasserie de Bourbon SA	-	1,509
Slovaquie Brewery Limited	-	2,157
Bralima SARL Kinshasa	17,057	200,421
Brarudi SA	220,313	335,450
Al Ahram Beverages Company	1,046,199	484,606
Amstel Brouwerij BV	67,714	-
Heineken International BV	1,355,910	1,398,739
Heineken Supply Chain BV	200,419	151,029
	6,441,955	3,824,137

c) Directors remuneration		
	2010	2009
	Rwf '000'	Rwf '000'
Emoluments and benefit	14,124	13,837
d) Key management compensation		
Short-term employment benefits	900,587	743,753
Post-employment benefits	151,974	125,427
Other long term benefits	109,113	106,202
Share based payments	43,151	148,819
	1,204,825	**1,124,201**

e) Outstanding balances arising from sale and purchase of goods/services

	2010	2009	1 January 2009
	Rwf '000'	Rwf '000'	Rwf '000'
Payables to related parties			
Heineken Brouwerijen BV	245,921	282,080	296,305
Heineken Supply Chain BV	76,647	54,564	109,595
International BV	172,551	481,157	364,255
Mouterij Albert NV	-	434,283	386,877
IBECOR SA	656,370	48,296	33,683
Brasserie de Bourbon SA	1,509	1,509	-
PROSECO	-	-	3,420
BRALIMA SARL	91,500	74,442	52,152
BRARUDI SA	7,097	25,790	15,071
Nigerian Breweries PLC	25,303	-	-
Al Ahram Beverages Company	214,361	-	-
Amstel Brouwerij BV	5,665	-	-
	1,496,924	**1,402,121**	**1,261,358**
Receivables from related parties			
Sierra Leone Brewery Ltd	23,566	5,556	-
Bralima SARL	42,002	42,002	42,500
Heineken Solvensko AS	-	8,606	-
	65,568	**56,164**	**42,500**

30 Explanation of transition to IFRSs

As stated in note 2(a), these are the Company's first financial statements prepared in accordance with IFRSs. The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2010, the comparative information presented in these financial statements for the year ended 31 December 2009 and in the preparation of an opening IFRS statement of financial position at 1 January 2009 (the Company's date of transition).

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the previous GAAP. An explanation of how the transition from previous GAAP to IFRSs has affected the Company's financial position, financial performance, and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity

			31 Dec 2009				1 Jan 2009
	Notes	Previous GAAP	Effect of transition to IFRS	IFRS	Previous GAAP	Effect of transition to IFRS	IFRS
		Rwf'000	Rwf'000	Rwf'000	Rwf'000	Rwf'000	Rwf'000
Non-current assets							
Property, plant and equipment	a, b	14,174,296	2,989,772	17,164,068	11,600,025	2,927,917	14,527,942
Intangible Assets		1,194	-	1,194	2,676	-	2,676
Investment in associate company		9,224	-	9,224	9,224	-	9,224
Other investments	c	5,879	(3,879)	2,000	21,879	(3,879)	18,000
Total non-current assets		14,190,593	2,985,893	17,176,486	11,633,804	2,924,038	14,557,842
Current Assets							
Inventories		12,061,938	0	12,061,938	14,941,725	0	14,941,725
Receivable from related parties		56,164	-	56,164	42,500	-	42,500
Receivables and prepayments	d, e	2,565,368	364,763	2,930,131	2,820,427	(807,296)	2,013,131
Cash and cash equivalents		4,860,960	0	4,860,960	2,479,855	49,529	2,529,384
Total current assets		19,544,430	364,763	19,909,193	20,284,507	(757,767)	19,526,740
TOTAL ASSETS		33,735,023	3,350,656	37,085,679	31,918,311	2,166,271	34,084,582

		31 Dec 2009			1 Jan 2009		
	Notes	Previous GAAP	Effect of transition to IFRS	IFRS	Previous GAAP	Effect of transition to IFRS	IFRS
		Rwf'000	Rwf'000	Rwf'000	Rwf'000	Rwf'000	Rwf'000
EQUITY							
Share capital		385,714	-	385,714	385,714	0	385,714
Share premium		84,857	-	84,857	84,857	0	84,857
Revaluation reserve	a	1,429,226	(1,429,226)	-	1,469,531	(1,469,531)	-
Other reserves	a	690,724	1,509,836	2,200,560	690,724	1,509,836	2,200,560
Retained earnings	a, b, i	10,292,814	2,235,707	12,528,521	9,068,304	1,184,722	10,253,026
Total Equity		12,883,335	2,316,317	15,199,652	11,699,130	1,225,027	12,924,157
Non-current liabilities							
Loans and borrowings		22,829	-	22,829	1,415,747	(1,415,747)	-
Deferred income	f	-	53,880	53,880	-	72,312	72,312
Deposits	g	7,610,811	(7,610,811)	-	6,510,622	(6,510,622)	-
Provisions	h	150,000	(150,000)	-	150,000	(150,000)	-
Deferred income tax liability	i	-	822,275	822,275	-	818,001	818,001
Total non-current liabilities		7,783,640	(6,884,656)	898,984	8,076,369	(7,186,056)	890,313
Current liabilities							
Bank overdraft		30,789	(30,715)	74	1,262,743	(53,254)	1,209,489
Loans and borrowings		266,015	-	266,015	-	1,415,746	1,415,746
Trade and other payables	g	9,268,716	8,118,590	17,387,306	8,509,996	6,837,121	15,347,117
Payable to related party		1,402,121	-	1,402,121	1,261,358	-	1,261,358
Deferred income	f	72,312	(53,880)	18,432	90,745	(72,313)	18,432
Current income tax payable		2,028,095	(115,000)	1,913,095	1,017,970	-	1,017,970
Total current liabilities		13,068,048	7,918,995	20,987,043	12,142,812	8,127,300	20,270,112
Total liabilities		20,851,688	1,034,339	21,886,027	20,219,181	941,244	21,160,425
Total equity and liabilities		33,735,023	3,350,656	37,085,679	31,918,311	2,166,271	34,084,582

Reconciliation of comprehensive income for the year ended 31 December 2009

	Notes	Previous GAAP	Effect of transition to IFRS	IFRS
		Rwf'000	Rwf'000	Rwf'000
Revenue		45,486,291	(8,180)	45,478,111
Cost of sales	j	(28,310,651)	1,581,108	(26,729,543)
Gross profit		17,175,640	1,572,928	18,748,568
Other income	j	6,081,565	115,629	5,965,936
Selling and distribution costs	j	(3,744,110)	1,591,680	(5,335,790)
Administrative expenses	b,j	(8,922,867)	24,654	(8,947,521)
Other operating expenses	j	(965,658)	(272,322)	(693 336)
Total expenses		(17,003,946)	(2,027,299)	(14,976,647)
Results from operating activities		14,429,927	4,692,070	9,737,857
Finance income		9,176	35,376	44,552
Finance costs		322,226	127,112	449,338
Net Finance cost	j	313,050	91,736	404,786
Profit before income tax		9,311,520	21,551	9,333,071
Income tax expense	i	2,981,354	4,273	2,985,627
Profit and total comprehensive income for the year		6,330,166	17,278	6,347,444

31 Notes to the reconciliations

a) At 31 December 1994 the company revalued its tangible fixed asset under previous GAAP. Under the local corporate tax laws, the amortization of the revaluation is a non-deductible expense. The revalued amounts and the revaluation reserve were being amortized over the remaining useful life of the assets. On transition to IFRSs the company elected to apply the optional exemption to use that previous revaluation as deemed cost. The revaluation reserve of Rwf 212 466 at 1 January 2009 which included a reversal of amortization during the year (Rwf 40 305) was reclassified to other reserves.

   During the same year (1994) the company made an inflation adjustment to the inventory held in the books. The resulting adjustment was Rwf 1 297 370. This amount was held in a revaluation reserve over time. Upon adoption of IFRS, this amount was reclassified to statutory reserve.

b) Under the previous GAAP the company depreciated its tangible fixed assets based on the local corporate tax rates. Under IFRS, depreciation of all fixed assets is based on the estimated useful life of the assets. At the date of transition, all previously cumulative excess depreciation was reversed. The impact was to reduce the depreciation charge and increase the carrying amount for intangible assets as shown below:

	1 January 2009	31 December 2009
	Rwf' 000	Rwf' 000
Statement of comprehensive income		
Administrative expenses	(1,878,160)	(61,855)
Adjustment before income tax	(1,878,160)	(61,855)
Statement of financial position		
Property, plant and equipment	1,878,160	61,855
Adjustment to retained earnings	1,878,160	61,855

c) Long term deposits paid as guarantees and cautions by the company of Rwf 3,879 at 1 January 2009 had been classified as investments under the previous GAAP. The amounts were reclassified to other receivables under the IFRS. Other than the above re-classification, there was no impact on the statement of comprehensive income.

d) Under previous GAAP prepayments to suppliers were classified under trade and other payables. Similarly advance payments by customers were also netted of in trade and other receivables. Under IFRS, the two categories have been reclassified to receivables and payables respectively. Other than this reclassification, there was no impact on the statement of comprehensive income.

e) Interim dividend paid was classified under prepayments in the previous GAAP. In 2008, the company paid an interim dividend of Rwf 1 billion which was not recorded in equity. Under IFRS this amount have been included as distribution to shareholders for the year ended 31 December 2008 thus reducing the retained earnings.

f) In accordance with IFRs, liabilities settled in the course of normal operating cycle within the next 12 months and primarily held for trading have been reclassified to current liabilities. The previous GAAP did not require such classification. There is no impact on the statement of comprehensive income

g) Deposit made by customers for returnable containers was classified as non-current liability under the previous GAAP. According to IFRS this amount have been reclassified to current liabilities under trade and other payables. There is no impact on the statement of comprehensive income

h) Under the previous GAAP, the Company classified provisions for employee health care as a separate item in the statement of financial position. However under IFRS these provisions do not meet the criteria for inclusion as line items and have been reclassified to other payables under current liabilities. There is no impact on the statement of comprehensive income

i) To ensure compliance with IAS 12, the company recognized deferred tax which was not previously recognized under the previous GAAP. The net impact on the balance sheet was as follow;

	1 January 2009	31 December 2009
Statement of comprehensive income		
Income tax expenses	1,130,323	4,274
Statement of financial position		
Deferred tax liability	1,130,323	1,134,597

j) According to IFRS expenses are classified based on either their nature or their function within the entity. The Company chose to classify by function as opposed to by nature which was used under the previous GAAP.

Three Years Financial Summary

	2010	2009	2008
	Rwf '000'	Rwf '000'	Rwf '000'
Revenue	52,798,553	45,478,111	42,699,886
Cost of sales	27,115,035	26,729,543	23,948,738
Gross Profit	25,683,518	18,748,568	18,751,148
Other income	(-5,850,355)	(-5,965,936)	(-5,173,134)
Selling and distribution costs	6,449,142	5,335,790	4,512,655
Administrative expenses	10,239,784	8,947,521	10,200,101
Other operating expenses	315,020	693,336	63,033
Results from operating activities	14,529,927	9,737,857	9,148,493
Finance income	(120,614)	(44,552)	(157,484)
Finance costs	248,692	449,338	306,296
Net Finance costs	128,077	404,786	148,812
Profit before income tax	14,401,850	9,333,071	8,999,681
Income tax expense	(4,071,307)	(2,985,627)	(3,266,491)
Total comprehensive income for the year	10,330,543	6,347,444	5,733,190

Glossary

Cash conversion ratio

Free operating cash flow/Net profit before deduction of non-controlling interests.

Dividend payout

Proposed dividend as percentage of net profit.

Earnings per share

Net profit divided by the weighted average number of shares – basic – during the year.

EBIT

Earnings before interest and taxes and net finance expenses.

EBITDA

Earnings before interest and taxes and net finance expenses before depreciation and amortization.

Free operating cash flow

This represents the total of cash flow from operating activities, and cash flow from operational investing activities.

Gearing

Net debt/total equity.

Net debt

Non-current and current interest-bearing loans and borrowings and bank overdrafts less investments held for trading and cash.

Net debt/EBITDA ratio

The ratio is based on a twelve month rolling calculation for EBITDA.

Net profit

Profit and total comprehensive income for the year (profit attributable to equity holders of the Company).

Revenue

Net realized sales proceeds after deduction of excise duties

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