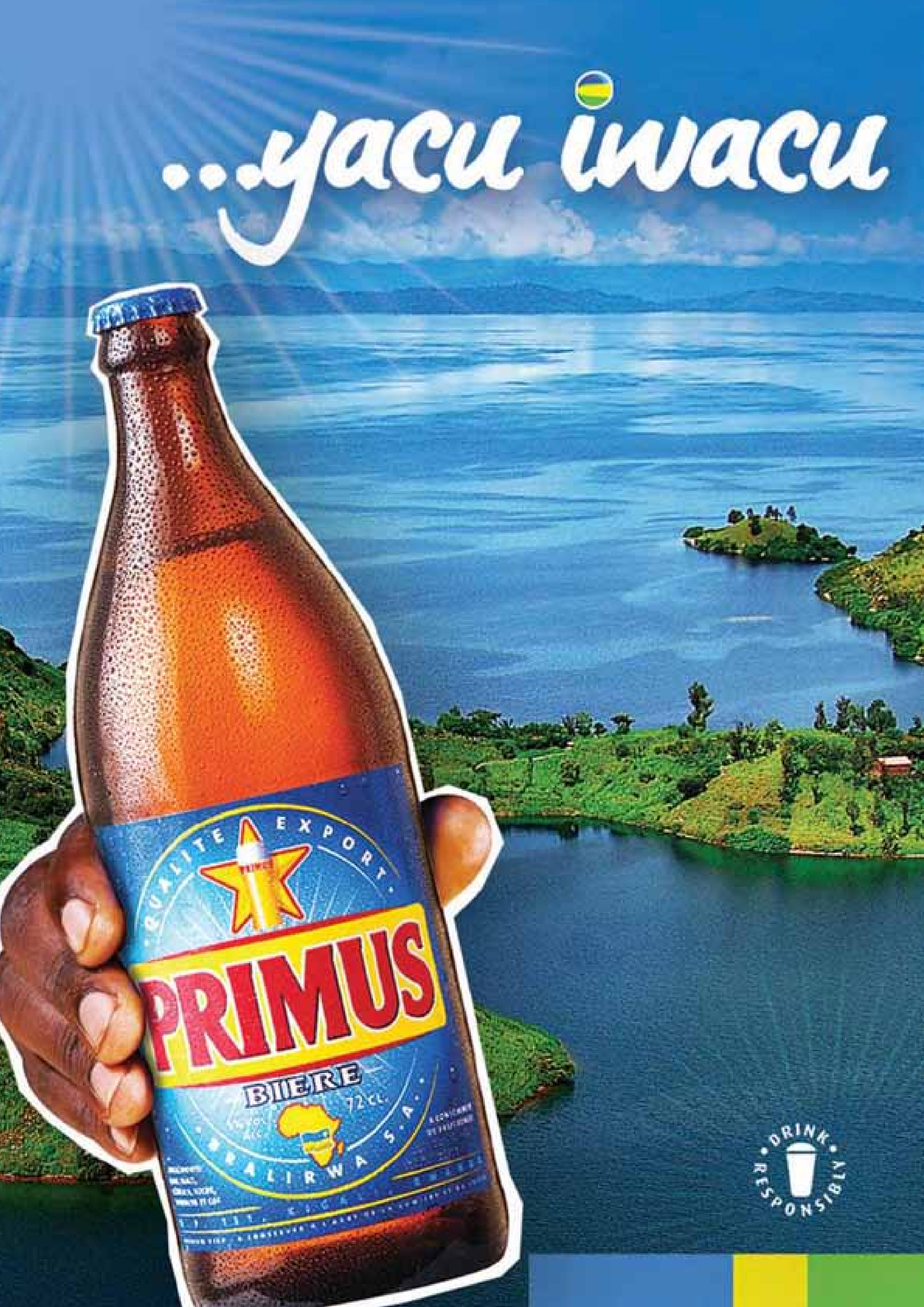
Annual Report 2011

Bralirwa

Brasseries et Limonaderies du Rwanda

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

DRINK RESPONSIBLY


...yacu iwacu
QUALITE EXPORT
PRIMUS
BIERE
72CL.
BRALIRWA S.A.
DRINK RESPONSIBLY

Bralirwa

Brasseries et Limonaderies du Rwanda

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

DRINK RESPONSIBLY

Bralirwa

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

DRINK RESPONSIBLY

Table of Contents


mützig
SPECIAL EXPORT
Mützig
LAGER BEER

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 in which we live.

DRINK RESPONSIBLY

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

BRALIRWA 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 or produces is of a high quality. BRALIRWA continually aims to maintain its internal and external quality standards.

This is not only reflected in its products and brands, but also in other activities such as the social and employment policies. In BRALIRWA there is a belief that being a 'quality' employer and investing in employees creates benefit and value for the Company and its reputation as well as for all of the Company's stakeholders.

Enjoyment for Life

BRALIRWA participates in making life more enjoyable by producing high quality beers and sparkling beverages and marketing them responsibly through innovative sponsorships, advertising and countrywide promotions. BRALIRWA's sponsorship portfolio, which spans sports, music and arts includes many positive 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 in which we live

As an integral part of the local and global communities in which it operates, BRALIRWA is respectful of the laws and regulations of the countries where it is active. We respect all cultures and our environment.

BRALIRWA aims to be a good corporate citizen and aims to be fully integrated, in a sustainable way, in the society in which it operates.

PART ONE
QUICK READ

Quick Read

Financials

(% Compared to 2010)

Revenue + 23.0%

Frw 64,958 Billion

EBIT + 38.9%

Frw 20,178 Billion

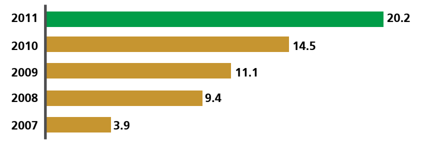
Net profit + 41.9%

Frw 14,658 Billion

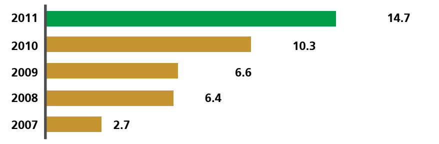
Volume + 16.3%

HLS 1,587 Million

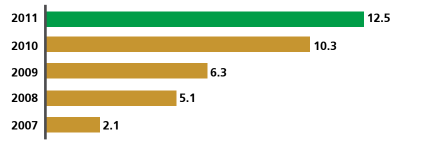
EBIT 2007 - 2011 (Frw billion)



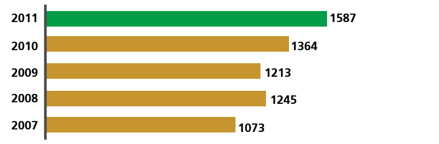
Statutory Net Profit 2006 - 2011 (Frw billion)



Dividends paid 2007 - 2011 (Frw billion)



Volume HLS (beers and soft drinks)



History

Founded in 1957, BRALIRWA Ltd is a Rwandan company producing and selling a portfolio of beer brands and soft drinks. Since 1971, BRALIRWA Ltd has been part of the Heineken Group who currently holds 75% of BRALIRWA Ltd shares, 25% are held by independent shareholders. Bralirwa Ltd shares have been listed on the Rwandan Stock Exchange since January 31st, 2011.

Brands

The Company beer portfolio includes Primus, Mützig, Guinness, Amstel and Turbo King which are produced at the Gisenyi brewery. Heineken beer is imported from Holland.

Since 1974, the Company has held the licence from The Coca-Cola Company to produce and distribute Coca Cola brands. These include Coca Cola, Fanta Orange, Fanta Citron, Fanta Fiesta, Sprite, Krest, Tonic and the company's own brand Vital'O carbonated water.

Bralirwa Today

Bralirwa Ltd is a modern, dynamic, consumer-oriented company. Financial performance in recent years has been strong based upon a sound strategy and a clear focus on implementation.

Against the background of a stable and growing national economy Bralirwa has stimulated the development of the Rwandan beverage market by investing in high quality products, appealing brands and managing a nation-wide route to market via over sixty distributors.

Bralirwa was the first domestic company to be listed on the Rwanda Stock Exchange (RSE).

As a socially responsible company, Bralirwa is continually striving to support a variety of projects from Education, Health, Environment and many others.

Company Priorities

Production of high quality products remains at the centre of Bralirwa.

We place the consumer at the heart of our business through investing in strong brands, innovating, offering choice and creating events.

We work together with our local business partners to build our mutual business, to increase sales and inprove quality of service.

We have a total focus on cost management and control which is fundamental to delivering resilient profitability and strong cash flow.

Our people are key to our business and as always, we are committed to continuous investment in them.

Our People

The Company attaches great value to our employees. They play a crucial role in the vibrancy and success of the Company. Bralirwa continues to invest in their potential through coaching on the job as well as training internally and externally.

Bralirwa provides access at it's clinics on both sites at Kigali and Gisenyi to professional medical care for all it's employees and their families.

Production, Sales and Distribution

Bralirwa has two production sites. Beer is produced in Gisenyi and sparkling beverages in Kigali.

Sales development has been strong over the recent past. Indeed, 2011 registered a record level of sales.

To ensure full availability of products around the country, Bralirwa has put in place a strong distribution network that includes BRALIRWA-owned distribution centers ('depots' or warehouses), distributor-owned "depots" or independent sub-distribution centers and independent stock points.

PART TWO

Chairman's Statement

Chairman's Statement

1. Business Environment

I am pleased to note that the economy in Rwanda continues to provide an environment of business growth that encourages investors.

I take this opportunity to observe that since the listing of Bralirwa shares on the Rwanda Stock Exchange on January 31st, 2011 the share price has performed well increasing from Frw 136 to Frw 322 on April 25th, 2012.

The East African Customs Union has created new market dynamics within regional trade and the pursuit of regional integration. It has created both opportunity and competition within the Region.

I am delighted to say that BRALIRWA is well positioned to continue to grow and to maintain our position as leader in the Rwanda beverage market.

2. Review of Performance

As a result of the stable Rwandan economy the beverage market in 2011 experienced solid growth. Compared to 2010 BRALIRWA's sales volume increased by 16.3% and Net Revenue by 23%.

BRALIRWA Ltd delivered strong financial performance growing Net Profit by 41.9% to Frw 14.658 m. The Net Profit compound average growth over the period 2007-2011 of 52.4% demonstrates the underlying financial strength of BRALIRWA Ltd.

The BRALIRWA Ltd Board of Directors and management defined and implemented clear plans for the year focused on increasing top line growth, tight cost management together with effective implementation in the market. This together with the supportive economic conditions and government policies drove robust performance, delivering a 39.3% increase in Profit before tax to Rwf billion 20.004.

Underpinning Bralirwa's consistent performance is the Company's strong portfolio of beer and soft drink brands. In addition, Bralirwa's strong network of distributors who access all corners of the country provide a strong commercial framework through which we reach our consumers.

Dear Shareholders,

It is with pleasure that I chair the second Annual Meeting of Shareholders of BRALIRWA Ltd taking place on June 12th, 2012 at the Serena Hotel, Kigali, Rwanda. I am pleased to present to you Bralirwa Ltd's Annual Report 2011 and to welcome you to the Annual Meeting.

The Agenda for the Annual Meeting is contained in the Annual Report copies of which have been made available to all shareholders.

I highlight below significant developments in the business environment that have impacted the performance during 2011. I will present a summary of BRALIRWA Ltd's 2011 performance. I will also inform you about the proposed dividend distribution and then will comment on the outlook.

Bralirwa invests in our Brands and 2011 saw a number of important new activities and innovations. I highlight below some important examples:

Primus Guma Guma Super Star based around the concept of promoting emerging Rwandan musical talent was launched to national acclaim.

The continued partnership with the National Football League further strengthened Primus' link to national football.

The launch of Turbo King in a smaller bottle has been a strong success with consumers. Fanta Fiesta as a new flavour for the Fanta range has been immediately accepted by soft drink consumers. And imported Heineken in the new and exclusive embossed bottle has appealed to consumers and strengthened the Brand's international and premium credentials.

A second major commercial platform is our emphasis upon great execution in the market. The launch of a new programme to train and drive this in the market place has had strong initial results. It has been well received by our customers and consumers.

Indeed BRALIRWA was able to deliver this strong performance thanks to a continuous focus on our core values, the excellence of our people, the strengths of our brands and our ambition to continue to innovate and lead in the market to build profitable growth.

3. Dividend

The payment of a total cash dividend for 2011 of Frw 24.20 (twenty four Rwandan francs and twenty cents) per share of Frw 1.0 (one Rwandan franc nominal value) will be proposed to the annual meeting of shareholders.

As the interim dividend of Rwf 7.30 per share was paid on November 30th, 2011, the proposed final dividend, if approved, amounting to Rwf 16.90 per share will be paid on June 29th, 2012.

The total dividend per share in 2011 amounting to Frw 24.20, represents an increase in dividend over 2010 of 20.4%.

Please take note that the payment will be subject to a withholding tax. The book close date for BRALIRWA Ltd shares will be June 8th, 2012, 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 12th, 2012.

4. Board of Directors

I wish to inform you that two Directors resigned for personal reasons and are now replaced by Mr. Jonathan HALL, Managing Director and Vice Chairman and Mr. Maarten SCHUURMAN

5. Future Prospects

In 2012, BRALIRWA Ltd expects to benefit from the continuous economic growth of the African region. We anticipate that the Rwandan economy will continue to demonstrate growth.

BRALIRWA is investing in capacity expansion in production at both plants in Kigali and Gisenyi. This is to ensure security of supply and our future growth in Rwanda's expanding beverage market.

Our people are at the heart of our business. And as always, we are committed to continuous investment in them. We will continue to invest in their potential through a range of local and international initiatives.

Corporate Social Responsibility will continue to be a focus with programs in agriculture, health and education and environment.

6. Conclusion

I wish to thank my colleagues on the Board for their support and guidance over the year, to the management of the company for the quality of their plans and implementation and to our employees for their unstinting commitment and dedication.

To you our shareholders, I say thank you for your continued trust and confidence in our Company.

To our commercial partners, together we will continue to strive to build our mutual business. And finally to our consumers, thank you for your continued loyalty and appreciation of our quality brands and all the activities that we create around them for you.

Jean-Paul van HOLLEBEKE
Chairman of the Board of Directors

Kigali, May 11th, 2012

Key Figures

Result in Frw million	FY 2011	FY 2010	Change in %
Gross Revenue	98,348	80,672	21.9%
Revenue	64,958	52,799	23.0%
EBIT	20,178	14,530	38.9%
Net Profit	14,658	10,331	41.9%
EBITDA	23,855	17,673	35.0%
Free Operating Cash Flow	11,111	9,596	15.8%

Balance sheet in Frw million	2011	2010	Change in %
Total Assets	49,890	38,685	29.0%
Net assets	14,550	12,071	20.5%
Shareholders's equity	19,678	16,094	22.3%
Net Debt	0	23	-100.0%

Results and balance sheet per share (1 Frw)			
Number of shares	514,285,000	514,285,000	
Net Profit	28.5	20	41.9%
Dividend proposed	24.2	20.09	20.6%
Free operating cash flow	21.6	18.7	15.8%

Employees in number	2011	2010	Change in %
Average number of employees	706	712	-0.8%

Key Ratios (in %)	2011	2010	Change in %
EBIT as % of Gross Revenue	21%	18%	13.9%
EBIT as % of Revenue	31%	28%	12.9%
Net Profit as % of average Shareholder's equity	82%	66%	24.2%
Net debt/EBITDA	0%	0%	0%
EBITDA/interest expenses (times covered)	52	71	-27.1%
RONA	101%	86%	17.7%
Cash Conversion rate	76%	93%	-18.4%
Dividend % payout (% of net profit)	85%	100%	-15.0%

PART THREE

BRALIRWA BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Jean Paul van HOLLEBEKE
(Chairman of the Board)

Jean Paul, joined the Board in 2008.

He joined the Heineken Group in 1988 as the Managing Director of Companie Industrielle de Boissons 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 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.

Sven-Erik PIEDERIET
(Vice Chairman, Executive Director)

Sven, joined BRALIRWA in August, 2007 as Finance Director. He served in that position until January, 2009 when he was promoted to the position of General Manager.

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

In June 2011, he was appointed Managing Director and elected Vice Chairman of the Board.

He resigned from the Board in January 2012.

Chantal MUBARURE
(Non-Executive Director)

Chantal, joined the Board of Bralirwa in 2005.

She is a Public Sector Capacity Building Consultant and Certified Perfomance Technologist (CPT).

She has more than 15 years of experience working with the Government and Development Partners.

She is Vice Chairperson of a different Board in Rwanda.

George GAKUBA
(Non-Executive Director)

George, joined the Board in 2005 representing the Government of Rwanda.

He has held various leadership positions in the wider Rwanda, African and the Global Arena.

He was among others Executive Secretary for the Rwanda Economic and Social Development Council (RESC) in the Prime Minister's Office and high level task force negotiator for East African Common Market Protocal.

Currently he is Public Private Dialogue expert in Rwanda Development Board (RDB).

Maarten SCHUURMAN
(Non-Executive Director)

Maarten, joined the Board on 9th November, 2011.

He joined the Heineken Company in 1996 as a Management Trainee.

He is based in Burundi where he is Managing Director of BRARUDI.

During the past years, Mr. Schuurman has occupied several positions in the Company as Financial Controller, Import & Export at Vrumona (Netherlands) and most recently Mr. Schuurman was the General Manager of the Heineken operations in Surinam.

Directors who retired from the Board in 2011

James KAMANZI
(Vice-Chairman)

Thomas DE MAN
(Non-Executive Director)

Pierantonio COSTA
(Non-Executive Director)

Lazare NZORUBARA
(Non-Executive Director)

John NYOMBAYIRE
(Non-Executive Director)

Rene VAN DER GRAAF
(Non-Executive Director)

Director who resigned from the Board in 2012

Sven-Erik PIEDERIET
(Vice Chairman, Executive Director)

Current Senior Management

Jonathan HALL

(Vice Chairman and Managing Director as of January 16th, 2012)

Jonathan, joined Heineken in Asia in 1997, where he was Marketing Director at Asia Pacific Breweries. From 2000 - 2007, he was Marketing Director in Ireland and Indonesia.

Prior to joining Heineken, Jonathan worked East Africa from 1979 - 1987 in Agri-Rural and Health Development. From 1988, he worked in South East Asia for a multinational involved in health related products.

He joined Bralirwa in January 2012, after four years as Managing Director of the Heineken brewery in St. Lucia.

Jonathan HALL replaced Sven - Erik PIEDERIET who resigned from the Board in January, 2012.

Sonia KUBWIMANA

(Human Resource Director)

Sonia, joined BRALIRWA in January, 1995 as Treasury Manager.

She served in this position for eight years after which, she moved to the Training and Development position within the HR department.

She is currently the Human Resource Director.

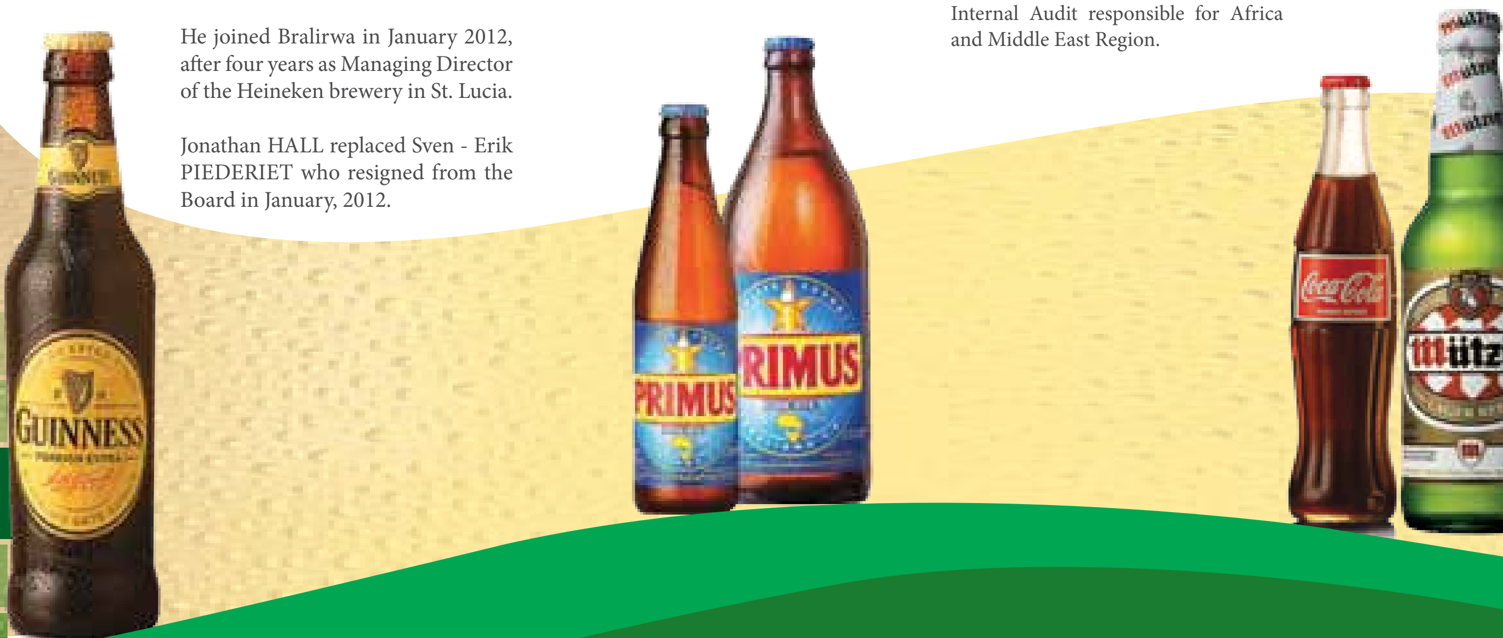
Alphonse Willy NGANA

(Finance Director)

Willy, joined BRALIRWA in March, 2009.

He started his career as an external auditor at PriceWaterhouseCoopers in Kinshasa, DR Congo and joined BRALIMA as Audit Manager.

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 and Regional Audit Manager for Heineken Global Internal Audit responsible for Africa and Middle East Region.



Pascal KARANGWA

(Technical Director)

Pascal Karangwa, joined Bralirwa Ltd in 1995 as Mechanical Maintenance Engineer.

He pursued his career as Fleet and Garage Manager then as Soft Drink plant Manager before he started an international career in Chad where he worked as Supply Chain and Site Manager from 2002 to 2004 and at Sierra Leone Brewery Limited as Supply Chain Manager from 2009 to 2011 when he joined again Bralirwa as Technical Director.

Daaf Jacobus van TILBURG,

(Logistics Director)

Mr. Daaf Jacobus, joined Bralirwa Ltd in 2011 as 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.

In 2010, Daaf was Manager Inbound and Domestic Logistics within Heineken Netherlands Supply.

Jan Van VELZEN

(Sales and Marketing Director)

Mr. Jan van Velzen, joined Bralirwa Ltd in August, 2011 as Sales and Marketing Director.

Prior to this position he has working as Heineken Marketing Director at Athenian Breweries in Greece since 1998.

He replaced Alexander KOCH who left BRALIRWA in September, 2011 for a new position in Heineken Greece.

PART FOUR

NOTICE OF ANNUAL MEETING

Notice of Annual Meeting

NOTICE IS HEREBY GIVEN that the 2nd Annual Meeting of BRALIRWA Ltd., as a listed Company will be held at Kigali Serena Hotel, on June 12th, 2012 at 2:30pm for the following purposes:

ORDINARY BUSINESS

1. Consideration of the annual report;
2. Receiving 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 2011;
6. Appointment of Directors;
7. Appointment of Auditors;

NOTES:

(a) PROXIES

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend instead of him/her. A Proxy for a Corporation may vote on a show of hands and on a poll. A proxy need not be a member. A Proxy Form is attached to the Annual Report and Accounts. 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 CDSC Rwanda Ltd. the Registrars located in Kigali, Centenary House, 4th floor by May 31st, 2012.

(b) DIVIDEND

The payment of a total cash dividend for 2011 of Frw 24.20 (twenty four Rwandan francs and twenty cents) per share of Frw 1.0 (one Rwandan franc nominal value) will be proposed to the annual meeting of shareholders.

As the interim dividend of Rwf 7.30 per share was paid on November 30th, 2011, the proposed final dividend, if approved, amounting to Rwf 16.90 per share will be paid on June 29th, 2012.

The total dividend per share in 2011 amounting to Frw 24.20 represents an increase in dividend over 2010 of 20.4%.

Please take note that the payment will be subject to a withholding tax. The book close date for BRALIRWA Ltd shares will be June 8th, 2012, 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 12th, 2012.

Dated May 11th, 2012
By order of the Board

Eugène TWAHIRWA
Company Secretary

Proposed Resolutions

To the annual Meeting of shareholders of BRALIRWA Ltd to be held on June 12th, 2012.

RESOLUTION 1

ON CONSIDERATION OF THE ANNUAL REPORT

The annual meeting of Shareholders considered and approved by ordinary resolution the annual report presented by the Chairman of the Board of Directors and thanks the Directors for their performance during the accounting period ending December 31st, 2011.

RESOLUTION 2

ON AUDITOR'S REPORT

The annual meeting of shareholders received and approved by ordinary resolution the auditor's report and noted the opinion of the auditors on the BRALIRWA Ltd 2011 audited financial statements.

RESOLUTION 3

ON CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS.

The annual meeting of shareholders considered and approved by ordinary resolution the BRALIRWA Ltd 2011 financial statements.

RESOLUTION 4

ON APPROPRIATION OF PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

The annual meeting of shareholders approved the Profit and the total comprehensive income for the year 2011 of Frw 14,657,709,000 and received the recommendation of the Board of Directors to declare the total dividend of Frw 24.20 per share.

The annual meeting approves and declares a dividend of Frw 24.20 per share.

As the interim dividend of Frw 7.30 was paid on November 30th, 2011, the final dividend will be Frw 16.90 per share.

The annual meeting decides that the book close date is June 8th, 2012 and the final dividend will be paid on June 29th, 2012.

The annual meeting decides also to allocate the balance of the non distributed net profit amounting to Frw 4.30 per share to retained earnings.

RESOLUTION 5

ON DISCHARGE OF DIRECTORS AND AUDITORS

The annual meeting of shareholders discharges by ordinary resolution the members of the Board of Directors and the Auditors for the year 2011.

RESOLUTION 6

ON APPOINTMENT OF DIRECTORS

The annual meeting appoints by ordinary resolution the following persons as Directors of BRALIRWA Ltd for a period of one year.

1. Mr. Jean-Paul VAN HOLLEBEKE
2. Mr. Jonathan HALL
3. Mrs. Chantal MUBARURE
4. Mr. George GAKUBA
5. Mr. Maarten Adrian SCHUURMAN.

The annual meeting of shareholders requests the Directors to elect the chairman and vice chairman among themselves. To this end, the annual meeting asks Mr Jean Paul van HOLLEBEKE to convene and chair the first meeting of the new Board of Directors.

RESOLUTION 7

ON APPOINTMENT OF AUDITORS

The annual meeting of shareholders appoints by ordinary resolution KPMG RWANDA Ltd as Auditor for a period of one year.

The annual meeting asks the Board of Directors to determine the salary and other expenses of the auditors.

Proxy Form

The undersigned……………………………………………..

acting in my capacity of Shareholder of Brasseries et Limonaderies du Rwanda ("BRALIRWA Ltd") with registered office at KIGALI, RWANDA (further "the Company") or at ....

do hereby nominate and appoint…………………………………......................................……………

as my lawful attorney, to attend on my behalf the Annual Meeting of "the Company" to be held on June 12th, 2012 at KIGALI, SERENA HOTEL, according to the following agenda:

1. Consideration of the annual report;
2. Receiving 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 2011;
6. Consideration and approval of Directors' remuneration;
7. Appointment of Directors;
8. Appointment of Auditors;

and to execute the right of vote on my behalf in all matters included into the agenda of the meeting at the above-mentioned date or any other date on the same agenda, hereby ratifying and confirming all that my attorney may do in my name.

Given at ………………………………., the ……………………………...2012

PART FIVE

DIRECTOR'S REPORT

Director's Report

1. Legal Status of the company

BRALIRWA ltd is a public company limited by Shares since June 9th, 2010, incorporated in the Republic of RWANDA under the law n°7//2009 of 27/4/2009 relating to companies and registered by the Registrar General Office (RGO) under n° 100004348.BRALIRWA Ltd is the first domestic company listed on the RWANDA STOCK EXCHANGE (RSE) as from January 31st, 2011.

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 the public. The company has a capital of RWF 514,285,000 divided into 514,285,000 ordinary shares with a value of Rwf 1. The number of the shareholders is 3112 as per April 25th, 2012.

The Board of Directors was composed of nine members up to June 21st, 2011. The annual meeting of shareholders on June 21st, 2011 reduced the number of Directors to five in accordance with the articles of association. The current directors' profiles are on pages 20-21.

2. Review of Operations

BRALIRWA Ltd. delivered strong performance in 2011 with net profit growing by 41.9%:

· Revenue grew by 23%, supported by a combination of higher volumes, increased pricing and improved sales execution in a buoyant market.

· Volume growth of +16.3% driven by strong growth of all beer and soft drinks brands.

· Organic EBIT growth of +38.9% driven by a higher revenue and effective cost management partly offset by increased marketing expense and higher input costs.

· Net profit grew 41.9 % to Frw 14.7 billion, driven by robust operating profit growth and lower interest cost.

· Strong free operating cash flow generation of over Frw 11.1 billion, driven by a significant increase in profitability and working capital improvements despite increased investments.

The following is a summary of the operating results as at December 31st, 2011

Frw'000	2011	2010	Change in %
Gross Revenue	98,348,246	80,671,894	21.9%
Revenue	64,958,343	52,798,553	23.0%
Result from Operating activities	20,177,575	14,529,927	38.9%
Taxation	(5,346,846)	(4,071,309)	30.7%
Profit and total comprehensive income of the year	**14,657,709**	**10,330,543**	**41.9%**

3. Dividend

The payment of a total cash dividend for 2011 of Frw 24.20 (twenty four Rwandan francs and twenty cents) per share of Frw 1.0 (one Rwandan franc nominal value) will be proposed to the annual meeting of shareholders.

As the interim dividend of Rwf 7.30 per share was paid on November 30th, 2011, the proposed final dividend, if approved, amounting to Rwf 16.90 per share will be paid on June 29th, 2012.

The total dividend per share in 2011 amounting to Frw 24.20 represents an increase in dividend over 2010 of 20.4%.

Please take note that the payment will be subject to a withholding tax. The book close date for BRALIRWA Ltd shares will be June 8th, 2012, 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 12th, 2012.

4. Analysis of Shareholding

Shareholder	Number and Class of Shares	Percentage of Issued Capital
Heineken International B.V.	205,740,000 ordinary shares	40%
Beleggingsmaatschappij Limba B.V.	179,975,000 ordinary shares	35%
Other Shareholders	128,570,000 ordinary shares	25%
Total	514,285,000 Ordinary Shares	100%

5. Quality Policy Statement

Bralirwa is committed to achieving and maintaining international standards to remain a world class producer of beers and sparkling beverages. Emphasis is placed on production of high quality brands that satisfy needs and provide enjoyment to consumers. Bralirwa respects the people, society and the environment in which it operates.

5.1. Sustainable contribution to the Rwandan economy

One of the major corporate citizens in the country, Bralirwa Ltd continues to engage in different promotions and social responsibility activities in addition to contributing substantially to the tax base and to national development.

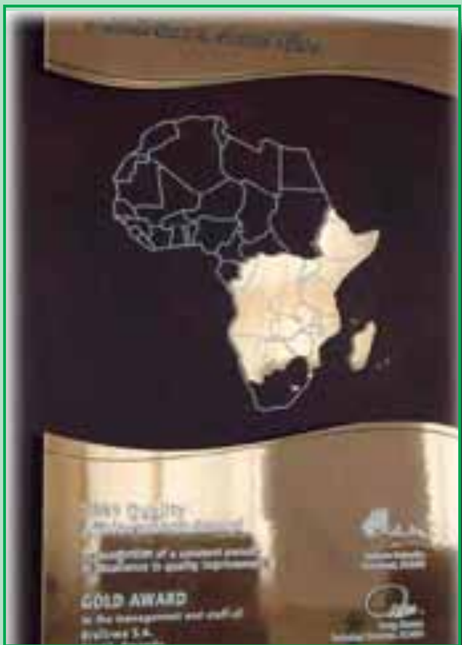
5.2. RDB Business Excellence 2011 Awards

Bralirwa Ltd won the Best Exporter and Best General Manufacturer Awards. It is the second successive year Bralirwa Ltd has won the General Manufacturer Award. The company aims to remain a top investor in Rwanda. Its priority continues to be total commitment to quality and continuous improvement in all technical processes involved in supply, packaging and delivery of beverages. Bralirwa Ltd products have established a presence in the neighboring countries. Between 2010 and 2011 Bralirwa Ltd Exports grew by 62 per cent. Bralirwa Ltd now exports to Eastern DR Congo, Southern Uganda. The company is establishing itself in the Burundian and Tanzanian markets.

5.3. Bralirwa Ltd listed on Rwanda Stock Exchange (RSE)

On January 31st, 2011 Bralirwa Ltd was officially listed on the Rwanda Stock Exchange (RSE). The listing has supported and promoted the development of a savings and investment culture amongst Rwandans. It has also encouraged investment by both local residents and foreign investors and provided important access to long-term capital while promoting economic prosperity in the country.

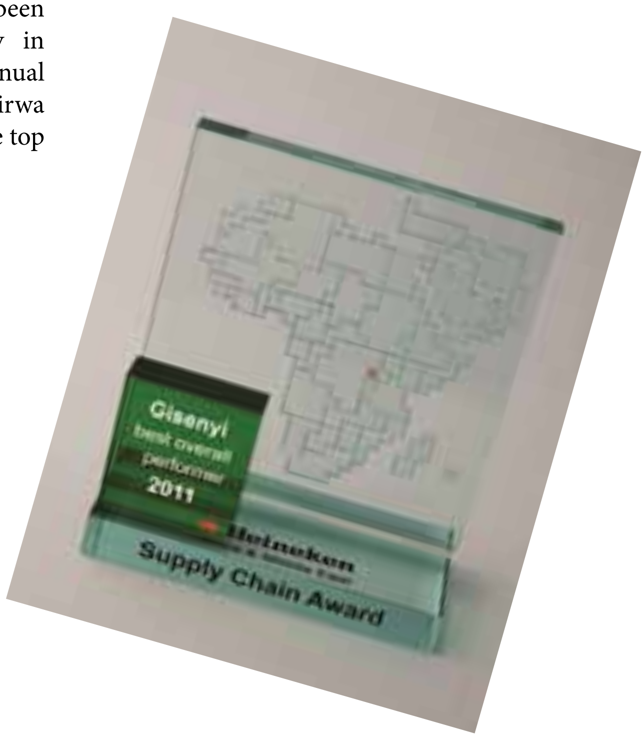
5.4. Coca-Cola Quality Awards



ECABU (East and Central Africa Bottle Units) Excellence Award
For the second successive year, Bralirwa Ltd was recognized in the highly contested Coca Cola ECABU Bottler Excellence Awards. The Bottler Excellence Award rewards bottling plants that have attained their objectives regarding their performances on volume growth, quality and environment performance.

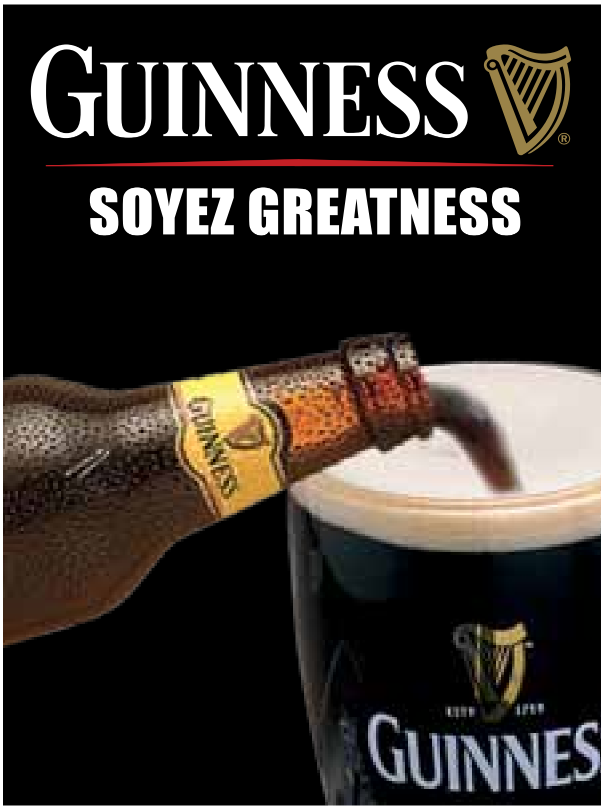
5.5. Africa and Middle East 'AME Supply Chain' Award

In 2011, Bralirwa Ltd Gisenyi brewery has been recognized as the best performing brewery in Heineken's Africa and Middle East Region. The annual rankings involved 31 African breweries. Both Bralirwa Ltd brewery and soft drinks plant have been in the top 5 for the last three (3) years.



5.6. Guinness League of Excellence (GLoE) Award

Bralirwa Ltd emerged the second best producing company worldwide in the highly contested Guinness League of Excellence (GLoE) Competition. This was once again recognition for our continuous efforts to offer the best products to our consumers.



6. Corporate Social Responsibility

6.1. Improving environmental impact

Tree planting

BRALIRWA Ltd is a socially responsible corporate citizen guided by the example set by Government to respect the environment. The company is building on the success of the Tree Planting Project that it has activated under a partnership with a local NGO called CAE (Compagnie Agricole et Environement).

With the NGO's support, over 50,000 trees have been planted in 2011. BRALIRWA Ltd aims to be a leader in terms of environmental protection in the private sector.

In 2011 Bralirwa re-energized a tree planting project in Bugesera District involving up to 24 schools. Based upon that success, a similar project was begun in Kicukiro District.

In Runda District, an earlier plantation is growing well and has already benefited the surrounding communities. In November, 2011 tree planting activities were started under the Umuganda (community works) programme to officers and residents of the area.

6.2. Empowering Communities

Agriculture – BRAMIN Maize Project

For sustainable maize supplies, BRALIRWA ventured into maize cultivation in partnership with Minimex. The location of the project is NDEGO, (Eastern Province). The project aims to develop an area for the production of mechanized irrigated maize. It will be the first of its kind in Rwanda. The aim is to increase the value of raw materials that Bralirwa purchases locally in Rwanda. BRALIRWA Ltd is already purchasing maize grits from Minimex.

Replenish Africa Initiative "Rain Project"

Since July 2011, the Replenish Africa Initiative (RAIN) supported Water For People and its partners in Rwanda to extend clean water access to 100% (17,293 people) of residents in the Gahanga sector in of Kicukiro District.

This has been made possible through donations from The Coca-Cola Africa Foundation (TCCAF), Music for RAIN, Water For People, EWSA, and others.

The inauguration event was witnessed by all participants and beneficiaries of the project.

Bralirwa Supports Bye Bye Nyakatsi Project

In January, 2011 BRALIRWA Ltd provided Rwf 21m to the Rwanda Diaspora Global Network (RDGN) to support the Bye Bye Nyakatsi project aiming to replace grass-thatched houses in Bugesera and support the government's housing program.

Support to Girinka Project

During the annual government leadership retreat hosted by His Excellency the President of the Republic of Rwanda under the theme of promoting the Girinka project (One Cow, One Poor Family), BRALIRWA Ltd donated an amount of Rwf 20 million. This is equivalent to between 60-70 cows in support of the program.

Support to Genocide Commemoration

In Cyanika, Nyamagabe District, BRALIRWA Ltd works in partnership with Unity Club to support construction of a memorial site.
In partnership with Aegis Trust Rwanda, BRALIRWA Ltd is involved in preserving Gisozi Genocide Memorial Gardens and maintaining the (Genocide) Archives.

Health Care

In line with its mission and core values, BRALIRWA Ltd strives to improve healthcare for its workforce and external community by undertaking various initiatives.

During the annual "Family Day 2011" the department of Health launched a campaign under the theme: "sport to protect our health."

It was an opportune moment for the medical staff at the hospital to re-emphasize various health-and-sports related issues including sport and physical activity, prolonging life expectancy and wellbeing through sports, importance of games for physical, mental, psychological and social performance, role of physical education and the role of sports in emotional health.

6.3. Responsible Consumption

"None ni Wowe Campaign" kicks off: December 23rd, 2011

As a responsible company, Bralirwa Ltd engages in a preventive campaign against alcohol abuse dubbed ***"None ni Wowe campaign".*** It was launched in December, 2011 and will run throughout 2012.

Through this awareness campaign, Bralirwa is sensitizing the consumers of its products towards a better alcohol approach.

In a related development, in September 2010, BRALIRWA Ltd introduced for the first time its 'Don't drink and Drive campaign'. The campaign was to support the already existing responsible consumption program which includes rules on responsible commercial communication.

With the tagline ***"niba ushaka kunywa inzoga witwara ikinyabiziga, niba ushaka gutwara ikinyabiziga winywa inzoga",*** translated as; ***"If you want to drink don't drive, If you want to drive don't drink.*** The campaign has been designed to promote responsible drinking among drivers and other road users and aims to create awareness about the dangers of "drinking and driving" aimed at reducing the incidence of alcohol-related road accidents.

INDEPENDENT AUDITORS

The Auditors KPMG Rwanda Ltd were appointed from June 21st, 2011 have indicated his willingness to continue office as independent Auditors to the company.

Dated the April 3rd, 2012

For the Board of Directors

Chairman of the Board

Vice Chairman of the Board


mützig
Mützig
SPECIAL EXPORT
LAGER BEER

BRALIRWA WORLD in pictures

Captions:

1. PGGSS Season 1 Elimination performances
2. PGGSS Season 1 Elimination
3. PGGSS Season 1 Elimination
4. PGGSS Season 1 Launch Events
5. PGGSS Season 1 Road Show
6. Copa Coca Cola S.A. Camp
7. Replenish Africa Road Project
8. 1st Annual Assembly of Bralirwa ShareHolders
9. Kicukiro Coca Cola Plant
10. Nursery bed for trees planting projects
11. Water Jugs for tree planting project
12. Planted trees after 3 years
13. Commercial team in the Tuguma Tuguma Slogan
14. Inganzo ngari performance
15. Bralirwa Primus truck
16. RDB Business Excellence Awards event
17. Bralirwa Staff during New year Party event
18. Bralirwa Staff during New year Party event
19. Mutzig Cinema Tour
20. Quarterly Management meeting
21. Inganzo Ngari
22. Bralirwa and Brarudi Staff at Gisenyi


NONE NI WOWE!
enjoy responsibly!


16


20


15
PRIMUS


17


21


18


22


19
OUTSTANDING MOVIES
CINEMA
Mützig


14


13


10


11


12

PART SIX
DIRECTORS, OFFICERS AND ADMINISTRATION

Directors, Officers and Administration

DIRECTORS

Jean Paul Van Hollebeke	(Chairman - Re-appointed 21st June 2011)
Sven-Erik Piederiet	(Vice Chairman - Appointed 21st June 2011 and resigned 16 January 2012)
Jonathan Hall	(Vice Chairman - Appointed 16th January 2012)
George Gakuba	(Re-appointed 21st June 2011)
Chantal Mubarure	(Re-appointed 21st June 2011)
Maarten Schuurman	(Appointed 9th November 2011)
René Van Der Graaf	(Re-appointed 21st June 2011 and resigned 26 September 2011)
James Kamanzi	(Resigned 21st June 2011)
Thomas Arie De Man	(Resigned 21st June 2011)
Lazare Nzorubara	(Resigned 21st June 2011)
Pierantonio Costa	(Resigned 21st June 2011)
John Nyombayire	(Resigned 21st June 2011)

COMPANY SECRETARY

Eugene Twahirwa
PO 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
Kicukiro P. O. Box 131
Kigali - RWANDA
Tel: (+250) 252 587 200 / 582 993

ADVOCATES

Mhayimana Isaie & Associes
B. P. 713
Kigali - RWANDA

BANKERS

Bank of Kigali Ltd. (BK)

53, Avenue du Commerce
P O Box B P 175
Kigali - Rwanda

Fina Bank Ltd.

20 Boulevard de la Révolution
P O Box 331
Kigali - Rwanda

Compagnie Générale de Banque (COGEBANQUE) Ltd.

P O Box 5230
Kigali - Rwanda

ECOBANK Rwanda Ltd.

Plot 314, Avenue de la Paix
P O Box 3268
Kigali - Rwanda

Banque Commerciale du Rwanda Ltd. (BCR)

11 Boulevard de la Révolution
P O Box 354
Kigali - Rwanda

Banque Populaire du Rwanda Ltd. (BPR)

32 Avenue de l Armee
P O Box 1348
Kigali - Rwanda

KCB Bank Rwanda Ltd.

Avenue de la Paix
P O Box 5620
Kigali - Rwanda

Access Bank Rwanda Ltd.

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

PART SEVEN

BRALIRWA FINANCIAL STATEMENT

Statement of Directors Responsibility

The Directors are responsible for the preparation and presentation of the financial statements of Brasseries et Limonaderies du Rwanda set out on pages 49 to 80 which comprise the statement of financial position as at 31st December 2011, 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 April 3rd, 2012 and were signed on its behalf by:

Chairman of the Board

Vice Chairman of the Board

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 49 to 80 which comprise the statement of financial position as at 31st December 2011, 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 46, 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 31st December 2011, 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: April 4th 2012

Statement of Comprehensive Income for the Year Ended 31st December 2011

	Notes	2011 Rwf'000	2010 Rwf'000
Revenue	7	64,958,343	52,798,553
Cost of sales		(30,707,194)	(27,115,035)
Gross profit		**34,251,149**	**25,683,518**
Other income	8	7,338,021	5,850,355
Selling and distribution costs		(8,867,182)	(6,449,142)
Administrative expenses		(11,519,258)	(10,239,784)
Other operating expenses		(1,025,155)	(315,020)
Total expenses		**(21,411,595)**	**(17,003,946)**
Results from operating activities	9	**20,177,575**	**14,529,927**
Finance income		376,136	120,614
Finance costs		(460,257)	(248,691)
Net finance cost	11	**(84,121)**	**(128,077)**
Share of loss of the joint venture	16	(88,899)	-
Profit before income tax		**20,004,555**	**14,401,850**
Income tax expense	12	(5,346,846)	(4,071,307)
Profit and total comprehensive income for the year		**14,657,709**	**10,330,543**
Basic and diluted earnings per share – Rwf	21	**28.50**	**20.09**

The notes on pages 55 to 80 are an integral part of these financial statements.

Statement of financial position as at 31st December 2011

Assets	Notes	2011 Rwf 000	2010 Rwf 000
Non-current assets	Notes		
Property, plant and equipment	13	21,979,754	18,160,813
Intangible assets	14	86,922	259,362
Other investments	15	9,224	9,224
Investment in joint venture	16	51,101	128,000
Total non-current assets		**22,127,001**	**18,557,399**
Current assets			
Inventories	17	16,369,732	11,366,532
Receivable from related parties	30(e)	71,276	65,568
Trade and other receivables	18	5,257,711	3,912,124
Cash and cash equivalents	19	6,064,073	4,783,239
Total current assets		27,762,792	20,127,463
Total assets		**49,889,793**	**38,684,862**
Equity			
Share capital	20	514,285	385,714
Share premium		84,857	84,857
Other reserves	20	2,071,990	2,200,560
Retained earnings		17,006,748	13,423,230
Total equity		**19,677,880**	**16,094,361**
Non-current liabilities			
Deferred income	23	19,853	36,865
Deferred tax liability	25	897,860	804,163
Total non-current liabilities		**917,713**	**841,028**
Current liabilities			
Loans and borrowings	22	-	23,031
Payable to related parties	30(e)	2,388,494	1,496,924
Trade and other payable	26	24,701,364	18,357,858
Deferred income	23	18,432	18,432
Current income tax payable		2,185,910	1,853,228
Total current liabilities		**29,294,200**	**21,749,473**
Total liabilities		**30,211,913**	**22,590,501**
Total equity and liabilities		**49,889,793**	**38,684,862**

The Board of Directors approved the financial statements on pages 49 to 80 on and were signed on its behalf by:

Chairman of the Board

Vice Chairman of the Board

The notes set out on pages 55 to 80 form an integral part of these financial statements

Statement of changes in equity for the Year ended 31st December 2011

Year ended 31st December 2010	Notes	Share capital Rwf 000	Share premium Rwf 000	Other reserves Rwf 000	Retained earnings Rwf 000	Total equity Rwf 000
1st January 2010		385,714	84,857	2,200,560	12,528,521	15,199,652
Total comprehensive income for the year		-	-	-	10,330,543	10,330,543
Transactions with owners, recognised directly in equity						
Distributions to owners						
Dividends						
- Paid in the year for 2009		-	-	-	(6,330,166)	(6,330,166)
-Interim dividend paid in the year		-	-	-	(3,000,000)	(3,000,000)
Share based payment	24	-	-	-	(95,379)	(95,379)
Re-charge on share based payment		-	-	-	(10,289)	(10,289)
Total contribution by and distribution to owners of the company		-	-	-	**(9,435,834)**	**(9,435,834)**
Balance at 31st December 2010		**385,714**	**84,857**	**2,200,560**	**13,423,230**	**16,094,361**
1st January 2011		385,714	84,857	2,200,560	13,423,230	16,094,361
Total comprehensive income for the year		-	-	-	14,657,709	14,657,709
Transactions with owners, recognised directly in equity						
Distributions to owners						
Dividends						
- Paid in the year for 2010	20	-	-	-	(7,330,543)	(7,330,543)
-Interim dividend paid in the year		-	-	-	(3,754,281)	(3,754,281)
Share based payment	24	-	-	-	10,634	10,634
Capitalization of statutory reserve		128,571	-	(128,571)	-	-
Total contribution by and distribution to owners of the company		**128,571**	-	**(128,571)**	**(11,074,190)**	**(11,074,190)**
Balance at 31st December 2011		**514,285**	**84,857**	**2,071,989**	**17,006,749**	**19,677,880**

The notes on pages 55 to 80 are an integral part of these financial statements.

Statement of cashflows for the Year ended 31st December 2011

	Notes	2011 Rwf'000	2010 Rwf'000
Operating activities			
Profit before tax		20,004,555	14,401,850
Adjustments for:			
Finance costs (Interest)	11	37,308	120,384
Depreciation	13	3,588,347	3,010,356
Amortisation of intangible assets	14	173,120	260,557
Gain on sale of property, plant, and equipment.	8	(317,985)	(401,451)
Share of loss of the joint venture	16	88,899	-
Equity-settled share-based payment transactions	24	10,634	(105,668)
		23,584,878	**17,286,028**
Changes in working capital			
Changes in receivables and prepayments	18	(1,345,587)	(981,993)
Changes in related party balances	30(e)	885,862	85,399
Changes in inventories	17	(5,003,200)	695,406
Changes in payables and accrued expenses	26	6,343,506	970,552
Changes in deferred income	23	(17,012)	(17,015)
Cash generated from operating activities		**24,448,447**	**18,038,377**
Interest received	11	318,230	5,827
Interest paid	11	(355,538)	(126,211)
Income tax paid		(4,920,467)	(4,149,286)
Net cash flow (used in)/from operating activities		**19,490,672**	**13,768,707**
Investing activities			
Proceeds from sale of property, plant, and equipment.		317,985	484,359
Purchase of property, plant and equipment	13	(7,407,288)	(4,090,009)
Purchase of intangible assets	14	(680)	(518,725)
Investment in Joint venture	16	(12,000)	(126,000)
Net cash used in investing activities		**(7,101,983)**	**(4,250,375)**

Statement of cashflows for the Year ended 31st December 2011 (Cont'd)

	Notes	2011 Rwf'000	2010 Rwf'000
Financing activities			
Repayment of loans and borrowings	22	(23,031)	(265,813)
Dividends paid		(11,084,824)	(9,330,166)
Net cash flow used in financing activities		**(11,107,855)**	**(9,595,979)**
(Decrease) /Increase in cash and cash equivalents		**1,280,834**	**(77,647)**
Movement in cash and cash equivalents			
Cash and cash equivalents at 1st January		4,783,239	4,860,960
Bank overdrafts		-	(74)
Net (decrease)/ increase in cash and cash equivalents		1,280,834	(77,647)
Cash and cash equivalents as at 31st December		**6,064,073**	**4,783,239**

The notes on pages 55 to 80 are an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31st December 2011

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 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).

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 judgment

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 the following notes:

- 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

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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.

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:

- Buildings 40 years
- Plant and equipment 20-25 years
- Motor vehicles and office equipment 3-5years
- 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.

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 derecognized. The costs of the day-to-day servicing of property, plant, and equipment are recognised in profit or loss when incurred.

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. Investments in joint ventures

Joint ventures are those entities over whose activities Bralirwa Limited has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in joint ventures are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The financial statements include Bralirwa share of the profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of Bralirwa, from the date the joint control commences until the date the joint control ceases.

When Bralirwa share of losses exceeds the carrying amount of the Joint venture, including any long-term investments, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that Bralirwa has an obligation or has made a payment on behalf of the joint venture.

f. 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.

g. 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.

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

(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.

h. 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.

i. 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.

j. 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.

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

k. 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.

l. 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.

m. 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.

n. Dividends

Dividends declared after the reporting period but before the financial statements are authorised for issue, are not recognised as a liability at the end of the reporting period because no obligation exists at that time.

Dividends recognised as distributions to owners and related amounts per share are presented in the notes to financial statements

o. Comparatives

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

p. 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.

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

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.

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.

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.

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.

q. New standards and interpretations not yet adopted

The following new standards and interpretations to existing standards relevant to Bralirwa Limited are not yet effective for the year ended 31 December 2011, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the company. Bralirwa Limited is in the process of evaluating the impact of the applicability of the new standards.
Bralirwa Limited does not plan to early adopt these standards and the extent of the impact has not been determined:

- *IAS 1 Presentation of Financial Statements* was amended in June 2011 for Presentation of Items of Other Comprehensive Income with an effective date of 1 July 2012. The company will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss.

  The related tax effects for the two sub-categories will be shown separately. This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements. This amendment will be applied retrospectively and the comparative information will be restated.

- *IAS 12 Deferred Tax*: Recovery of Underlying Assets. The amendments introduce an exception to the general measurement requirements of IAS 12 Income Taxes in respect of investment properties measured at fair value. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset.

- *AS 19 Employee Benefits* was amended. The standard is effective for annual periods beginning on or after 1st January 2013. The amendments require the recognition of actuarial gains and losses immediately in other comprehensive income. Past service costs will be immediately recognized fully in profit or loss. Recognition of expected return on plan assets in profit or loss to be calculated based on the rate used to discount the defined benefit obligation. Additional disclosures that explain the characteristics of the entity's defined benefit plans and risks associated with the plans, as well as disclosures that describe how defined benefit plans may affect the amount, timing and uncertainty of future cash flows, and details of any asset-liability match strategies used to manage risks. The Company does not expect the amendments to have a material impact on the financial statements.

- *IAS 27 Separate financial statements* contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments. IAS 27 (2011) supersedes IAS 27 (2008) and carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The standard is effective for annual periods beginning on or after 1 January 2013.

- *IAS 28 Investments in Associates and Joint Ventures* prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard is effective for annual periods beginning on or after 1 January 2013. This amendment is in line with the new IFRS 11, which no longer gives entities the choice in accounting treatment for joint ventures, only the equity method is allowed. IAS 28 (2011) supersedes IAS 28 (2008) and carries forward the existing accounting and disclosure requirements with limited amendments.

- *IFRS 7 Disclosures – Transfers of Financial Assets*. The amendments introduce new disclosure requirements about transfers of financial assets, including disclosures for:

  - Financial assets that are not derecognised in their entirety; and

  - Financial assets that are derecognised in their entirety but for which the entity retains continuing involvement.

- *IFRS 9 Financial Instruments* addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets, amortised cost and fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host. The standard is effective for annual periods beginning on or after 1 January 2015. Bralirwa limited is in the process of evaluating the impact of the applicability of the new standard.

- *IFRS 10 Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

  The standard introduces a single control model to assess whether an investee should be consolidated. This control model requires entities to perform the following in determining whether control exists:

  - Identify how decisions about the relevant activities are made,
  - Assess whether the entity has power over the relevant activities by considering only the entity's substantive rights,
  - Assess whether the entity is exposed to variability in returns, and
  - Assess whether the entity is able to use its power over the investee to affect returns for its own benefit.

  Control will be assessed on a continuous basis and should be reassessed as facts and circumstances change. The impact on the financial statements for Bralirwa limited cannot be reasonably estimated as at 31st December 2011.

- *IFRS 11 Joint arrangements* establish principles for financial reporting by parties to a joint arrangement. This IFRS is effective for annual periods beginning on or after 1st January 2013. IFRS 11 establishes that classification of the joint arrangement depends on whether parties have rights to and obligations for the underlying assets and liabilities.

  According to IFRS 11, joint arrangements are divided into two types, each having its own accounting model.

  - Joint operations whereby the jointly controlling parties, known as joint operators, have rights to assets and obligations for the liabilities, relating to the arrangement.
  - Joint ventures whereby the joint controlling parties, known as joint venturers, have rights to the net assets of the arrangement.

  Under IFRS 11 the structure of the arrangement is no longer the only determinant for the accounting treatment and entities do no longer have a choice in accounting treatment. Bralirwa Limited has already adopted the equity method in accounting for the joint venture.

- *IFRS 12 Disclosure of interests in other entities* applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The IFRS is effective for annual periods beginning on or after 1st January 2013. This IFRS integrates and make consistent the disclosure requirements for all entities mentioned above.

  The required disclosures aim to provide information to enable user to evaluate:

  - The nature of, and risks associated with, an entity's interests in other entities, and
  - The effects of those interests on the entity's financial position, financial performance and cash flows.

- *IFRS 13 Fair value measurement* defines fair value; sets out in a single IFRS a framework for measuring fair value; and requires disclosures about fair value measurements. The IFRS is to be applied for annual periods beginning on or after 1 January 2013. The IFRS explains how to measure fair value for financial reporting. It does not require fair value measurements in addition to those already required or permitted by other IFRSs and is not intended to establish valuation standards or affect valuation practices outside financial reporting.

The key principles in IFRS 13 are as follows:

- Fair value is an exit price
- Measurement considers characteristics of the asset or liability and not entity-specific characteristics
- Measurement assumes a transaction in the entity's principle (or most advantageous) market between market participants
- Price is not adjusted for transaction costs
- Measurement maximises the use of relevant observable inputs and minimises the use of unobservable inputs
- The three-level fair value hierarchy is extended to all fair value measurements

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

(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.

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.

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.

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.

5. Financial risk management objectives and policies (cont'd)
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:

	2011	2010
	Rwf'000	R wf'000
Cash and cash equivalents	6,064,073	4,783,239
Trade receivables	4,985,494	3,343,634
Receivables from related companies	71,276	65,568
	11,120,843	**8,192,441**

The ageing of trade receivables at the reporting date was:

	Gross	Gross
Neither past due nor impaired	4,985,494	3,343,634
Impaired	151,128	151,128
	5,136,622	**3,494,762**
Less: allowance for impairment	151,128	151,128
Net	**4,985,494**	**3,343,634**

(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 (BK), Banque Commerciale du Rwanda (BCR), Fina Bank, KCB Bank Rwanda and Access Bank which have a combined facility limit of Rwf 3.95 billion (2010 – Rwf 4.15 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.

(b) Liquidity risk (cont'd)

2011	Carrying amount Rwf '000	6 months or less Rwf '000	6-12 months Rwf '000	More than 12 months
Trade payables	18,287,124	7,260,691	450,923	10,575,510
Payable to related companies	2,388,494	2,388,494	-	-
Total financial liabilities	**20,675,618**	**9,649,185**	**450,923**	**10,575,510**
2010				
Loans and borrowings	23,031	23,031	-	-
Trade payables	12,034,316	3,359,183	364,316	8,310,817
Payable to related companies	1,496,924	1,473,793	23,131	-
Total financial liabilities	**13,554,271**	**4,856,007**	**387 447**	**8,310,817**

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:

	31st December 2011		31st December 2010	
	Euro	USD	Euro	USD
	Rwf '000	Rwf '000	Rwf '000	Rwf '000
Cash and cash equivalents	220,966	531,517	193,724	743,602
Related party balances	(2,269,716)	(47,502)	(1,324,114)	(107,242)
Trade and other payables	(463,309)	(2,245,124)	(236,872)	(1,350,059)
Net statement of financial position exposure	**(2,512,059)**	**(1,761,109)**	**(1,367,262)**	**(713,699)**

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

The following exchange rates were applied during the year:

	Average rate		Reporting date	Spot rate
Currency	2011	2010	2011	2010
Euro	835.64	774.17	777.29	780.00
USD	600.27	583.26	604.14	594.45

Sensitivity analysis on foreign currency rates

A 5 percent strengthening of the Rwanda Francs against the following currencies at 31st December would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remains constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2010.

Effect in thousands Rwanda Francs	Income statement	
As at 31st December	2011	2010
	Rwf '000	Rwf '000
Euro	125,603	68,363
USD	88,055	35,685

(i) 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 interest bearing financial assets and liabilities.

	2011	2010
	Rwf'000	Rwf'000
Fixed rate instruments		
Financial assets	327,618	317,351
Financial liabilities	-	23,021
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial asset and liabilities at fair value through profit and loss. Therefore a change in interest rate at the reporting date would not affect profit and loss.

(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	
	2011	2010	2011	2010
	Rwf '000'	Rwf '000'	Rwf '000'	Rwf '000'
External revenue	47,632,280	38 355 011	17,326,063	14 443 542
Interest income	225,943	78 297	92,287	42 318
Interest expense	(251,847)	(161 438)	(103,691)	(87 254)
Depreciation and amortisation	2,745,906	2 387 797	1,051,561	883 116
Staff cost	4,088,251	3 636 465	1,511,830	1 364 151

7. Revenue

	2011	2010
	Rwf'000	Rwf'000
Net turnover		
- Beer	47,632,280	38,355,011
- Soft drinks	17,326,063	14,443,542
	64,958,343	**52,798,553**

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

8. Other income

	2011 Rwf'000	2010 Rwf'000
Transport income	6,167,520	5,134,973
Miscellaneous income	852,516	313,931
Net gain on sale of property, plant and equipment	317,985	401,451
	7,338,021	**5,850,355**

9. Result from operating activities

The following items have been charged in arriving at the profit before income tax:

	2011 Rwf'000	2010 Rwf'000
Depreciation on property, plant and equipment (Note 13)	3,588,347	3,010,356
Repairs and maintenance	387,143	465,056
Staff costs (Note 10)	5,600,081	5,000,616
Auditors' remuneration	154,911	145,475

10. Staff cost

The following items are included within staff costs:

	2011 Rwf'000	2010 Rwf'000
Salaries and wages	3,345,858	3,373,818
Contributions to defined contribution scheme	203,604	226,090
Contributions to National Social Security Fund	418,560	317,947
Equity settled share based payments	10,634	(95,379)
Other staff costs	1,621,425	1,178,140
	5,600,081	**5,000,616**

11. Net finance costs and income

	2011 Rwf'000	2010 Rwf'000
Finance costs:		
Foreign exchange losses	104,719	122,480
Interest expense	355,538	126,211
	460,257	**248,691**
Finance income:		
Foreign exchange gains	57,906	114,787
Interest income	318,230	5,827
	376,136	**120,614**
Net Finance costs:	**84,121**	**128,077**
Net Interest expense:	**37,308**	**120,384**

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

12. Income tax expense

	2011 Rwf'000	2010 Rwf'000
Current income tax	5,253,149	4,089,419
Deferred income tax		
Original reversal of temporary differences	93,697	39,328
Reduction in tax rate	-	(57,440)
Deferred income tax charged to profit and loss	93,697	(18,112)
Income tax expense	**5,346,846**	**4,071,307**

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	20,004,555	14,401,850
Share of loss for the joint venture	88,899	-
Profit before income tax excluding share of loss for the joint venture	20,093,454	14,401,850
Tax calculated at the statutory income tax rate of 28%	5,626,167	4,032,518
Tax credit	(649,266)	(261,027)
Expenses not deductible for tax purposes	369,945	299,816
Income tax expense	**5,346,846**	**4,071,307**

13. Property, plant and equipment

Year ended 31st December 2010	Land and Buildings	Plant and Equipment	Other assets	Work in progress	Returnable packaging	Total
Cost	Rwf '000'	Rwf '000'	Rwf '000'	Rwf '000'	Rwf '000'	Rwf '000'
1st 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)
31st December 2010	**4,162,965**	**13,749,467**	**8,653,039**	**405,677**	**10,596,904**	**37,568,052**
Depreciation						
1st 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)
31st December 2010	**1,794,052**	**6,549,291**	**6,345,390**	-	**4,718,506**	**19,407,239**
Net book Value						
31st December 2010	**2,368,913**	**7,200,176**	**2,307,649**	**405,677**	**5,878,398**	**18,160,813**
Year ended 31st December 2011						
1st January 2011	4,162,965	13,749,467	8,653,039	405,677	10,596,904	37,568,052
Additions	99,794	614,796	2,469,048	296,647	3,927,003	7,407,288
Transfers	-	18,753	-	(405,677)	386,924	-
Disposals	(22,939)	-	(196,435)	-	-	(219,374)
31st December 2011	**4,239,820**	**14,383,016**	**10,925,652**	**296,647**	**14,910,831**	**44,755,966**
Depreciation						
1st January 2011	1,794,052	6,549,291	6,345,390	-	4,718,506	19,407,239
Charge for the year	136,999	802,155	879,971		1,769,222	3,588,347
Disposals	(22,939)	-	(196,435)	-	-	(219,374)
31st December 2011	**1,908,112**	**7,351,446**	**7,028,926**	-	**6,487,728**	**22,776,216**
Net book value						
At 31st December 2011	**2,331,708**	**7,031,570**	**3,896,726**	**296,647**	**8,423,103**	**21,979,754**

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

14. Intangible assets

Cost	2011 Rwf'000	2010 Rwf'000
Balance at 1st January	709,052	190,327
Additions	680	518,725
Balance at 31st December	**709,732**	**709,052**

Amortisation and impairment loss		
Balance at 1st January	449,690	189,133
Amortisation for the year	173,120	260,557
Balance at 31st December	622,810	449,690
Net book value at end of year	**86,922**	**259,362**

15. Other investment

Banque Rwandaise de Development	9,224	9,224
Cogelgaz*	179,861	179,861
	189,085	**189,085**
Less: Impairment allowance (Cogelgaz)	(179,861)	(179,861)
	9,224	**9,224**

The above equity investment are 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.

*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

16. Investment in joint venture

	% Interest Held	2011 Rwf 000	2010 Rwf 000
Balance at 1st January	50%	128,000	2,000
Additional investment		12,000	126,000
Share of the joint venture loss		(88,899)	-
Balance at 31st December		51,101	128,000

The joint venture (Bramin Limited) is between Bralirwa and Minimex. The company is engaged in maize processing in Rwanda and was established to produce and commercialize high yield maize.

The reporting date of the financial statements of the joint venture is the same as for the Company.

Summary financial information for equity accounted joint venture

	2011 Rwf'000	2010 Rwf'000
Non-current asset	482,243	-
Current asset	255,363	-
Non-current liabilities	(528,082)	-
Current Liabilities	(159,075)	-
Revenue	4,756	-
Expenses	(188,553)	-

17. Inventories

Raw materials	7,387,773	4,716,532
Consumables and returnable packaging	971,639	700,949
Work in progress	1,610,234	841,263
Finished goods	344,147	278,637
Goods for resale	972,470	473,059
Non-returnable packaging	1,104,863	1,040,336
Spare parts	2,532,934	2,296,522
Other inventories	1,445,672	1,019,234
	16,369,732	**11,366,532**

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

18. Receivables and prepayments

Trade receivables	5,136,622	3,494,762
Less: Impairment losses	(151,128)	(151,128)
Trade receivables – net	**4,985,494**	**3,343,634**
Other receivables and prepayments- net	272,217	568,490
	5,257,711	**3,912,124**
The allowance at the end of the year is made up of:		
Provision for trade receivables	151,128	151,128
Provision for other receivables	462,035	462,035
At end of year	**613,163**	**613,163**

19. Cash and cash equivalents

	2011 Rwf' 000	2010 Rwf' 000
Cash at bank and in hand	5,736,455	4,465,888
Short term bank deposits	327,618	317,351
	6,064,073	**4,783,239**

20. Capital and reserves

Ordinary shares	Number of shares	Ordinary share capital Rwf' 000	Share premium Rwf' 000	Total Rwf' 000
On issue at 31st December	514,285,000	514,285	84,857	599,142

In June 2011, the shareholders resolved to increase the par value of the company shares from Rwf 0.75 to Rwf 1 per share by utilizing statutory reserve.

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	2011 Rwf' 000	2010 Rwf' 000
Fiscal reserve		
Statutory reserve	148,252	148,252
Legal reserve	1,885,167	2,013,737
	38,571	38,571
	2,071,990	**2,200,560**

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

Fiscal Reserve
The fiscal reserve is based on Article 138 paragraph 3 of the ministerial order of 1964 which required the company to mantain a special reserve of 20% of the profits for 1964. The reserve is not distributable to stakeholders.

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

The reserve includes revaluation of inventory done in 1994 after a strong depreciation of the Rwandese franc (Rwf-1,297,370 thousand) and Rwf 212,466 thousands 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 January 1st, 2009, the date of transition to IFRS.

In June 2011, the shareholders resolved to increase the par value of the company shares from Rwf 0.75 to Rwf 1 per share by utilizing statutory reserves.

Legal reserve
The legal reserve is based on a Government decree of February 12th, 1998 which required an 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 an interim dividend amounting to Rwf 3,754,281 thousand (2010 Rwf 3 billion).

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 31st December	2011 Rwf' 000	2010 Rwf' 000
Final dividend Rwf 24.20 per qualifying ordinary share (2010: Rwf 14.25)	**12, 459,052**	**7,330,543**

21. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at December 31st, 2011 was based on the profit attributable to ordinary shareholders of Rwf 14,657.709 thousands (2010: Rwf 10,330,543), and the weighted average number of ordinary shares outstanding of 514,285,000 (2010: 514,285,000).

	2011	2010
Profit for the year-Rwf '000'	14,657.709	10,330,543
Weighted average ordinary shares	514,285,000	514,285,000
	Rwf 28.50	**Rwf 20.09**

There were no potentially dilutive shares and therefore Diluted Earnings per Share is the same as Basic Earnings per Share for the periods presented.

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

22. Loans and Borrowings

	2011 Rwf' 000	2010 Rwf' 000
Current		
Bank borrowings	-	23,031
Total borrowings	-	**23,031**

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 installments; December 2007-Rwf 500 million, January 2008-Rwf 500 million and February 2008-Rwf 500 million. The loan was fully repaid in 2011.

23. Deferred income

	2011 Rwf' 000	2010 Rwf' 000
Non-current	19,853	36,865
Current	18,432	18,432
Total	**38,285**	**55,297**

Deferred income relates to refund subsidies received from Diageo for equipment 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 1st 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 1st January 2008 to 31st December 2010. The performance period for share rights granted in 2009 is from 1st January 2009 to 31st December 2011. The performance period for share rights granted in 2010 is from 1st January 2010 to 31st December 2012.

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

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

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
2010	972	24.468	3 Years
2011	1,673	28.616	3 Years

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

2010	Weighted average Share price	Number of shares
Outstanding at Ist January	25.497	2,301
Granted during the year	31.170	972
Vested during the year (for 2007)	24.468	(560)
Exercised		-
Outstanding at end of year	**26.117**	**2,713**

2011		
Outstanding at Ist January	26.117	2,713
Granted during the year	30.265	1,673
Vested during the year (for 2008)	26.117	(518)
Forfeited during the year	26.117	(522)
Exercised	-	-
Outstanding at end of year	**28.616**	**3,346**

25. Deferred income tax liability

Deferred income tax liability is calculated using the enacted income tax rate of 28% (2010-28%).

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:

Year ended 31st December	2011 Rwf'000	2010 Rwf'000
Property, plant and equipment:	913,717	847,210
Provisions	(15,857)	(43,047)
Net deferred income tax liability	**897,860**	**804,163**

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

Movement in deffered tax on temporaly differences during the year:

	1st January Rwf'000	Recognised in income Rwf'000	At 31st December Rwf'000
2011			
Property, plant and equipment:	847,210	66,507	913,717
Provisions	(43,047)	27,190	(15,857)
Net deferred income tax liability	**804,163**	**93,697**	**897,860**
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

Trade and other payables	2011 Rwf' 000	2010 Rwf' 000
Trade payables	7,711,614	3,723,500
Deposit on returnable containers	10,575,510	8,310,817
Other payables and accrued expenses	6,414,240	6,323,541
	24,701,364	**18,357,858**

27. Capital commitments

Contracted but not provided for	2,683,563	-
Authorised but not contracted for	-	1,892,960
Total	**2,683,563**	**1,892,960**

In respect of the Company interest in a joint venture, the joint venture is committed to incur capital expenditure of Rwf 1.067 billion (2010: Rwf 324,473), of which the Company's share of this commitment is Rwf 0.534 billion (2010: Rwf 162,237 thousand). These commitments are expected to be settled in 2012.

28. Off balance sheet commitments

Off balance sheet commitments	2011 Rwf' 000	2010 Rwf' 000
Letters of credit	3,374,616	2,563,067
Undrawn committed bank facilities	3,950,000	4,150,000

The letters of credit covers purchase contracts with suppliers. These contracts mainly relate to malt, sugar and bottles

Committed bank facilities are credit facilities on which the bank is legally obliged to provide the facility under the terms and conditions of the agreement.

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

29. Leases

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

	2011 Rwf'000	2010 Rwf'000
Less than one year	245,932	182,191
Between one and five years	472,222	114,147
	718,154	**296,338**

During the year an amount of Rwf 191,771,597 was recognised as an expense in profit or loss in respect of operating leases and rent (2010: Rwf 200,355,295).

30. 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

	2011 Rwf'000	2010 Rwf'000
i) Management fees		
Heineken Supply Chain Bv	346,152	223,481
Heineken International Bv	371,420	200,707
Total	**717,572**	**424,188**
ii) Royalties paid/payable		
Heineken International Bv	566,845	543,831
Amstel Brouwerij Bv	155,768	66,627
Total	**722,613**	**610,458**

b) Purchase and sale of goods and services

Ibecor Nv	762,308	1,109,340
Heineken Brouwerijen Bv	1,020,293	658,824
Mouterij Albert Nv	2,764,011	1,766,179
Brasserie de Bourbon SA	-	-
Heineken Solvensko SA	-	-
Bralima sarl	(14,431)	17,057
Brarudi SA	(10,844)	220,313
Al Ahram Beverages Company	2,514,873	1,046,199
Amstel Brouwerij Bv	90,822	67,714

Notes to the Financial Statements for the Year Ended 31st December 2011 (Cont'd)

	2011 Rwf'000	2010 Rwf'000
Heineken International Bv	1,678,107	1,355,910
Heineken Supply Chain Bv	700,871	200,419
	9,506,010	**6,441,955**

c) Directors remuneration

Emoluments and benefit	**75,456**	**14,124**

d) Key management compensation

Short-term employment benefits	1,184,058	900,587
Post-employment benefits	102,698	151,974
Other long term benefits	165,450	109,113
Share based payments	56,632	43,151
Termination benefits	58,494	-
	1,567,332	**1,204,825**

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

Payables to related parties		
Heineken Brouwerijen Bv	499,289	245,921
Heineken Supply Chain Bv	496,688	76,647
Heineken International Bv	642,130	172,551
Mouterij Albert Nv	2,057	-
Ibecor Nv	147,837	656,370
Brasserie de Bourbon SA	1,509	1,509
Bralima sarl	77,069	91,500
Brarudi SA	-	7,097
Nigerian Breweries PLC	25,952	25,303
Al Ahram Beverages Company	468,559	214,361
Amstel Brouwerij Bv	27,404	5,665
	2,388,494	**1,496,924**

Receivables from related parties

Sierra Leone Brewery Ltd	23,963	23,566
Bralima sarl	42,002	42,002
Brarudi SA	5,311	-
	71,276	**65,568**

31. Contingent Liabilities

As part of their normal audit activities, the Rwanda Revenue Authority (RRA) is conducting an audit of excise duty taxes for the years 2007-2009. The Directors are in correspondence with RRA regarding the final outcome of this audit. The disclosures required by IAS 37 Provisions, Contingent Liabilities and Contingent Assets are not provided as the audit is still ongoing.

PART EIGHT

FOUR YEARS FINANCIAL SUMMARY AND GLOSSARY

Four Years Financial Summary

	2011 Rwf'000	2010 Rwf'000	2009 Rwf'000	2008 Rwf'000
Revenue	64,958,343	52,798,553	45,478,111	42,699,886
Cost of sales	(30,707,194)	(27,115,035)	26,729,543	23,948,738
Gross profit	34,251,149	25,683,518	18,748,568	18,751,148
Other income	7,338,021	5,850,355	(-5.965,936)	(-5,173,134)
Selling and distribution costs	(8,867,182)	(6,449,142)	5,335,790	4,512,655
Administrative expenses	(11,519,258)	(10,239,784)	8,947,521	10,200,101
Other operating expenses	(1,025,155)	(315,020)	693,336	63,033
Total expenses	(21,411,595)	(17,003,946)	-	-
Results from operating activities	20,177,575	14,529,927	9,737,857	9,148,493
Finance income	376,136	120,614	(44,552)	(157,484)
Finance costs	(460,257)	(248,691)	449,338	306,296
Net finance cost	(84,121)	(128,077)	404,786	148,812
Share of loss of the joint venture	(88,899)	-	-	-
Profit before income tax	20,004,555	14,401,850	9,333,071	8,999,681
Income tax expense	(5,346,846)	(4,071,307)	(2,985,627)	3,266,491
Profit and total comprehensive income for the year	14,657,709	10,330,543	6,347,444	5,733,190
Basic and diluted earnings per share – Rwf*	28.50	20.09	12.34	11.15

For like comparison 2009 and 2008 calculation are based on weighted ordinary share of 2010
(See Note 21)

Glossary

Revenue
Net realized sales proceeds after deduction of excise duties.

EBIT
Earnings before interest and taxes and net finance expenses.

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

Total and total comprehensive income for the year
Net profit

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

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

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

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.

Gearing
Net debt/total equity.

Dividend payout
Proposed dividend as percentage of net profit.

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

www.bralirwa.com
Bralirwa Ltd, PO BOX 131, Kigali RWANDA, Tel.+250-8-2993, Fax. +250-8-5693, bralirwa@heineken.com