Annual Report 2010

Ohlthaver & List
Group of Companies

Success
is doing what you can,
with what you have,
where you are!

Best company to work for:

The O&L Group has set itself the strategic objective of becoming one of the top ten companies to work for in Southern Africa by 2011. The associated survey is conducted by Deloitte once a year. On 29 September 2010 our Group has been awarded the overall second place in the large business category.

Vision

To create wealth by building innovative and sustainable businesses and thereby enhancing living conditions and socio-economic wealth.

Mission

Every day we challenge our past to improve the future for everyone.

Values

- Let's do it
- Let's talk
- We all serve
- We grow people
- We are hooked on results
- We do the right thing right
- Naturally Namibia, today for tomorrow

Contents

Our Group Portfolio Review

Beer and soft drinks

NAMIBIA BREWERIES LIMITED

Established in 1920, Namibia Breweries Limited (NBL) is one of the leading beverage manufacturing companies in Namibia and this year celebrates 90 years of exceptional brewing excellence. The company is the leader in the domestic beer market, with a market share in excess of 80%. Brewed by choice according to the German purity law, the Reinheitsgebot of 1516, *Windhoek Lager, Windhoek Light, Windhoek Draught* and *Tafel Lager* enjoy the reputation of the highest quality and purity. For this the brands have earned international recognition. In June this year, *Windhoek Lager, Windhoek Draught* and *Tafel Lager* won gold medals at the prestigious Deutsche Landwirtschafts-Gesellschaft (DLG) Awards. No other brewery outside Germany has won as many gold medals over the last five years – an accomplishment of which we can truly be proud.

Our *Windhoek* variant brands outside of our home market continue to be savoured by more and more consumers across the globe. Closer to home, DHN Drinks (Proprietary) Limited – our profit-sharing joint venture with Diageo and Heineken in South Africa – continues to carve a share in both the premium and total beer markets and, within this sphere, the *Windhoek* trademark continues to grow from strength to strength. The launch of *Windhoek Draught* in a bottle in 2010 was a phenomenal success and together with the award-winning “Keep it Real” campaign, has propelled the *Windhoek* trademark to new heights. The year under review also saw the very successful commissioning of the Sedibeng Brewery, thereby providing access to compete in the highly profitable returnable segment in South Africa.

In the Southern African Development Community (SADC) region, our global brand licence agreement with Diageo has supported the ongoing growth of our portfolio of brands in SADC member countries. We continue to deliver exceptional growth in Botswana as well as solid growth in most countries within the region. This strategic partnership will support NBL in achieving its long-term vision and goals in this growing market. In the rest of the world, our partnership with Diageo has led to enhanced launches of the *Windhoek Lager* brand in Cameroon, Kenya, Uganda and the United Kingdom – all being attractive beer markets with the opportunity for future premium growth and expansion.

In the year to come we envisage launching into new global markets as we look to expand our footprint and achieve our international vision for the *Windhoek* brand. In the last financial year, the *Windhoek* trademark grew in excess of 3 million cases – a milestone never achieved since NBL’s inception.

Fresh produce

NAMIBIA DAIRIES (PROPRIETARY) LIMITED

Namibia Dairies was created in 1997, following the merger between Rietfontein Dairies and Bonmilk. Since then, the company has grown into the leading dairy and juice manufacturer in Namibia, with a total annual production of more than 30 million litres. Indeed, Namibia Dairies is the market leader, with significant market share in all product categories. In addition to the Namibian footprint, the company has a strong footprint in Angola.

Namibia Dairies is known for product innovation and value adding production in Namibia. It was also the first to produce extended-shelf-life (ESL) milk in southern Africa and long-life milk in Namibia. The company has a diverse product portfolio which includes fresh and ultra-high temperature (UHT) milk, traditional cultured milk products, soft cheeses, yoghurts, dairy mix drinks, fruit juices and water.

Since 2009, Namibia Dairies has been operating the !Aimab Superfarm, one of the biggest in Africa and certainly among the most modern dairy farms in the world. The Superfarm is located in Mariental, in southern Namibia. With its own fodder production, dairy farm and strategic dairy-producing partners, Namibia Dairies constitutes an integrated system of milk supply, processing, value adding production and the largest national cold-chain distribution network in Namibia.

It is anticipated that the Superfarm will double Namibia Dairies’ milk production capacity over the next five years, and will add between 30% and 40% to Namibia’s total milk production.

WINDHOEK SCHLACHTEREI (PROPRIETARY) LIMITED

Windhoek Schlachterei was established in 1973. Over more than three decades, therefore, it has been servicing Namibian consumers with a range of more than 60 quality processed meat products and is the second-largest meat processor in Namibia.

The renovation of the Windhoek Schlachterei brand has contributed to a substantial volume growth of 24.6% which indicates that the product appeals to a broader consumer base than was planned. Windhoek Schlachterei’s strategy remains to become a market leader in the processed meat producers’ industry.

During the period under review, preparations were made to integrate Windhoek Schlachterei into Namibia Dairies. The outcome of this will be mainly to reduce expenses through sharing back-office costs. There is the additional benefit of Namibia Dairies’ extensive cold-chain distribution network in the country.

Fishing

CONSORTIUM FISHERIES LIMITED

Consortium Fisheries was incorporated in 1968 as a subsidiary of the Ohlthaver & List (O&L) Group of Companies. The company continues to consolidate its position as a recognised operator in the fishing industry through its subsidiary Hangana Seafood (Proprietary) Limited.

HANGANA SEAFOOD (PROPRIETARY) LIMITED

Established through a merger in 1997, Hangana Seafood – the operating company for the whitefish hake quota holders Consortium Fisheries Limited and Kuiseb Fish Products (Proprietary) Limited – is committed to a leadership role in the Namibian fishing industry. Hangana's operations consist of eight wet-fish trawlers, each with a hold capacity of about 70 t, as well as a land-based factory with a capacity of approximately 60 t throughput of hake per day. The company employs just over 1,200 employees.

Hangana is globally associated with consistent quality, especially in Europe. The company's land-frozen products are mainly exported to Australia, France, Germany, Italy, Japan, the Netherlands, Spain, the United Kingdom, the United States and the SADC region.

In an effort to grow the business further, Hangana is investigating expansion into secondary value addition as well as relaunching the Hangana retail brand in the Namibian and South African markets. Hangana also again embarked on an Operational Excellence Programme, focusing on reducing business inefficiencies in order to maximise profits. The main areas that will be focused on are the cost of landed raw material, processing costs and utility costs.

Retail

MODEL PICK N PAY

Leading Namibian retailer Model Pick n Pay is the direct descendant of Model Supermarkets. For over 30 years, Model Supermarkets traded as Model Woolworths, until the expiry of the franchise agreement with Woolworths in 1997.

A new franchise agreement was then entered into with Pick n Pay South Africa. The first Model Pick n Pay Supermarket was inaugurated on 28 August 1997 at Wernhil Park and is today still the flagship of all our stores in Namibia. Since then, the Group has grown substantially and currently boasts 17 established stores across the country. This division has a staff complement of just over 1,600 employees.

During the year under review, Model Pick n Pay successfully completed a number of initiatives such as upgrading various shops, setting new merchandising standards and contributing towards the community it operates in. All these initiatives are aimed at enhancing the client's shopping experience and have positively improved the overall image of the company in Namibia. Some 30% of its turnover is value addition through the service areas.

Model Pick n Pay Namibia applies the franchise concept of the very successful Pick n Pay South Africa Group, which in January 2009 was voted the world's best retailer. This highly coveted international award is given to a retail outlet that has achieved an international reputation for excellence and distinguished services to the retail industry.

The retail orientation aims at a family-friendly environment that attributes its success to the constant delivery of quality, variety, customer service and value for money. Ultimate customer service, well-trained staff and continuous development in customer high-touch make Model Pick n Pay the chosen shopping destination in Namibia.

In the next few years, attention will be given on revamping stores, improving the service offering, and enhancing overall service delivery.

Properties

BROLL & LIST PROPERTY MANAGEMENT (NAMIBIA) (PROPRIETARY) LIMITED

Broll Namibia is a leading and independent property services company in Namibia. It was founded in 2003 through a strategic partnership between the Broll Property Group South Africa and the O&L Group of Companies.

Broll Namibia's objective is to maximise property potential for the client base. To date the company has earned a formidable reputation for delivering quality, effectiveness and value. Broll handles property management, shopping centre management, office broking, retail leasing and consulting, project management and facilities management.

Over the past financial year the Carl List Haus, one of the oldest buildings in Windhoek's central business district (CBD) was refurbished. The Carl List Haus was constructed in the early 1960s, and while the building had generally been maintained with minor improvements over the years, it had become necessary to give the building a well-deserved upgrade. The upgrade included a new principal façade, major changes within and a new entrance to the retail mall linking the courtyard area with Independence Avenue. In addition to this, all residential flats were converted into prime A-grade offices.

Other Broll projects during the review period saw significant progress being made in the growth of the O&L Group's commercial property portfolio. The overall scope was to commence with the upgrading and extension of several strategic properties, which included the Wernhil Park Shopping Centre and Fruit & Veg City, all located in Windhoek's CBD, as well as Pick n Pay Swakopmund and the Seagulls Shopping Mall in the heart of Walvis Bay's CBD. Several key tenants were signed up for a ten-year lease period, some of which include Alexander Forbes at the Carl List Haus, Edgars at the Wernhil Park Shopping Centre, Fruit & Veg City in Swakopmund, and Pick n Pay in Walvis Bay.

The overall investment of N$276 million ensures not only that these prime properties will retain their status as preferred destinations, but also that Broll will continue to be able to meet the strong current demand for quality retail and office space, as indicated by commercial tenants, besides preserving and growing their overall market share and customer spend in the retail properties.

Marine engineering

KRAATZ MARINE (PROPRIETARY) LIMITED

This company, located in Walvis Bay, was originally established in 1947 as Kraatz Welding Engineering. The name was changed to Kraatz Marine in 2002.

Kraatz Marine's principal focus is on the repair and maintenance of vessels operating on the west coast of the African continent, mainly those in the offshore oil industry. The company offers steel and general construction, grid blasting, retail in steel, and repair functions.

Kraatz Marine has fostered healthy relations with major shipowners and maintains excellent dealings and operational agreements with major ship repair companies in Walvis Bay and southern Africa. Amongst other things, these agreements involve the use of equipment and the exchange of expertise.

During the year under review, Kraatz Marine reached a final settlement with the Max Planck Institute for Nuclear Physics in Germany after the contract governing the construction of the Large Cherenkov Telescope was terminated. All outstanding matters have since been resolved.

Overall revenue for the company grew in the ship repair and industrial market segment, while a decline was experienced in the rig repair segment. Kraatz Marine also underwent an upgrade during the reporting period, and the facilities at the syncrolift were expanded. This will lead to improved operational efficiencies and enhanced customer service.

In 2011, Kraatz Marine aims to build on the foundations of the "Best Company To Work For" initiative, while paying continued attention to overall operations, customer service, and internal processes, as well as delivering excellent workmanship and services to all clients and on all upcoming projects.

Leisure

MIDGARD COUNTRY ESTATE

Midgard Country Estate, acquired by Carl List in 1937, is situated an hour-and-a-half's drive from Windhoek, nestled in the unspoiled natural splendour of the Otjihavera Mountains. Midgard has recently undergone a structural refurbishment and was successfully rebranded as a Country Estate.

Midgard now boasts a stylish, highly comfortable family retreat and business conferencing centre. During the renovations, the Country Estate was closed to the public and while the new look and feel was applied, staff were trained and new standards and operating procedures were put in place. The Country Estate has already reaped the rewards of this investment by way of growth in revenue and occupancy.

During the upcoming financial year, Midgard would like to continue expanding the business through a variety of well-thought-through strategies, while more construction and upgrades are also in the pipeline.

Other fully-owned businesses

RESTAURANTS

Kilimanjaro Trading (Proprietary) Limited consists of the three branded restaurants: **Ocean Basket, Mugg & Bean,** and **Milky Lane**. These restaurants are strategically located within Windhoek's principal shopping malls, namely Wernhil Park, Town Square, and the Maerua Mall and Lifestyle Centre. The variety of these brands caters for all tastes within the community – from healthy seafood to freshly baked muffins and cakes, as well as savoury pancakes and Ola ice cream. These businesses are all renowned for their generous portions and value for money offering. They strive towards making Kilimanjaro restaurants the brands of choice in Namibia.

The **Mugg & Bean**, established in October 2003 as a coffee-themed, casual restaurant specialises in early morning, breakfast, lunch and dinner. Namibia's first **Ocean Basket** restaurant opened in Windhoek on 23 October 2004, followed by Swakopmund on 12 October 2005. The Ocean Basket is a seafood restaurant with a business concept based on stringent service delivery. **Milky Lane** caters for the entire family across the age spectrum. The Windhoek outlet specialises in ice creams, milkshakes, waffles, pancakes, and spinners.

Aviation

EROS AIR

The company was founded in 1978, and provides express corporate transport and charter flights for medical and private purposes.

Management company

The **Ohlthaver & List Centre** assumes the role and function of Group leadership and a hub of shared services. The Centre provides and facilitates the provision of human capital, procurement, finance, public relations, secretarial, marketing, risk and corporate governance services to the O&L Group of Companies.

Joint ventures and associates

OLIFA HOTELS AND RESORTS NAMIBIA (PROPRIETARY) LIMITED

OLIFA Hotels and Resorts, established in 2008 as the successor to the Group's Namib Sun Hotels, has since operated as part of a joint venture between the Group and renowned IFA Hotels and Resorts South Africa (IFA HR SA). Through their joint venture, the O&L Group and IFA HR SA introduced hospitality partner Kempinski Hotels to Namibia. This international hotel brand operates the Kempinski Mokuti Lodge near the Etosha National Park and will also operate the Strand Hotel to be constructed in Swakopmund.

DIMENSION DATA NAMIBIA (PROPRIETARY) LIMITED

Dimension Data Namibia was established on 1 October 2006 as a business partnership between the O&L Group and Dimension Data Middle East and Africa. Dimension Data Namibia has gone from strength to strength over the years, and today stands as one of Namibia's most successful information technology (IT) solution providers, serving highly strategic Namibian clients both inside and outside the Group. Dimension Data Namibia's experience and global footprint, together with its penetration into Africa, makes it the trusted advisor for a number of global businesses, thus adding to Africa's ability to do great things.

Success is the sum of small efforts,
repeated day in and day out.

Group Leadership Team

"We are and will be for some time the best company to work for in Southern Africa. I am saying this because I believe we are people with honest intentions and highest possible integrity, which inspires us to always do the best for the people of our Group, as we know that they will give it back to us to build Namibia's future."

Sven Thieme
Executive Chairman

"Being the Best Company To Work For means being the employer of choice thereby allowing us as a Group to pursue and realise our ambitious plans."

Peter Grüttemeyer
Chief Executive Officer

I urge you...Come on, let's stand together in realising our aim to make O&L 'The Best Company To Work For!'

"The O&L Group is on a journey of setting the trend in human resource leadership and innovation in Namibia. We are addressing the issue of skills shortage with a different approach to talent attraction and retention. To attract and keep talented individuals, a company must create conditions that allow people to live their dreams and succeed. We at O&L are creating such conditions for our people with our participation in the Deloitte "Best Company To Work For" (BCTWF) survey. We have implemented various world-class human capital management tools and more are in the pipeline.

I am very glad to be part of this exciting journey."

Berthold Mukuahima
Human Capital Director

"I am excited to be part of an innovative and proactive leadership team who strongly believes in building sustainable businesses and thereby enhancing the socio-economic wealth of all Namibians."

Günther Hanke
Group Financial Director

Goals are the fuel in the furnace of achievement.

Group Leadership Team

"O&L fits all of the parameters - it has been everything and more than I wanted it to be. On a personal level I was able to nurse my last-born for more than 12 months with flexible working hours and many opportunities to take her and her granny on official trips with me - you don't hear about that happening much in other companies. That was really important to me. On a professional level - the opportunity for development and growth draws you in and it's fun. O&L and its great leadership have given me the freedom to explore and try new things and that has been tremendously empowering!"

Roux-ché Locke
Group Manager: Public Relations

"Since joining O&L I have witnessed significant growth within the Group and our people, including myself. An environment that fosters innovation, experimentation and growth while driving highest performance levels and standards is the basis for our Group to thrive long-term in an ever-changing world. While overcoming various business challenges in all our Operating Companies, the leaders on all levels of the Group create a spirit that I have personally not experienced before, making O&L the very best company to work for."

Ingo Stinnes
Head: Operational Excellence

Knowing is not enough; we must apply.
Willing is not enough; we must do.

"I am a proud member of the pack of connected leaders of O&L. Together we are very supportive of each other and the rest of the group. The people here – all highly educated and with a wealth of experience – are the best! Being at the forefront of The Best Company To Work For initiative - constantly driven by our strong ethical values – truly inspires me and enables me to pass this on to the rest of the workforce. My personal commitment towards the Group is applying characteristics of good governance such as discipline, transparency, accountability, responsible management and fairness."

Petra Laaser
Group Company Secretary

"Having worked in the Group for over 17 years, I am a testament to the value *We grow people*. I started working at the Group as a sales administrator and have grown to become the Head of Group Marketing. I have been exposed to many different markets within Africa and have been able to learn from two of our international partners. Being a part of the O&L family affords all of us the opportunity to learn and develop not only as an employee, but also as a person. It has been a very rewarding 17 years and I look forward to the next 17 – learning more and giving back to everyone in the O&L family."

Mike Reilly
Group Marketing Manager

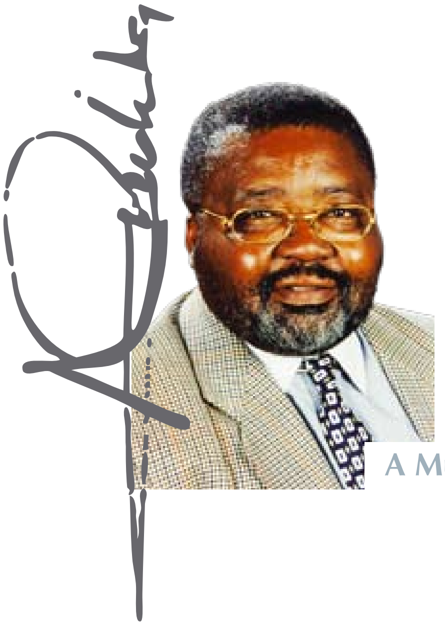
Non-Executive Directors

UM Stritter

TZM Hijarunguru

CL List

HE List (Mrs)



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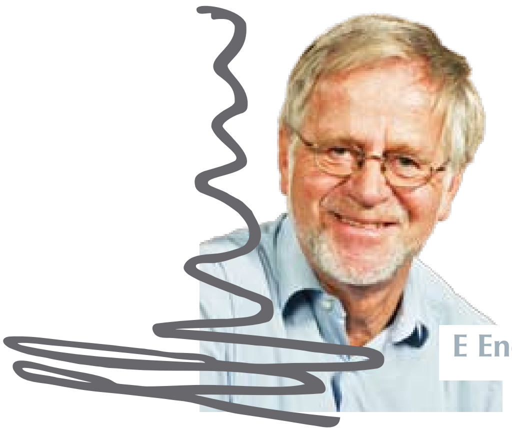


E Ender

H Müseler
(Alternate to H E List)

Count us in!

Executive Chairman's and

Overview

Amidst continuing uncertainty, economies across the world are still trying to find their feet after the onslaught of the global financial crisis in 2008. The latest developments in the European economy have also contributed to this insecurity. These events have undoubtedly affected Namibia, although their effects were felt later than expected.

Overall, the Namibian economy is estimated to have contracted by 1% during 2010, compared with the 3.3% growth witnessed in 2009. This could mainly be ascribed to poorer performances by the mining and tourism sectors, which were hit hard by the crisis.

Even the very positive expansion in terms of new uranium mine developments could not offset the above negative repercussions. Retrenchments were experienced, especially in the mining sector. Furthermore, heavy floods, particularly in the northern parts of the country, had a negative impact on livestock production in the communal areas, and marketing was constrained by the closure of quarantine facilities.

South Africa, the largest economy in the SADC region, was equally negatively impacted. Its hosting of the 2010 World Cup mitigated the impact, however, and the high expectations of positive economic spin-offs were only partially realised. Neighbouring countries such as Namibia, on the other hand, experienced devastating effects from the World Cup, with tourist accommodation occupancies reaching the lowest level recorded in many years.

For the O&L Group of Companies, although 2010 also proved to be a challenging and at times uncertain year, a number of exciting prospects were enjoyed as well. The strength of the Namibia Dollar as well as reduced Euro prices for our fish products had the biggest impact on the year's result. Had it not been for the O&L Group's heavy investments over the past few years, the impact of the global crisis would have been much more severe. Indeed, we are only now starting to reap the fruits of our strategies. The investment into the fish value-adding factory, the sorting and grading facility, the ice plant and modern vessels at Hangana; the Superfarm at Namibia Dairies; and the revamping and expansion of various properties are but a few examples which began and will continue to contribute significantly to the O&L Group's bottom line.

So count me in!

Chief Executive Officer's Review

The creation of new functions within the Group such as Operational Excellence, Group Marketing and Group Risk have had a tremendous impact on the Group and contribute further towards overall process improvement to streamline and simplify the way we do business at the O&L Group.

We believe that global competitive forces will continue to impact the Group going forward and that 2011 will present its own challenges and highlights. This means that we have to continue to enhance, refine and strengthen our strong portfolio of businesses and companies even more by continuing our investment programme and by exploring new avenues to ensure we remain resistant, flexible and competitive in the global field.

Broad-based community economic empowerment

After years of restructuring and rightsizing its businesses, the Group has positioned itself to grow from a healthy base and sees this BEE transaction as an accelerator for continued business expansion.

The O&L Group considered it necessary to entrench the 'Namibianness' of its business ownership by engaging a valuable partner with whom the Group can grow and expand its business interests further and accordingly entered into a broad-based community economic empowerment (BEE) transaction with Epia Investment Holdings (Proprietary) Limited.

The Epia partnership is undoubtedly a smart as well as pioneering empowerment initiative for Namibia, and one which the List Trust Company also sees as a business imperative. The final agreement gives Epia, the empowerment partner, a 49% equity stake in O&L Holdings (Proprietary) Limited. O&L Holdings (Proprietary) Limited purchased the shares in Ohlthaver & List Finance & Trading Corporation Limited (OLFITRA) through an interest free loan, after taking discounts into account. The dividend stream of OLFITRA will partly be used to repay the loan, and partly for dividend payouts by O&L Holdings to Epia's benefit. This, in turn, benefits traditional and other leaders to reach out to various communities through the existing traditional authority structures.

So count me in!

Executive Chairman's and

Financial review

The Group revenue for the year increased by 7.6% from N$3,119 million in the previous year to N$3,356 million during the year under review, despite a significant revenue loss due to the strengthening of the Namibia Dollar.

Profit before taxation decreased from N$245.3 million to N$160.3 million, after taking into account a BEE share-based payment expense of N$54.9 million. This once-off expense relates to the Epia transaction, and an equal amount was recorded as BEE contribution through equity. Thus, the transaction did not influence the Group's net equity.

The highlight in terms of the contribution towards the financial year's earnings before interest and taxation (EBIT) is Namibia Breweries' performance from their own operations. This resulted in a 17% increase in EBIT before taking into account the losses from their joint venture. However, the gains were neutralised by Namibia Breweries' share of EBIT losses from DHN Drinks (Proprietary) Limited which also increased by N$42.7 million compared with the previous year. Nonetheless, this loss was in line with forecasts. DHN Drinks' losses for the forthcoming financial year will be significantly lower, and will break even in 2012.

The following factors influenced EBIT during the year under review:

- An additional N$38 million had to be provided for the High Energy Stereoscopic System (HESS) satellite project. The Max Planck Institute for Nuclear Physics terminated the contract governing the construction of the Large Cherenkov Telescope during October 2009, and settlement was reached between the parties in July 2010. This marks the end of the project.
- The exchange rate as well as hard currency prices of fish retail products in Europe had a severe impact on Hangana Seafood. Hangana had an EBIT profit of N$1.6 million compared with N$36.4 million in the previous year. Significant savings were realised as a result of the commissioning of the new ice plant, the utilisation of blended fuel, and the employment of the modern and very profitable Avro Warrior, which is in line with the new strategy of modernising the fleet to offset some of the negative sales price realisations.
- The Property Division performed well in terms of its operating results, contributing an EBIT of N$83.0 million, compared with N$61.3 million the previous year. The revaluation of investment property contributed N$27.9 million, compared with N$8.7 million in the previous financial year. This increase can mainly be attributed to the refurbishment of the Carl List Haus.
- Namibia Dairies increased its EBIT from N$25.9 million in the previous financial year to N$28.9 million in the year under review, despite a significant shortfall in their Angolan operations as well as start-up challenges at the Superfarm. After a N$7 million shortfall in profits compared to budget, the decision was taken to sell the Namibia Dairies shareholding in Freshuila Limitada. Namibia Dairies will continue to distribute its products in Angola, but now does so through various distribution channels rather than through one exclusive partner.
- Model Pick n Pay improved significantly in the past financial year, contributing N$5.1 million compared with N$1.8 million the previous year. However, the company has still not achieved its projected figures.

Strategic review and future challenges

The exciting "Growth Through Change 2011" plan was devised to create a platform for growth that is executed through the

Chief Executive Officer's Review (continued)

following critical success factors that have been identified:

- **Operational excellence:** Established a year ago, the Operational Excellence Team set up the Risk and IT Management functions within the Group. A risk management system was implemented in which key risks within the various operating companies are identified, tracked, and mitigated. This not only had a positive impact on operations, but also resulted in a reduction in insurance premiums for the Group. The Security function falling under Risk improved significantly as well, resulting in valuable contributions to loss identification and prevention. Major projects that were completed by the Operational Excellence Team included the implementation of the Process Model documenting and standardising key business processes in the Group; upgrading the complete back-end hardware for the Group; time and attendance expansion; vehicle tracking for the Namibia Dairies distribution fleet; and the building of 54 houses for !Aimab Superfarm staff at Mariental. SAP software is now being entrenched in the business, and more modules and functionalities will be rolled out to improve business processes and reporting accuracy across the corporate arena.
- **Employer of choice:** As was reported in the previous annual report, the Group set itself a target to be amongst the Top 10 "Best Companies To Work For" in the large category in southern Africa in a survey being conducted by Deloitte. Having taken part on a virtual basis over the two years prior to the year under review, during the reporting period the Group participated "live" for the first time, and the results of its participation will be counted for ranking purposes. The Group aggressively addressed the issues identified in the results of its virtual participation. For each operating company, a "Best Company To Work For" triangle was developed, along with relevant action plans. Another achievement during the period under review was the introduction of the Business Communication Skills Programme, which was attended by all management up to relevant supervisory levels. In the next few years, the Group will shift its focus to enhance employee wellness issues, such as rolling out affordable medical aid solutions and healthy-living campaigns.
- **Exciting trust relationships:** We have successfully established the O&L Group way of brand-building, and have set up a robust baseline from which the performance of our and our competitors' brands can be tracked across all our enterprises. Marketing effectiveness is now measured from a consumer perspective, allowing our brands to continuously evolve in line with the ever-changing consumer landscape. The O&L Group way of brand-building has also allowed us to share best practices across the Group quickly and efficiently, thereby ensuring added marketing effectiveness. Going forward, we aim to build on these competencies to drive our ambition to own the most sought-after brands in any of the segments in which we operate. We are also looking into alternative ways of connecting with the consumer outside of the traditional media channels to break through the clutter and become more relevant in our consumers' lives.
- **Stretched financial target:** All management in the Group are aligned in respect of achieving the stretched financial target of N$760 million EBIT for 2011. This financial goal was broken down into various targets for each operating company. The 'gap' that still exists, i.e. which has not been allocated, is owned by all the operating companies together. On a monthly basis, the Group Leadership Team get together with all the Managing Directors of the various companies to have a N$760 million Tracking Meeting. Progress towards the 2011 EBIT goal is discussed, and new 'breakthrough ideas' are developed in order to achieve it.

We are confident that, with a clear vision and through our inspired, committed and passionate team, these ambitious operational and financial goals will be achieved.

Five Year Review
for the years ended 30 June

	2010 N$'000	2009 N$ '000 Restated	2008 N$ '000 Restated	2007 N$ '000 Restated	2006 N$ '000 Restated
Consolidated Statements of Comprehensive Income					
Revenue	3 356 004	3 119 358	2 639 004	2 235 467	1 864 282
Profit from operations	371 574	343 248	315 710	266 145	84 959
Finance costs	(89 957)	(82 255)	(100 823)	(90 770)	(82 510)
Share-based payment expense	(54 949)	-	-	-	-
Income from associates and joint ventures	(88 046)	(38 967)	(4 437)	1 046	(140)
Income from investments	21 687	23 315	37 948	37 386	27 787
Profit before taxation	160 309	245 341	248 398	213 807	30 096
Taxation	88 199	93 563	71 996	(63 808)	28 020
Profit for the year	72 110	151 778	176 402	277 615	2 076
Other comprehensive income for the year, net of tax	34 849	23 226	144 378	20 065	8 020
Total comprehensive income for the year	106 959	175 004	320 780	297 680	10 096
Profit attributable to:					
Owners of the parent	(47 799)	33 931	76 917	194 331	(55 422)
Non-controlling interests	119 909	117 847	99 485	83 284	57 498
	72 110	**151 778**	**176 402**	**277 615**	**2 076**
Total comprehensive income attributable to:					
Owners of the parent	(14 402)	56 910	177 426	214 359	(47 445)
Non-controlling interests	121 361	118 094	143 354	83 321	57 541
	106 959	**175 004**	**320 780**	**297 680**	**10 096**
Consolidated Statements of Financial Position					
Property, plant and equipment	1 676 672	1 534 137	1 230 472	973 892	884 874
Investment property	376 877	230 144	284 794	276 394	247 260
Intangible assets	16 345	11 721	17 670	23 157	25 377
Deferred taxation	61 015	64 670	87 468	111 234	18 477
Investments	441 267	453 556	487 150	61 451	99 529
Derivative financial instruments	-	-	9 724	2 340	-
Biological assets	34 467	32 021	23 319	27 130	25 180
Non-current trade and other receivables	28 424	27 292	27 986	25 706	17 036
Related parties	159 519	34 521	-	-	-
Current assets	908 336	995 503	882 385	813 141	606 370
Total assets	**3 702 922**	**3 383 565**	**3 050 968**	**2 314 445**	**1 924 103**
Equity attributable to owners of the parent	807 702	767 127	713 952	540 261	325 903
Non-controlling interests	556 735	501 246	440 511	341 837	295 731
Deferred taxation	299 032	280 069	252 037	208 901	169 648
Interest-bearing borrowings	669 860	423 245	444 223	302 150	382 310
Deferred income	216 701	245 467	250 034	777	-
Non-current provisions	31 703	30 963	12 266	11 316	10 926
Non-current trade and other payables	-	-	-	-	1 098
Non-current related parties	188 258	232 047	232 754	30 387	1 625
Current liabilities	932 931	903 401	705 191	878 816	736 862
Total equity and liabilities	**3 702 922**	**3 383 565**	**3 050 968**	**2 314 445**	**1 924 103**

Operational Review

Beer and soft drinks

NAMIBIA BREWERIES LIMITED

The vision of Namibia Breweries Limited (NBL) is to be the most inspiring company to work for: an employer of choice, with the strongest brands and superior customer and supplier relationships.

In its fulfilment of this vision, the business identified five success factors that are crucial to achieving its goals:

- People
- Operational excellence
- Demand fulfilment
- Ensuring that NBL has a winning portfolio of brands, and
- Driving export growth.

NBL remained focused on its critical success factors and strategic initiatives designed to improve shareholders' value and to continue moving the company towards viable and profitable growth. The global distribution and licensing agreement that NBL entered into with Diageo the previous year proved to be an effective vehicle in driving our export growth. The *Windhoek* brand strengthened in all its key markets in the SADC region, increasing its market share both at home and abroad. Following the global distribution deal with Diageo, *Windhoek* was exported to a number of new markets which included Cameroon, Kenya, Uganda and the United Kingdom. *Windhoek* beer was well received in these countries and is establishing itself as a premium brand. Additional markets are scheduled to be launched in the 2011 financial year.

At home, our continued focus on sales excellence standards has enabled NBL to expand its leadership in the domestic beer market. The sales excellence standards were powered by the identified Quality, Distribution, Visibility, Price, Promotion and Persuasion (QDVP3) standards, together with a focus on support programmes. These together entrenched a high quality of sales execution at both trade and retail levels. Our domestic lead is solidly strong and is projected to remain so over the coming periods.

The "Keep it real" advertising campaign for the *Windhoek* range has proved a great success in driving the overall growth of the *Windhoek* trademark.

Significant investments were also made during the year to enhance both our brewing and packaging infrastructure in line with the continuous volume growth that the business has witnessed. These investments have enhanced NBL's production capacity, increasing our flexibility to adapt quickly to changes in market demand.

Revenue grew by 10.5% from the previous financial year to N$1731.1 million for the period under review. In comparison with the previous financial year, operating profit for the year ended 30 June 2010 increased by 17.3% to N$313.8 million. NBL further improved its operating margin to 18.1% from 17.0% in the previous year.

The South African joint venture, DHN Drinks (Proprietary) Limited, completed a second full year of trading. The year's results were expected and were close to the original business plan. DHN Drinks' start-up losses are expected to significantly reduce in the coming financial year. The Group equity accounted a loss of N$78.4 million from the joint venture during the review period, compared with a loss of N$35.6 million in the previous financial year. The Sedibeng Brewery was commissioned and began producing for DHN Drinks during the year under review. The production included the *Windhoek Lager* brand for the South African market.

Fresh Produce

NAMIBIA DAIRIES (PROPRIETARY) LIMITED

The vision of Namibia Dairies is to be recognised as an international model for a vertically integrated and independent dairy.

During the year, Namibia Dairies focused on six critical success factors to achieve its business goals and drive strategic initiatives:

- Declaring war on costs
- Owning the route to the consumer
- Growing our export volumes
- Building additional capacity
- Operational excellence, and
- Our people.

The Group reported a turnover of N$401.6 million for the year under review, compared with N$368.0 million during the 2009 financial year. EBIT amounted to N$28.9 million, representing an increase of 11.6% from 2009, which reflects the dedication and drive of the entire workforce.

Costs within the business were managed well, even with significant upward pressure on raw materials and packaging.

The benefits of the continued focus on our QDVP3 sales excellence programme are clearly visible in the trade. Merchandising standards again improved and this led to improved sales performance and consumer acceptance.

The implementation of better forecasting and planning processes and tools reduced ullages and significantly improved stock availability. Improved forecasting and planning further supported our efforts to enhance the route to our consumer, and deliver on consumer needs in accordance with our company slogan – *On time in full every time.*

The continued success of Rietfontein's *Oshikandela and Oshitaka* brands drove volumes in the Value Added category. These great brands will continue to grow as we expand their numeric distribution and reach. *Oshikandela* was the key driver of growth in export volumes through our joint venture with Freshuila in Angola. The company has disposed of its shareholding in Freshuila Limitada, but is continuing to distribute it's product through various other distribution channels into Angola.

After becoming fully operational in August 2009, the new N$80 million !Aimab Superfarm investment in Mariental began to show improved cost efficiencies and milk production volumes. The consolidation of the Windhoek (at Gocheganas) and Mariental (at Pardah) dairy farms was difficult, with the herd movement initially impacting very negatively on milk production. At full production, the Superfarm will accommodate 2,000 cows in milk and 4,300 animals in total. It will supply in excess of 60% of Namibia Dairies' growing need for raw milk to cater for both the Namibian market and our export business.

Over the past 12 months, raw milk intake from local dairy producers in Namibia and the !Aimab Superfarm was below forecast. To compensate for lower volumes, bulk tankers of pasteurised milk were imported from South Africa to ensure our stretched volume targets were achieved. In the coming year we do not foresee any raw milk shortages as local production is steadily improving due to increased output from the !Aimab Superfarm.

All technical quality audits – namely regulatory, supplier and compliance audits – were passed. This confirms that the quality management systems at Namibia Dairies are world-class. We have also optimised our systems and processes to improve effectiveness and efficiency, and will continue to drive our "Continuous Improvement" philosophy.

WINDHOEK SCHLACHTEREI (PROPRIETARY) LIMITED

The company continues to pursue its goal of being the preferred supplier of quality processed meat products in Namibia.

The critical success factors identified for the financial year included –

- Quality products
- Operational excellence
- Maximising profitability, and
- Building the Brand.

The company generated a loss before interest of N$9.2 million compared to a loss before interest of N$5.6 million in the previous review period. Revenue has increased by 10.2% to N$35.8 million for the period under review, despite product rationalisation. Volume on continued product lines increased by 24.6% from the previous year.

The increased loss can be attributed to various factors such as a lower gross margin, higher overheads and maintenance costs, which were necessary to grow the brand sustainably.

As from 1 March 2010 Windhoek Schlachterei was under control of the management of Namibia Dairies to save overhead costs. As from 1 September 2010, the operations of Windhoek Schlachterei were fully integrated into Namibia Dairies.

Fishing

HANGANA SEAFOOD (PROPRIETARY) LIMITED

Our aim continues to be that of becoming a world-class value adding hake company by 2011.

Critical success factors identified for the financial year under review were the following:

- People / "Best Company To Work For"
- Operational excellence, and
- Maximise revenue opportunities.

Although all focus was on these critical success factors, other external factors such as the exchange rate, the decrease in hard currency prices, and a decrease in demand due to the global economic crisis resulted in revenue falling from N$316.5 million in the 2009 financial year to N$308.9 million for the period under review. Earnings before interest reduced to N$1.6 million compared with N$36.4 million the previous financial year. The shortfall in earnings was mainly driven by the unfavourable exchange rate – which averaged at N$10.43 to €1, compared with N$12.38 to €1 in the previous reporting period – and the slower than anticipated recovery of the world economy, which had an enormous downward impact on hard currency prices.

Various projects in the spirit of "Operational Excellence" were identified and implemented to mitigate the negative impact of hard currency prices and the unfavourable exchange rate. These included an introduction of a more flexible catching strategy to reduce fleet unit costs, improved utilisation of raw material, and a sharper focus on variable expenses.

The Group continued with its investment programme by completing the construction of its own sorting and grading and ice plant facilities, which amounted to N$37 million. A total of N$28 million was invested in an innovative, state-of-the-art fuel-blending plant, and four vessels were converted to run on the cheaper fuel. Because both these projects were finalised during the last eight months of the 2010 financial year, their full positive contributions towards improved business efficiencies are only expected to show in the 2011 financial year's results.

One of the fundamental lessons for Hangana under these severe market conditions was the importance of starting to build and develop its Namibian and South African markets in order to minimise the severity of the rate of exchange's impact on the business. Various opportunities were identified in both markets, and these will form part of the critical success factors and strategies for the next review period in order to boost Hangana's financial performance.

Retail

MODEL PICK N PAY (A DIVISION OF WUM PROPERTIES LIMITED)

The division continued with its aim to be the preferred and most trusted retail group in Namibia, and targeting revenue growth to N$918 million by 2011.

The critical success factors identified for this financial year included –

- Achieving operational excellence
- Developing human capital
- Improving the business model with Pick n Pay South Africa, and
- Implementing a marketing/brand plan.

The division achieved commendable growth in EBIT performance – in excess of 200% – mainly due to operational efficiency and improvements in gross profits, lower shrinkage, and cost containment. The division achieved an EBIT of N$5.1 million, compared to an EBIT of N$1.8 million in the previous year. Although the division did not achieve its targeted EBIT number due to turnover falling short of target, turnover had increased by 10.3% – all through incremental growth – as no new stores were opened during the reporting period. Oshikango experienced the highest challenge with turnover, mainly due to regulatory changes at the Angolan border. However, the store still managed to achieve its EBIT budget through outstanding internal efficiencies.

The competence level of store managers was raised through continuous operational training, system literacy, and leadership skills development. Although there is still a long way to go, the general reduction in shrinkage, waste and cost inefficiency in the stores can be attributed to the increased competence level of store managers and staff. The introduction of the Central Distribution Centre as well as a compliance function will, amongst other things, assist the business in reaching its goals. Many initiatives were executed to increase the alignment and effectiveness of the relationship with Pick n Pay South Africa, which will continue to be a strategic focus area into the 2011 financial year.

The division implemented a Community-based Social Responsibility Project, through which various smaller outreach projects were driven, thereby meeting the division's social responsibility towards the communities within which we operate. The implementation of a customised retail QDVP3 process was a particular highlight during the review period. This achievement has already brought about immense improvement in the way we present our stores and products to consumers. Three different consumer research studies were also completed, and these have helped the business to understand market, consumer and competitor behaviours.

Properties

BROLL & LIST PROPERTY MANAGEMENT (NAMIBIA) (PROPRIETARY) LIMITED

CENTRAL PROPERTIES (PROPRIETARY) LIMITED

O&L PROPERTIES DIVISION (A DIVISION OF WUM PROPERTIES LIMITED)

WERNHIL PARK (PROPRIETARY) LIMITED

The aim of the property portfolio for the year under review was to further strengthen our position as the best and most trusted destination for shoppers and tenants.

Critical success factors identified to achieve this included the following:

- Exciting our customers
- Developing our properties
- Expanding our service offering, and
- Focusing on operational excellence.

The overall portfolio generated revenue of N$83.7 million, compared with N$78.6 million the previous financial year. An EBIT of N$83.0 million (2009: N$61.3 million) was achieved in the period under review, which includes fair value adjustments of N$27.9 million (2009: N$8.7 million).

Of all the companies I previously worked for, O&L is the first company that offers me a lot of educational training and O&L are all about team work. Working for O&L is like working for one team, it does not matter for which operating company you working for, you are part of one big family which makes me very proud.

Martin Hakandjebo
Building Cleaner

So count me in!

The Namibian commercial property industry saw strong growth during the reporting period, with several larger property investments being made within the local property market. To a certain degree, this contrasts with trends in South Africa during the financial year. Nonetheless, the difficulty with all commercial developments remains the developers' ability to produce feasible projects – especially due to the lower rentals now being offered by larger retailers. These rentals are still directly related to them managing their risks due to the overall economic downturn. In addition, the overall increase in development costs as well as more stringent conditions being set by financial institutions made larger-scale developments difficult at this time. However, this has not stopped the Namibian property market from showing promise in respect of planning for current and future developments or in terms of the overall confidence shown by property investors.

Even with the current economic downturn, foot traffic growth within our key retail centres retained the levels shown in the previous financial year. Indeed, the Wernhil Park Shopping Centre escalated by 2% (or 220,000 shoppers) year on year. As anticipated, consumers spent less due to the global economic crisis, but the turnover of most of our larger retailers remained on par with inflationary growth.

Our positive performance during this period can be attributed to our strategic focus throughout the financial year being to ensure our customers and shoppers were provided with the best possible service level, exciting promotions, and targeted marketing campaigns. In addition, our focus to upgrade and further extend some of our key properties will ensure a stronger and more resilient portfolio going forward.

The following developments were completed or commenced during the period under review:

- **Wernhil Park Shopping Centre (Phase 3):** The overall investment of N$186 million will ensure a retail expansion of 12 000 m², with approximately 500 additional parking bays being constructed. Our pre-let status at the end of the financial year was 98%, with the new retail component being anchored by a 6,400 m² Edgars retail outlet. Several other prominent retailers have already been signed up. These include an extended Truworths outlet, Foschini, and Mr Price. In addition to the retail and parking expansion, the new taxi rank facility to be constructed on the northern side of Wernhil Park will incorporate several positive changes. The most important of these will be its ability to ensure a faster turnaround during peak hours, thereby ensuring that substantially more taxis can enter and exit the facility at any one time. This development began in May 2010, and is expected to be complete by June 2011.
- **Carl List Haus:** This project includes an overall facelift, an extension of the office accommodation, and realignment of the existing retail mall. The overall investment amounted to N$70 million. The office component is anchored by Alexander Forbes, who has also been given the right to name the building. The development commenced during September 2009 and was completed in September 2010.
- **Seagulls Shopping Mall:** Located within the CBD of Walvis Bay, Seagulls will have received a total facelift worth N$20 million by November 2011, its anticipated completion date. This will include a realignment of the retail mall into a more central position, thus ensuring all retailers are able to trade in the new mall in future. The revamped mall will also provide the coastal town with a much stronger tenant mix, and will boast prime retailers Pick n Pay as the anchor, as well as Mr Price Weekend, Foschini, American Swiss, CNA, Musica, and Clicks.
- **Other:** Other smaller developments completed during the period under review included an investment of N$1.6 million in the upgrade of the Fruit & Veg City premises. The upgrade was completed during May 2010. The Ruhr Street industrial development, which accommodates Namibia Breweries, was finalised during September 2009 at a cost of N$2.9 million, while the Swakopmund Pick n Pay upgrade of N$4.4 million was completed during November 2009.

Further emphasis was placed on ensuring adequate staff training and staff resources overall. Moreover, having expanded our service offering strategy, we established an in-house Project Management Department to drive all ongoing development. As part of our growth strategy for June 2011, additional focus was placed on driving operational excellence within our organisation by maintaining our International Organisation for Standardisation (ISO) accreditation, adhering to policies and procedures, maximising rental levels, and reducing vacancies.

Our positive property portfolio performance during this period can be attributed to our strategic focus throughout the financial year being to ensure our customers and shoppers were provided with the best possible service level, exciting promotions and targeted marketing campaigns.

Other fully-owned businesses

KILIMANJARO TRADING (PROPRIETARY) LIMITED

Mugg & Bean, Ocean Basket and Milky Lane

The year under review showed mixed successes for Kilimanjaro Trading. The overall aim of being the choice of branded restaurants is critical for sustaining Kilimanjaro's revenue growth. Therefore, the focus on operational issues was intensified in order to drive efficiencies within the business.

The critical success factors identified for this financial year included the following:

- Customer focus
- Review cost structure
- Review portfolio sustainability, and
- Learning and development.

Revenue grew by 12% from the previous financial year, and gross profit levels improved by 2%. The loss of N$1.4 million in EBIT was a combination of too little growth in revenue along with a 22.6% increase in expenses. Investment on the people side in terms of training and uniforms, maintenance and utilities, and corporate cost escalations were some of the main expense items.

Certified Namibian Skilled Trainers were established for both the Ocean Basket and Mugg & Bean brands. The "Mystery Diner" Programme yielded excellent results, most notably the 100% scoring at Mugg & Bean Maerua twice in the last four months. The critical success factor of having great people within the business has gained very good momentum and will remain key to the business turnaround strategy.

During the review period, a survey was conducted to gain insight into our consumer market with regard to restaurants. The findings were used to draw up a marketing plan that will see the business injecting close to N$1 million into the marketing and promotion of its restaurants. This plan is invaluable to driving revenue over the N$30 million per annum mark.

Micros product management was implemented at the two Mugg & Bean outlets in Windhoek as part of our efficiency drive to enhance stock management systems within the business. In addition, the SAP platform is being explored in terms of making it more beneficial to stock control.

The expense base requires economies of scale that can either be achieved through additional acquisitions within the Namibian market or through extending the current footprint across Namibia. Once the basic drivers of great people and proper stock management have been secured, our focus will shift from operational efficiencies to strategic growth initiatives.

KRAATZ MARINE (PROPRIETARY) LIMITED

Kraatz Marine had another successful year despite the global economic recession and other local influencing factors. Strategic focus was placed on the following areas:

- Grow revenue in chosen markets
- Making Kraatz the "Best Company To Work For"
- Operational excellence, and
- Breakthrough Expansion.

Revenue for the financial year under review amounted to N$57.0 million, compared with N$88.1 million in the 2009 review period. EBIT amounted to a N$26.9 million loss, compared with a N$4.5 million loss the year before. The biggest impact on the figures for the period under review was delivered by an additional loss provision of N$37.8 million, which was created after the Large Cherenkov Telescope construction project was terminated and a settlement reached with the Max Planck Institute for Nuclear Physics.

The Max Planck Institute terminated the contract for the design, manufacture and erecting of the telescope in October 2009. This was accompanied by a recall of the guarantee to the value of N$29 million. Guidelines set out by German law were followed and a joint inventory list was compiled between the Institute and Kraatz Marine. A final account was then presented to the Institute in January 2010. Negotiations took place in July 2010, and a final settlement was reached in terms of which both parties agreed to part ways without any further claims or counterclaims.

Other mixed results arose by virtue of revenue growing in the ship repair and industrial market segments, but declining in the rig repair segment. The latter decline was mainly due to the Hercules 185 project, which had contributed 38% of revenue in the previous financial year. Margins were well up at 32% from the previous year's 24%, if one excludes the impact of the Large Cherenkov Telescope project. As regards ship repairs, the syncrolift's closure for an upgrade during February had a negative impact on repair activities in that month, and subsequently led to a congestion with regard to repairs to fishing vessels. Two significant projects were awarded to Kraatz Marine by Rio Tinto Rössing Uranium in the past financial year, which will create a sound platform for future growth in the mining and industrial sector.

Kraatz Marine's time and attendance system was successfully implemented during the review period, and this resulted in improved financial reporting at project level as well as reduced period closures, payroll errors, and manual interventions.

Expansion of the facilities at the syncrolift was commenced and will be completed during the coming financial year. The expansions will greatly improve operational efficiencies and enhance customer satisfaction in respect of dry-docking projects.

Significant effort was made on the "Best Company To Work For" initiative to improve the company's overall ratings. A "Best Company To Work For" coordinator was appointed to manage the initiative in the coastal region, and Kraatz has already benefited from this. The Kraatz leadership team was also further strengthened.

MIDGARD COUNTRY ESTATE (A Division of WUM Properties Limited)

The year under review was in many ways truly special for the Midgard Country Estate. The main highlights were the lodge's rebranding as a country estate, the introduction of a highly successful customer service charter, and participation in the "Best Company To Work For" survey for the first time.

A substantial investment of N$11 million was devoted to upgrading Midgard. This resulted in a total repositioning of the former lodge into a stylish and highly comfortable product with a vision of becoming Namibia's premier country retreat. Strategic focus was based on the following critical identified success factors to achieve this:

- Create a brand
- Establish the product
- Excite our customers with unique service
- Strive for operational excellence, and
- Make our people feel part of the journey.

A decision was taken to close the operation between July and September 2009 to enable the team to create the new brand and establish the product. This time was essential in order to ensure our people were well trained and well aligned to the expectations of the brand. New standards and operating procedures were designed and implemented in order to meet and exceed the expectations of our targeted customers. The launch of the Midgard Country Estate was a huge success, and it has since begun to reap the benefits of this far-sighted investment.

The division incurred an EBIT loss of N$5.8 million compared to an EBIT loss of N$4.2 million in the previous year, but with substantial growth in revenues and occupancies.

Our focus as we go into the next financial year remains that of growing the business, exciting our customers and growth through our people.

As a continuous process of responding to the needs of our customers, we further plan to upgrade two more conference rooms, provide a spa, and upgrade our IT systems.

Joint ventures and associates

OLIFA HOTELS AND RESORTS (NAMIBIA) (PROPRIETARY) LIMITED

OLIFA Hotels and Resorts, established in 2008 as the successor to the Group's Namib Sun Hotels, has since operated as a joint venture between the Group and renowned IFA Hotels and Resorts South Africa (IFA HR SA). Through their joint venture, the O&L Group and IFA HR SA introduced hospitality partner Kempinski Hotels to Namibia. This international hotel brand operates the Kempinski Mokuti Lodge near the Etosha National Park and will also operate the Strand Hotel to be constructed in Swakopmund.

An upgrade to Kempinski Mokuti Lodge will soon commence to enhance the rooms. The Group equity accounted a loss of N$13.4 million for the year ended 30 June 2010 compared to a loss of N$5.9 million in 2009.

DIMENSION DATA NAMIBIA (PROPRIETARY) LIMITED

Dimension Data Namibia was established in November 2006 as a joint venture between the O&L Group and Dimension Data Middle East and Africa, to become the leading information technology (IT) service provider in Namibia.

During the 2010 financial year, Dimension Data continued to grow and transform its business structure to meet the market's changing needs and to enable the company to be at the forefront of IT solution providers in Namibia. Dimension Data Namibia also continued to drive its vendor relationships into the Namibian market.

We believe this investment in our people will build a strong foundation for realising our ideals in years to come.

Dimension Data continued to focus on the following critical success factors during the current reporting period:

- The client experience
- Sustainable profitable growth, and
- A services strategy.

The year under review delivered extremely positive results in terms of these factors. Substantial effort was and will continue to be placed on developing our staff. We believe this investment in our people will build a strong foundation for realising our ideals in years to come. Dimension Data Namibia has also placed much emphasis on developing strategic customer verticals and have had great success during the reporting period with regard to this initiative.

The Group equity accounted a profit of N$3.7 million from Dimension Data Namibia for the year ended 30 June 2010, compared to a profit of N$2.6 million in 2009.

Appreciation

The above achievements would not have been possible without the cooperation, commitment and hard work of our colleagues throughout the Ohlthaver & List Group, as well as the support of their spouses. We appreciate this and thank you.

We would also like to express our sincere gratitude to our consumers and customers, the Government, and the suppliers of goods and services to us. We are looking forward to your continued support in the year ahead.

Sven Thieme
Executive Chairman

Peter Grüttemeyer
Chief Executive Officer

So count me in!

I could not ask for a better company to work for than the Ohlthaver & List group of companies. I have worked for the O&L group for the last 13 years and will retire with O&L. I am thankful for the learning experiences afforded to me, which makes me feel worthy.

Jeffrey James Combrinck ,
Vessel Safety and environmental officer (VSE)

Group Value Added Statement

	Notes	2010 N$' 000	2009 N$' 000 Restated
Wealth created			
Revenue		3 356 004	3 119 358
Paid to suppliers for materials and services		2 494 175	2 279 945
Value added		861 829	839 413
Income from investments		21 687	23 314
Total wealth created		**883 516**	**862 727**
Wealth distribution			
Salaries, wages and other employment costs	1	498 019	428 534
Providers of capital			
Finance costs on borrowings		89 957	82 255
Government	2	94 883	61 027
Reinvestment in Group to maintain and develop operations			
Amortisation		3 663	5 849
Depreciation		114 747	88 427
(Loss) / profit for the year attributable to owners of the parent		(47 799)	33 931
Income attributable to non-controlling interests		119 909	117 847
Deferred taxation		10 137	44 857
Total wealth distributed		**883 516**	**862 727**

Notes to the value added statement

		2010 N$' 000	2009 N$' 000 Restated
1.	Salaries, wages and other employment costs		
	Salaries, wages, overtime payments, commissions, bonuses and allowances	454 814	393 999
	Employer contributions to medical aid and pension fund	43 205	34 535
		498 019	**428 534**
2.	Central and local government		
	Current normal taxation	78 062	48 706
	Quota levies and royalty fees	10 344	8 523
	Rates and taxes paid on properties	6 477	3 798
		94 883	**61 027**
3.	Additional amounts collected on behalf of central and local government		
	Customs and excise duties, including import surcharges	375 769	288 818
	Value added tax collected on revenue	389 394	357 196
	PAYE deducted from remuneration paid	73 801	46 740
	NRST deducted from dividends paid	2 069	1 496
		841 033	**694 250**

Directorate and administration

Executive Directors

S Thieme
Chairman. Appointed to the Board in 2001.
Elected Chairman of the Board on 17 April 2002.

P Grüttemeyer
Chief Executive Officer
Appointed to the Board on 1 October 2003.

G Hanke
Appointed to the Board on 16 November 2004.

B Mukuahima
Appointed to the Board on 1 May 2006.

Non-executive Directors

UM Stritter
Vice-chairman. Appointed to the Board in 1994.
Elected Vice-chairman on 17 April 2002.

TZM Hijarunguru
Appointed to the Board in 2002 as Non-executive Director
Changed to Executive Director on 31 March 2004
Changed to Non-executive Director on 1 November 2009.

A Mushimba
Appointed to the Board in 2002.

C-L List
Appointed to the Board in 1980.

HE List (Mrs)
Appointed to the Board in 1980.

BHW Masche
Appointed to the Board in 1980.

EP Shiimi
Appointed to the Board on 1 August 2007.

E Ender*
Appointed to the Board on 23 June 2008.

H Müseler
Alternate Director to HE List
Appointed to the Board on 26 March 2009.

Audit Committee

BHW Masche (Chairman)
TZM Hijarunguru
EP Shiimi

Remuneration Committee

A Mushimba (Chairman)
P Grüttemeyer

Administration

Company Registration Number 331 (Incorporated in Namibia)

Secretary
Ohlthaver & List Centre (Pty) Ltd

Business address and registered office
7th floor - South Block
Alexander Forbes House
23-33 Fidel Castro Street
Windhoek

Postal address
PO Box 16
Windhoek

Auditors
Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants
PO Box 47, Windhoek

Principal bankers
Bank Windhoek Limited
PO Box 15, Windhoek

Attorneys
Engling, Stritter & Partners
PO Box 43, Windhoek

*German

Approval of financial statements

Responsibility of Directors

The Directors of the Company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's independent external auditors, Deloitte & Touche, have audited the financial statements and their report appears on page 31.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems have occurred during the period under review.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for the foreseeable future.

These financial statements were approved by the Board of Directors on 30 September 2010 and signed on its behalf by:

Sven Thieme
Executive Chairman

Peter Grüttemeyer
Chief Executive Officer

Independent auditor's Report to the Members of Ohlthaver & List Finance and Trading Corporation Limited

We have audited the annual financial statements and Group annual financial statements of Ohlthaver & List Finance and Trading Corporation Limited, which comprise the directors' report, the consolidated statement of financial position and the separate statement of financial position as at 30 June 2010, the consolidated statement of comprehensive income and the separate statement of comprehensive income, the consolidated statement of changes in equity and the separate statement of changes in equity, the consolidated statement of cash flows and the separate statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 32 and 33 and 56 to 126.

Directors' responsibility for the financial statements

The Director's are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Namibian Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

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 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 the auditor's 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, the auditor considers 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 audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of the Ohlthaver & List Finance and Trading Corporation Limited as at 30 June 2010 and its consolidated and separate financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Namibian Companies Act.

Deloitte & Touche

DELOITTE & TOUCHE
Registered accountants and auditors
Chartered Accountants (Namibia)
Per RH Mc Donald
Partner
Windhoek, 1 October 2010
Deloitte Building, Maerua Mall Complex
Jan Jonker Road
ICAN Practice member: 9407
Windhoek, Namibia
Regional Executives: G G Gelink (Chief Executive),
A Swiegers (Chief Operating Officer), G M Pinnock
Local partners: V J Mungunda, R H Mc Donald, J Kock, H De Bruin

Report of the Directors

Nature of business

The Group is engaged in business activities. Details of the Group's activities are set out on pages 2 to 5.

Financial results

The consolidated loss attributable to ordinary shareholders for the year ended 30 June 2010 was N$47.8 million (2009: a profit of N$33.9 million). The loss for 2010 includes a share-based payment expense of N$54.9 million resulting from a broad-based community economic empowerment transaction (see below). The results of the Company and the Group are fully set out on pages 52 to 126.

Broad-based community economic empowerment transaction

During the current financial year, the Group's holding company, List Trust Company (Proprietary) Limited (List Trust), sold 50.1% of it's shareholding in the Company to O&L Holdings (Proprietary) Limited. List Trust holds a 51% shareholding in O&L Holdings (Proprietary) Limited and Epia Investment Holdings (Proprietary) Limited holds the remaining 49% shareholding. Epia is a broad-based black economic empowerment group with business and community representation throughout Namibia.

List Trust's loan to O&L Holdings (Proprietary) Limited is interest-free for a period of ten years and a portion of the dividends received by O&L Holdings from the company will be utilised to repay the loan.

Dividends

No ordinary dividend was declared in respect of the current financial year (2009: 68c per share).

Capital expenditure

Capital expenditure on Property, Plant and Equipment during the year amounted to N$285.0 million (2009: N$317.7 million), of which N$176.0 (2009: N$299.4 million) was in respect of plant, equipment and operating assets, and N$109.0 million (2009: N$18.3 million) for land and buildings.

Share capital

Full details of the authorised and issued share capital of the Company at 30 June 2010 are set out in Note 17 to the financial statements. The unissued shares are under the control of the Directors, but in terms of the Companies Act, this authority expires at the forthcoming Annual General Meeting.

Directorate and Secretary

The names of the Directors as well as the name and the address of the Company's Secretary appear on page 29.

Holding company

The Company's immediate holding company is O&L Holdings (Proprietary) Limited (2009: List Trust Company (Proprietary) Limited). List Trust Company is the holding company of O&L Holdings (Proprietary) Limited, while the Werner List Trust is the majority shareholder in List Trust.

Subsidiaries

Interest in and aggregate profits and losses of subsidiaries are set out in note 7 and Annexure C of the financial statements.

Going concern

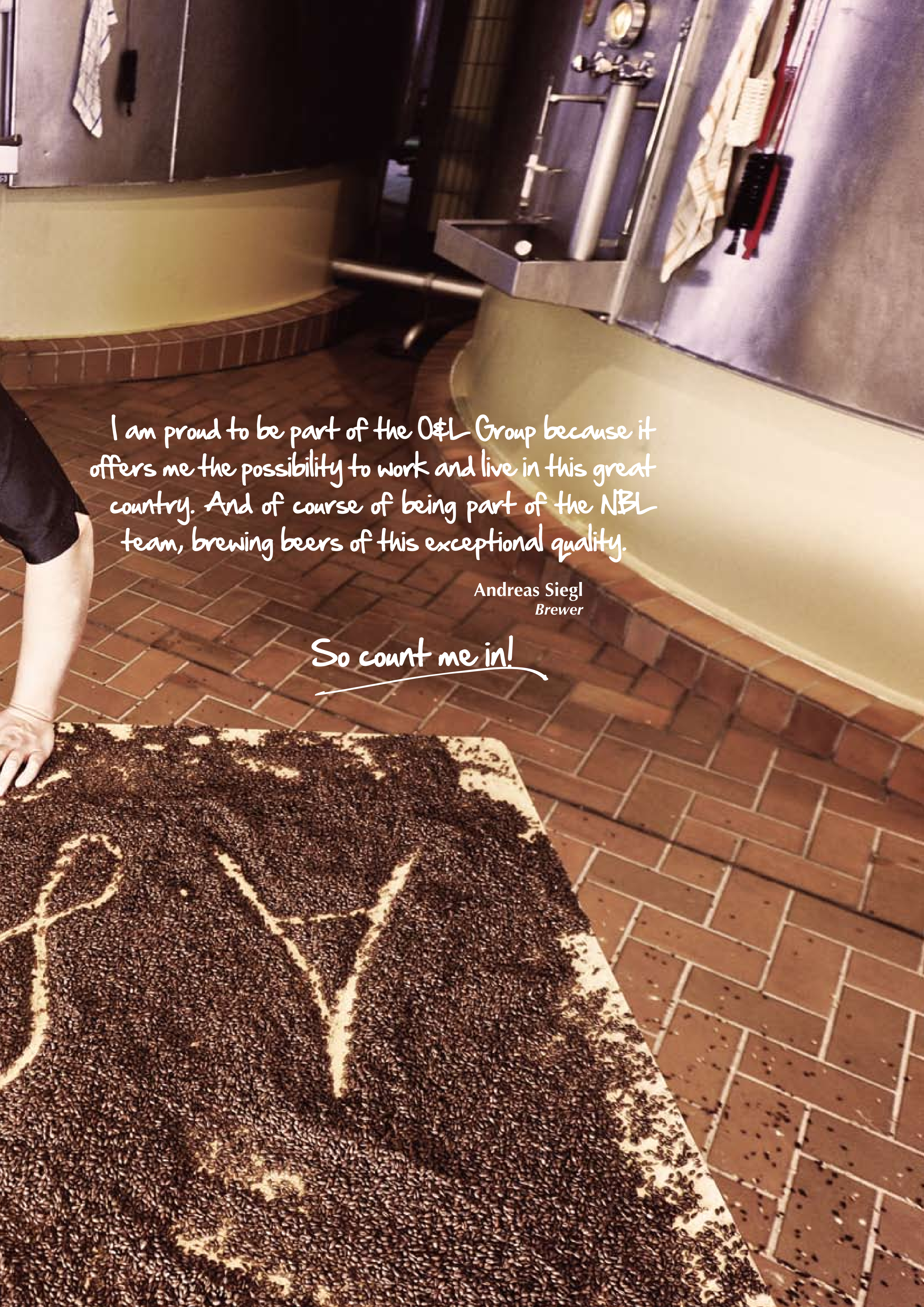
In the Directors' opinion, the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the "going concern" assumption as a basis for preparing the financial statements.

Subsequent events

During October 2009 the Max Planck Institute for Nuclear Physics terminated the contract governing the construction of the Large Cherenkov Telescope. In July 2010 settlement was reached between the parties and all losses were provided for in accordance with the settlement agreement.

In September 2010, an agreement was signed whereby the Group (Khan Construction Company (Proprietary) Limited) will purchase IFA Hotels and Resorts (Namibia) (Proprietary) Limited's 50% shareholding and loan account in OLIFA Hotels & Resorts (Namibia)(Proprietary)Limited. The purchase is still subject to approval by the Competition Commission in terms of the Competition Act.

No other events have occurred between the reporting date and the date of this report which are material in their effect on the affairs of the Group.



I am proud to be part of the O&L Group because it offers me the possibility to work and live in this great country. And of course of being part of the NBL team, brewing beers of this exceptional quality.

Andreas Siegl
Brewer

So count me in!

Corporate Governance Review

The Directors of the O&L Group of Companies are committed to maintaining high standards of corporate governance, which they see as fundamental to discharging their stewardship responsibilities. All the Group's businesses share this commitment and the adoption of, and adherence to, sound corporate governance policies, have become a business imperative for the Group. The Board strives to provide the right leadership, strategic oversight and control environment to produce and sustain the delivery of value to all the shareholders. The Board continues to instil a culture of openness, accountability and integrity, which is reflected in its commitment to best practice. The Group is proud of its ethical and transparent management of the business, following not only accepted corporate practices for risk management, but also providing a strong assurance to its shareholders and other stakeholders by living the ethics of the Group.

Board of Directors

BOARD STRUCTURE AND COMPOSITION

During the period under review the Board comprised four Executive Directors and eight Non-executive Directors.

The role of the Chairman and the Chief Executive Officer are separate to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making. The Board is responsible for the strategic direction of the Group. Matters reserved for the Board and its Committees are defined to ensure that the Directors retain full and effective control over the Group, specifically regarding strategic, financial, organisational and compliance matters.

APPOINTMENT POLICY

Non-executive Directors, appointed for their knowledge and experience of a wide range of businesses and business sectors, augment the skills and experience of the Executive Directors and Management, and contribute independent viewpoints to matters under consideration. All Directors have the appropriate expertise to fulfil their duties and enjoy significant influence at meetings. This ensures a balance of authority and precludes any one Director from exercising unfettered powers of decision-making.

Generally, Directors have no fixed term of appointment, but retire by rotation.

At each of the Company's Annual General Meetings, at least a third of the Directors (those longest in office since their last election) retire, and, if available, they are considered for reappointment.

Procedures for appointments to the Board are formal and transparent, and are a matter for the full Board's consideration. The Board is always mindful of the need to maintain an infusion of fresh thinking and a relevant mix of skills and experience.

RESPONSIBILITIES OF THE BOARD

The Board's role is to exercise stewardship of the Group within a framework of prudent and effective controls that enable risks to be assessed and managed. The Board sets the Group's strategic aims, reviews whether the necessary financial and human resources are in place for it to meet its objectives, and monitors management performance. The Board is kept informed about major developments affecting the Group through the monthly business performance reports and also holds one or more strategy sessions each year at which high-level strategic matters are debated.

The Board has overall authority for the conduct of the business of the Group. There are also a number of matters that have been specifically reserved for the Board to decide. These include –

- approval of financial reporting and controls such as interim and annual results, the Annual Report of the Group, the payment of dividends, and accounting policies.
- monitoring the cash and capital resources as well as the overall liquidity of the Group, and authorising any significant acquisitions, disposals of core businesses, investments, capital expenditure, or other material projects or transactions.
- monitoring and managing the relationships between the Group and its regulators.
- reviewing and implementing effective systems of delegation and internal control, and the carrying out of an annual review of their effectiveness.
- identifying and continually reviewing key risks as well as their mitigation by management against a background of economic, environmental and social issues.
- the overall review and approval of Group strategy and the setting of long-term objectives and/or changes in strategic direction, and
- monitoring the overall performance of the Group in relation to its objectives, plans and targets, as well as the implementation of projects and decisions.

The Board strives to provide the right leadership, strategic oversight...

Business performance, accounting and auditing

The Group employs a comprehensive financial reporting and evaluation system, with each operating business unit's performance being monitored against both budget and prior period performance through regular meetings.

BUSINESS PERFORMANCE MEETINGS

Monthly business performance review meetings are also held at each individual operation. The purpose of these meetings is to conduct an in-depth review of a specific operation's performance and progress in disciplines such as finance, marketing, human capital, risk management, corporate citizenship responsibility, and information technology. These meetings are attended by the Group Leadership Team as well as the Senior Leadership Team of the individual operations.

GROUP OPERATIONAL MEETINGS

The purpose of these meetings is to review and evaluate the Group's performance and progress in disciplines such as finance, marketing, human capital, risk management, corporate citizenship responsibility, and information technology. The meetings provide a platform for identifying opportunities and synergies within the Group, and for discussing issues requiring the Group's attention. Meetings are held quarterly. These meetings are attended by the Group Leadership Team, senior managers from O&L Centre as well as the Managing Directors and Financial Directors/ Managers of Operations.

ACCOUNTING, AUDITING AND REPORTING

The Board places strong emphasis on achieving the highest level of financial management, accounting, and reporting to stakeholders. The Directors are responsible for preparing the financial statements and other information presented in the annual report in a manner that fairly presents the state of affairs, the results of operations, and the cash flows of the Group.

The external auditors are responsible for carrying out an independent examination of the annual financial statements in accordance with statements of International Standards on Auditing and on whether the annual financial statements are fairly presented in compliance with International Financial Reporting Standards (IFRS).

The Audit Committee evaluates the independence and effectiveness of the external auditors and considers whether any non-audit services rendered by such auditors substantially impair their independence. If this is found to be the case, appropriate corrective action will be taken in regard to those services.

The Auditor's Report is set out on page 31 herein. The financial statements set out on pages 56 to 126 have been prepared by management in accordance with the IFRS adopted by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB. The financial statements incorporate full and reasonable disclosure and are based on appropriate accounting policies which, apart from the implementation of new and revised standards, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

INTERNAL AUDIT AND CONTROL

The Group's internal controls are designed and operated to support the identification, evaluation and management of risks affecting the Group and the business environment in which it operates.

Internal control systems were introduced to provide Management and the Board reasonable assurance as to the integrity and reliability of the financial statements. Responsibility for the adequacy and operation of the systems is delegated to the Executive Directors. These records and systems are designed to safeguard assets and prevent and detect fraud.

The internal audit is an independent appraisal and assurance function that is central to the Group's governance structures. Its primary mandate is to examine and evaluate the appropriateness and effectiveness of the internal control systems applicable to the operational activities of the business units within the Group. The Group appointed the independent professional services firm Ernst & Young to provide an outsourced internal audit functionality.

Nothing has come to the attention of the Directors to indicate any material breakdown in the functioning of these controls, procedures and systems during the year under review.

Board Committees

While the Board remains accountable and responsible for the performance and affairs of the Group, it delegates to Management and Board Committees certain functions to assist it to properly discharge these duties. Appropriate structures for such delegations are in place, accompanied by monitoring and reporting systems.

Each Board Committee acts within agreed, written terms of reference. The Chairperson of each Board Committee delivers a report at each scheduled Board meeting, and minutes of Board Committee meetings are provided to the Board.

All Directors and particularly the Chairperson of each Board Committee are requested to attend Annual General Meetings to answer questions raised by shareholders.

The various Board Committees established are set out below.

AUDIT COMMITTEE

During the past financial year, the Audit Committee comprised three Directors: Mr BHW Masche (Chairman), Mr TZM Hijarunguru, and Mr PE Shiimi.

The Committee's terms of reference are set out in an Audit Committee Charter. The Audit Committee is mandated by the Board to review the financial statements, appropriateness of the Group's accounting and disclosure policies, compliance with IFRS, and the effectiveness of internal controls.

In keeping with this policy, Deloitte & Touche were appointed as the Group's external auditor, whilst Ernst & Young fulfils the role of internal auditor. Both the external and internal auditors have unrestricted access to the Audit Committee, and attend meetings whenever necessary to report on their findings and to discuss matters relating to accounting; auditing; risk identification, measurement and mitigation; internal control; and financial reporting.

The Audit Committee meets at least twice a year, preferably prior to the commencement of the annual external audit or prior to the Board's approval of the interim results, as well as after the annual external audit has been completed.

Appointments to the Audit Committee are made by the Board, taking into consideration members' education or business experience within the Committee's scope of activities. Members are appointed for a three-year term, with the initial term for at least one member being two years and being one year for at least one other member.

RISK COMMITTEE

The purpose of the Risk Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to the risks inherent in the Group's business and the control processes with respect to such risks; the assessment and review of credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, technology, data-security and business-continuity risks; and monitoring the overall risk profile, including significant risks faced by individual companies within the Group and by the Group as a whole.

Membership is made up of persons in the following capacities:

- Executive Chairman
- Chief Executive Officer (Chairperson of the Committee)
- Financial Director
- Human Capital Director
- Head of Operational Excellence
- Group Enterprise Risk Manager
- Chairpersons of Operating Company Risk Committees, and
- Company Secretary.

The Board of Directors appoints the members of the Risk Committee, taking into consideration members' education or business experience within the Committee's scope of activities.

The Risk Committee is a sub committee of the audit committee and give feedback at audit committee meetings.

REMUNERATION COMMITTEE

This Committee consists of two Directors: Mr A Mushimba (Non-Executive Chairman) and Mr P Grüttemeyer (CEO).

The Committee's responsibility is to review executive remuneration, performance bonuses and Directors' fees. The remuneration of senior executives is based on their performance within their area of responsibility, and is calculated using key indicators of operational and financial performance, amongst others. The Board's remuneration philosophy dictates that rewards to executives are balanced against the interests of the Group and its shareholders.

The Remuneration Committee is empowered by the Board to set the short- and long-term remuneration of Executive Directors. More generally, the Committee is responsible for the assessment and approval of a broad remuneration strategy for the Group, and is at liberty to solicit the assistance of outside consultants with specialised skills and expertise to formulate and maintain an equitable compensation structure.

The Board appoints the members of the Remuneration Committee, taking into consideration members' education or business experience within the Committee's scope of activities. Members are appointed for a three-year term, with the initial term for at least one member being two years and being one year for at least one other member.

Professional advice

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring compliance with procedures and applicable statutes and regulations. All Directors also have full and timely access to all information that may be relevant to the proper discharge of their duties and obligations, thus enabling the Board to function effectively.

Third-party management issues

No part of the Group's business was managed during the year by any third party in which any Director had an interest.

Conflict of interest

Directors are required to inform the Board timeously of conflicts or potential conflicts of interest they may have in relation to particular items of the business. Directors are obliged to recuse themselves from discussions or decisions on matters in which they have a conflicting interest.

During the year ended 30 June 2010, none of the Directors had an interest in contracts or arrangements entered into by the Group or its subsidiaries.

Code of ethics

A formal Code of ethics is in place to set out standards of integrity and ethics in dealing with suppliers, customers, business partners, stakeholders, government and society at large. Every employee is required to subscribe to the code and strict adherence to it is a condition of employment.

Compliance with the code is monitored, and employees are encouraged to report any suspected contravention of the Code or perceived unethical behaviour.

Succession planning

The Group benefits from an extensive pool of people with diverse experience and competence at senior Management level. The Board is confident that it is able to identify suitable short- and long-term replacements from within the Group when the need arises.

Employee participation

The Group has adopted a variety of participative structures on issues that affect employees, including the establishment of various consultative forums (such as the open forum), training programmes, trade unions and employee representatives, and regular communication through the Group's and Divisions' in-house newsletters. These structures are designed to achieve good employer/employee relations by encouraging open communication, consultation, the identification of sensitive issues, and the resolution of conflicts.

The Directors believe that economically viable and self-sustainable Affirmative Action is an integral part of corporate governance within the Group, and are committed to equal opportunities for all Group employees, regardless of their ethnic origin or gender. To this end, a formalised Affirmative Action strategy was put in place to ensure alignment with relevant equity legislation.

Effective communication with all stakeholders

Communication with all stakeholders embodies the principles of balanced reporting, comprehensibility, openness, and valuing substance over form. The Board is aware of the importance of communicating the Group's activities to stakeholders in a balanced and comprehensible way, and strives to clearly present any matters material to a proper appreciation of the Group's position. The interests and concerns of its stakeholders are addressed by communicating information as it becomes known. A comprehensive communication strategy is in place and its effectiveness is periodically reviewed by external consultants.

Risk and opportunity management

The Board is ultimately responsible for the Group's risk management and setting the Group's risk appetite. The risk management system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. The system includes having ongoing processes in place to identify, assess, manage, monitor and report on the significant risks faced by individual companies in the Group and by the Group as a whole.

A risk and opportunity assessment is conducted on an annual basis at respective business units to ensure that Management remains aware of the risks and opportunities throughout the Group. This process identifies the critical business, operational, financial and compliance exposures facing the respective operations, and the adequacy and effectiveness of control factors at all levels.

Materiality levels are set for each business unit level, and vary according to the nature, scope and size of the business concerned. In setting these levels, due consideration is given not only to financial impact, but also to the potential threat to the integrity of the business as a going concern, its reputation, and the well-being of employees and other stakeholders.

The principal risks faced by the Group are discussed in more detail in the Sustainability Report on page 42.

Ek is baie nuut by O&L en is baie bly om werksaam hier te wees. Ek dink vir die eerste keer in my lewe werk ek op die regte plek want wat ek al in hierdie kort tydjie beleef en gesien het, het my baie beindruk. Dis 'n baie goeie company om voor te werk en ek is baie trots en dankbaar daarvoor.

Abraham Simon
Tractor driver: !Aimab Superfarm

Maak staat op my!

Sustainability Report

The O&L Group's overall vision is to create wealth by building innovative and sustainable businesses, thereby enhancing living conditions and socio-economic wealth. The Group embraces its obligation as a corporate citizen towards the society within which it operates, as well as towards its shareholders, employees, stakeholders and the environment, while at the same time aiming to build and sustain a corporate reputation and conditions conducive to profitable businesses.

Group risk management process

The Group has a formal risk management process which is documented in the Group's risk management policy. Every operating company in the Group has its own Risk Committee which identifies major risks, and ranks these in a risk matrix (see Table 1). The matrix is regularly reviewed and updated to keep track of the business risk environment. The risk matrix is used as a tool to assist management in recognising all material risks to which the Group is exposed, and in ensuring the requisite risk management culture, practices, policies, resources and systems are progressively implemented and are functioning effectively. The various operating companies' Risk Committees then report to the Group Risk Committee, as described in the Corporate Governance Report.

The systematic risk assessment process ensures that risks are not only adequately identified, evaluated and managed at the appropriate level in each operating company, but also that their impact on the Group as a whole is taken into consideration.

During the current year the Group also had an audit on Group Risk Control Standards. The audit was conducted by Alexander Forbes Risk Services, and was based on international best practices. The Group achieved an average compliance rate of 70%.

The Group embraces its obligation as a corporate citizen towards the society within which it operates, as well as towards its shareholders, employees, stakeholders and the environment.

Table 1: Top risks for the O&L Group, 2010

Key risk	Category of risk and management response
Large project exposure Recoverability of Large Cherenkov Telescope project	**Large Cherenkov Telescope risk** Pursue optimised recovery solution, including the engagement of external valuators and legal advisors. Settlement was reached between the parties involved in July 2010.
Partners' actions Partnership relations could go astray, redirecting energy into unprofitable exchanges.	**Partnership risk** Communication channels are kept open and resuscitated from time to time where necessary.
Non-profitable operations The risk of unsuccessful actions to drive efficiencies in price, volume and costs and thereby causing an inability to bring about profitable models.	**Enterprise risk** A Central Marketing Division was established to assist smaller businesses in the Group to drive revenue. Operational excellence is one of the critical success factors in the O&L Group strategic triangle. The purpose of operational excellence is to drive down costs and to institutionalise systems and controls. A performance related reward system is in place to support profitable businesses.
Unfair competition Excessive unfair competition and dumping from South African competitors at less than the economic cost of production, which could erode profits.	**Competitor risk** Effective stakeholder communication and lobbying Government for infant industry protection where necessary.
Cash availability The risk that the companies in the Group have insufficient cash reserves to manage their working capital payments and to make capital expansions in order to effectively grow the business.	**Liquidity risk** The Group has strengthened its treasury management to control working capital throughout the Group. The Group is also pursuing alternative sources of funding such as corporate bonds.
Global financial crisis The global economic instability has affected the Group's retail businesses, the fishing sector results, the Group's leisure business and credit availability.	**Commercial risk** As the fishing, retail and leisure industries are impacted, there is a continued drive towards improving the efficiency of our businesses and thereby reducing our costs. The Group has improved its product offering and is looking at geographic diversification, particularly in the fishing industry, to mitigate this risk.
Health and safety concerns A potential health and safety challenge is a major concern.	**Quality risk** Preventive health and safety systems are regularly reviewed and strengthened. Best practices in manufacturing is pursued and subscription to Hazard Analysis of Critical Control Points (HACCP), British Retail Consortium, and ISO 9001 accreditation is encouraged throughout the Group.
Fluctuations in interest rates High current gearing and additional capital requirements for projects increase the Group's exposure to rises in interest rates.	**Interest rate risk** The Group is currently restructuring its debt portfolio to optimise the gearing ratio. In addition, interest rate derivatives are entered into to mitigate the risk.
Exposure to foreign currency transactions Fluctuations of the Namibia Dollar against other currencies affect the cost of importing raw materials as well as exporting goods and commodities.	**Currency risk** The operating companies in the Group which are exposed to foreign currency fluctuations are required to hedge their positions to minimise their exposure. The Group has entered into various options and foreign exchange contracts to minimise the impact of fluctuations of the Namibia Dollar against the Euro and the US Dollar.

Social aspects

EMPLOYMENT EQUITY

The O&L Group of Companies subscribes to the principle of equal opportunities, with a very strong focus and adherence to one of their core values – *Naturally Namibian, today for tomorrow* – and hereby gives preference to Namibian citizens when filling vacant positions across the Group. Furthermore, the Group strongly supports the Affirmative Action (Employment) Act, 1998 (No. 29 of 1998), and files the required Affirmative Action reports with the Office of the Employment Equity Commission on an annual basis.

Table 2 is a clear indication of the spread of employees across the Group. It shows the number of employees from the lowest (1) to highest (9) Job Grades on the basis of previously disadvantaged (PD) and previously advantaged (PA) members of staff.

We believe that achieving equity in the workplace is a business imperative and, thus, to the long-term benefit of the Group.

The O&L Group aims at creating a feasible and flexible strategy that addresses work-related employment barriers and expectations of employees in the designated groups, namely Racially disadvantaged, Women, and Persons with disabilities. At the same time, the Group recognises the shortage of skills in Namibia as well as the ambitions and aspirations of current and future non-designated employees.

It is the Group's objectives that there will be –

- no discriminatory practices of any nature anywhere within the organisation
- no barriers to employment within the O&L Group as a whole which in an unfair manner restricts employment as well as opportunities for further advancement of any potential employee working for the Group, and
- equitable representation of previously disadvantaged persons across all employment levels and across all occupational categories within the O&L Group, ensuring that the demographics of the society within which the Group operates are reflected.

In terms of our Group's overall vision, which is to enhance the living conditions and socio-economic health of our staff by being a builder of innovative and sustainable businesses, it is our intent to balance our current employees' demographic profile to more accurately reflect the wider Namibian community in the areas in which we conduct business.

In conforming to the above, the O&L Group subscribes to the requirements of the Affirmative Action (Employment) Act and the rules and regulations promulgated in terms of the Act.

The Group fully commits itself to –

- utilising its human capital to the full
- taking steps to ensure that our policy of non-discrimination is known
- continuing to implement specific training interventions to develop designated employees, and
- continuing to source new talent from outside with a special focus on designated candidates.

In implementing its Affirmative Action plans, the Group does not intend to unfairly discriminate against any employee who does not belong to a designated group as defined in the Affirmative Action (Employment) Act.

The Group has instituted an active Affirmative Action Plan to ensure that equity is achieved within the organisation. In so doing, the Group will systematically reduce underrepresentation by designated groups within the three-year time frame accorded by the Act or, where possible, sooner.

Table 2: Categories of filled positions in the O&L Group, 2010

Level in staff hierarchy and Job Grade	2010		2009		2008	
	PA	PD	PA	PD	PA	PD
General staff, (Job Grades 1–5)	9	3 765	15	3 668	14	3 452
Supervisors/Junior Management, (Job Grades 6A–7B)	112	718	141	567	116	534
Middle Management, (Job Grades 7C–8B)	93	109	80	96	82	69
Senior/Executive Management, (Job Grades 8C–9)	21	4	23	5	24	5

In implementing positive Affirmative Action measures, the O&L Group will, as in the past, focus specifically on –

- recruitment and promotion
- the selection and placement of employees
- induction and communication
- training and development
- succession planning
- remuneration practices
- mentorship, and
- setting Affirmative Action standards of performance.

In external recruitment, measures are taken to attract applicants from designated groups in particular. It is the Group's policy to ensure that individuals from designated groups are provided with the opportunity to compete fairly. Periodic reviews are conducted to ensure that the Group attracts applicants from the various designated groups and that the O&L Group is indeed recruiting and interviewing employees from designated groups for vacancies at all levels.

Suitable succession plans are being developed for appropriate key positions in order to accelerate the development of selected designated employees who show potential in their specific lines of work. The O&L Group recognises that, for some specialised roles, competent designated incumbents may only be available in the long term, but we nonetheless undertake to ensure that there will be a learning path to achieve this goal.

The Group subscribes to the principle of informal mentoring. In this regard, we encourage a process whereby potential candidates will be assisted in choosing a suitable manager who will guide them on an ongoing basis with regard to the complexities and uniqueness of the function in question.

In accordance with the Affirmative Action (Employment) Act, the O&L Group will facilitate the mentoring and development of every Namibian working with a non-Namibian as an understudy, should the need arise.

VALUE CREATION FOR EMPLOYEES

The Group embraces open communication throughout our entire business. This is essential in creating an environment of trust. Open communication is vital in driving our business objectives as well as improving employee commitment and participation.

TALENT ATTRACTION PROGRAMME

The purpose of the Talent Attraction Programme (TAP) is to identify, attract and retain talented Namibian graduates who display the passion and potential to be developed into future leaders in the O&L Group of Companies. Furthermore, TAP aims to provide valuable development and work experience to suitable candidates to enable them to become competent and self-driven in their careers. TAP candidates are placed on a one-year development programme under the guidance of a competent and experienced mentor in a similar career field.

Launched in 2008, TAP has seen the appointment of 15 Namibian graduates from various tertiary institutions within Namibia and South Africa. All the TAP candidates appointed since 2008 and up to the previous financial year have been promoted to Junior and/or Middle Management positions. The 2010 review period saw another five graduates being recruited to TAP.

This initiative is, thus, a true reflection of the Group's commitment to grow and develop our Namibian youth and talent.

BEST COMPANY TO WORK FOR

In 2008, the O&L Group set a strategic objective to become the Best Company To Work For within Namibia and the SADC region by 2011. In order to achieve this goal, we participated in the Deloitte "Best Company To Work For" survey on a 'shadow' basis in 2008 and 2009. The purpose of this shadow participation was to measure ourselves in terms of how satisfied our employees are within the Group, and to address any level of dissatisfaction.

In preparation for the survey, employee engagement workshops were conducted within all the operating companies. Specific action plans were drawn up in the form of a triangle addressing the most important and decisive issues that were identified during the workshop, with deadlines and persons responsible. Each plan was specific to the operating company concerned, and identified its most important issues. The human capital department at the O&L Centre tracks the progress on these initiatives and action plans on a monthly basis.

As from 2010, the O&L Group began participating "live" in the survey. We will now be measured against various companies within Southern Africa. The sole purpose of this survey is to continuously live up to our value of *Doing the right things right* through gaining input from our most valuable asset – our employees – with regard to where we can improve. In this way, we can ensure that we have happy, productive and satisfied employees.

Based on the results of the survey, various initiatives were drawn up to address concerns raised by our employees. These initiatives are measured on a monthly basis and the progress made is communicated to employees during monthly or bi-monthly meetings.

LEADERSHIP DEVELOPMENT

The O&L Group realises that we continuously need to focus on developing our leaders in order to motivate and inspire our employees. For this reason we continue to grow and develop our leadership teams through providing training in terms of Breakthrough Intensive Leadership Workshops. The aim of this training is to embed leadership competencies as displayed in our Leadership Model, and to ensure that our leaders focus on motivating our employees to achieve extraordinary results for future sustainability and job security.

TRAINING INTERVENTIONS

Our value *We grow people* is a core focus point of the O&L Group. For this reason, we have a wide variety of generic training programmes that are facilitated by various external service providers, as well as formal external training programmes and on-the-job training. Our study loan scheme enables employees to obtain further tertiary qualifications. As a further incentive, employees who pass their examinations do not need to repay the tuition fees associated with these loans. We also offer bursaries in some operating companies in order to ensure a continuous supply of qualified young Namibians.

The following are some of our generic training programmes:

- Advanced Supervisory Training
- Leadership Training
- Information Technology/Computer Training
- Health and Safety Training
- Peer Educator Training
- Industrial Relations Training
- Emotional Intelligence Training
- New Managers' Development Programme
- Managers' Development Programme
- Senior Managers' Development Programme, and
- QDVP3 Training.

SOFT SKILLS

In order to further develop our employees' literacy levels, we are in the process of negotiating with the Ministry of Education to implement the Government's English Literacy Programme in the Group.

PERFORMANCE MANAGEMENT

A formal, structured Performance Management System applies to all employees at non-management (Job Grades 6–7B) and management level (Job Grades 7C–9). Value is further added to all employees at management level by means of a development plan called *My Growth Plan*. A condensed version of *My Growth Plan* has been implemented for lower-level employees. The application of the Performance Management System is managed by means of bi-annually performance interviews.

OPERATIONS	2010 (N$)	2009 (N$)
Hangana Seafood	784 332	2 158 225
Kraatz Marine	538 128	678 718
Kraatz Steel	53 837	–
Model Pick n Pay	1 094 180	1 131 390
Midgard Country Estate	48 440	–
Namibia Dairies	1 422 051	1 464 415
Namibia Breweries	3 695 406	3 542 577
O&L Centre	1 374 848	1 215 441
Properties	622 142	241 859
Windhoek Schlachterei	339 657	405 818
Kilimanjaro	338 075	207 869
	10 311 096	**11 046 312**

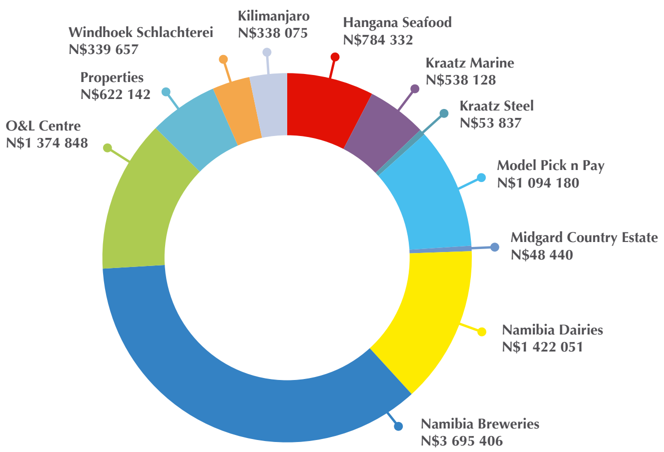


Figure 1: Total expenditure on training in the various operations, 2010.

MWENYOPALEKA – "THE DREAM LIVES ON"

Mwenyopaleka is an *Oshiwambo* word meaning "revitalisation", but it can also be used as a synonym for "rebirth". Mwenyopaleka is a long-term programme which was launched in 2004. The main objective of the programme is to instil the Group's Vision, Mission and Values as well as the associated behaviours in the hearts and minds of each employee in the O&L Group. Over the past few years, the Mwenyopaleka Road Show Programme has allowed the Group to promote and communicate these objectives to employees.

The main purpose of the programme is as follows:

- To revitalise the O&L Group through the active and consistent communication of the Vision, Mission and Values
- To move away from a rule-driven employment relationship to a value-driven one in order to gain long-term employee commitment, and
- To use our Vision, Mission and Values as drivers in achieving all the goals in the "Growth through Change – 2011" plan.

ANNUAL ROAD SHOWS

A total of 15 annual road show programmes are hosted in all the major towns and cities in which the Group has a business presence. These road shows are all linked to a specific theme. The theme for 2010 is *Work to inspire*. The programmes involve various activities such as industrial theatre, songs, dance, and games.

ANNUAL "VALUE STAR" AWARD CEREMONY AND EDUTAIN TRIP

At this annual gala event, recognition is given to the monthly "Value Star" winners from the various operating companies, and an overall "Value Star" winner per operating company is announced.

Once a year, the overall "Value Star" winners are taken on an all-expenses-paid trip. During the review period, the winners were treated to a trip to Mauritius. During the trip, a special effort is made to ensure that all participants are involved in educational

Value Stars 2010

as well as entertaining activities. Locations visited by previous winners include Victoria Falls in Zambia (2005 and 2006), Sun City and Monte Casino in South Africa (2007 and 2008), and Mauritius (2009).

EMPLOYEE WELLNESS PROGRAMME

The Employee Wellness Programme run by the Employee Wellness Department was established with the vision to "enhance and sustain employee well-being". This vision is one of the pillars supporting the realisation of the O&L Group vision, namely *To create wealth by building innovative and sustainable businesses, and thereby enhance living conditions and socio-economic wealth.*

By enhancing and sustaining employee well-being, the Programme desires to –

- have a healthier workforce
- improve employee performance
- decrease absenteeism, and
- increase productivity and profitability.

The Employee Wellness Programme has a practical focus that empowers employees to take ownership of their health and well-being through various wellness activities.

HIV/AIDS PROGRAMME

The O&L Group prides itself on being at the forefront of the battle against HIV and AIDS. During the year under review, we continued with our awareness campaign on the dangers of HIV and AIDS, and implemented combative plans to prevent the spread of the virus.

The Programme is governed by the Group's HIV/AIDS Policy, which is in line with the National HIV/AIDS Policy and the National HIV/AIDS Strategic Plan incorporated into the Namibian Government's Third Medium-term Plan (MTPIII).

The following are some of the initiatives implemented under the HIV/AIDS Programme:

- Through the Vitality Scheme Benefit, free anti-retroviral (ARV) treatment is provided to all employees who live with HIV and AIDS. The Group covers the premiums for all employees regardless of their HIV status. However, only employees who are HIV-positive and whose CD4 cells are lower than 200 according to the Ministry of Health and Social Services' guidelines are eligible for ARV treatment.
- An awareness campaign was run on the Vitality Scheme Benefit in order to increase usage and uptake.
- Counselling and support for employees affected or infected by HIV are available to all staff.
- Employees can also opt to make use of the Employee Wellness Department or external counselling services through the Vitality Scheme Benefit.

PEER EDUCATOR INTERVENTIONS

Following some refresher training, in May and June 2010, new Peer Educators were trained in the Central, Northern and Coastal Regions. After attending training interventions, Peer Educators are empowered to transfer knowledge to their fellow employees through monthly health information sessions. Such health awareness activities are implemented to prevent health risk factors and to raise awareness about healthy living. Peer educators are expected to identify certain wellness cases in their work environment and to refer these to the Wellness Department.

WELLNESS SCREENING

The Group carries out wellness screening at least every second year, while some operating companies do it on a more regular basis.

Screening tests enable employees to limit their unhealthy habits and risky behaviour in order to maintain a healthier lifestyle. The exercise also benefits business units, as it provides an insight into the current health status of their workforce. This, in turn, assists with –

- identifying specific health risks in the workforce, and
- designing workplace programmes for health concerns that pose a threat to the workforce and to productivity.

MANAGEMENT OF ABSENTEEISM

The Group has agreed on certain benchmarks in terms of monitoring and managing absenteeism. After receiving appropriate training, operating companies are now measuring absenteeism regularly and are implementing appropriate remedies.

EXECUTIVE WELLNESS PROGRAMME

The Executive Management is key to the continued future of any business. Due to the demanding nature of their occupations, however, executives are at a higher risk of developing lifethreatening diseases associated with constant pressure and stress. Therefore, a clinical risk management programme focused on preventative and personal health and well-being for executives was initiated to maintain a healthy executive team. The programme is on a voluntary basis.

A total of 45 executives across the Group have been through the initial and follow-up consultations with an externally contracted doctor.

WELLNESS COUNSELLING

The Department offers counselling services to all employees who are in need of them, with the aim of empowering them emotionally and mentally. Operating companies are making increasing use of this service. The success factors associated with counselling are –

- an increased relationship of trust between the operating company and Group and our employees
- guaranteed confidentiality, and
- a good working synergy between business units and the Employee Wellness Department.

The Department has dealt with a number of cases including –

- alcohol and drug abuse
- sexual abuse
- cholesterol
- cancer
- basic personal financial management
- personal stress
- work-related stress
- spiritual matters
- relationship issues, and
- healthy diet/living.

WELLNESS RESEARCH

During the past financial year the Employee Wellness Department conducted research aimed at better understanding employee wellness needs, in order to make the wellness programme relevant and useful.

The research was conducted on a stratified sample population through questionnaires and focus group discussions.

OCCUPATIONAL HEALTH AND SAFETY

During the period under review, the O&L Group adopted Group Risk Control Standards and was audited in this regard by Alexander Forbes Risk Services. The Group Risk Control Standards are based on international best practices in the occupational health and safety environment. Their implementation has had an immediate impact in terms of the monitoring of health and safety statistics, investigation of incidents, and response to corrective actions. During the annual audit the targeted average compliance rate of 70% was achieved.

Specialised management and supervisory training on occupational health and safety aspects was conducted across the Group. The training addressed management responsibilities, legal compliance, conducting of risk assessments, investigation of incidents, and implementation of corrective actions related to health and safety.

The Disabling Injury Frequency Rate (DIFR), or lost-time injuries per 200,000 hours worked) was calculated over the 12 months of the financial review period. The 2009/10 DIFR was higher than the targeted figure of 1.5. Nonetheless, the Group remains committed to achieving that target in the coming financial year.

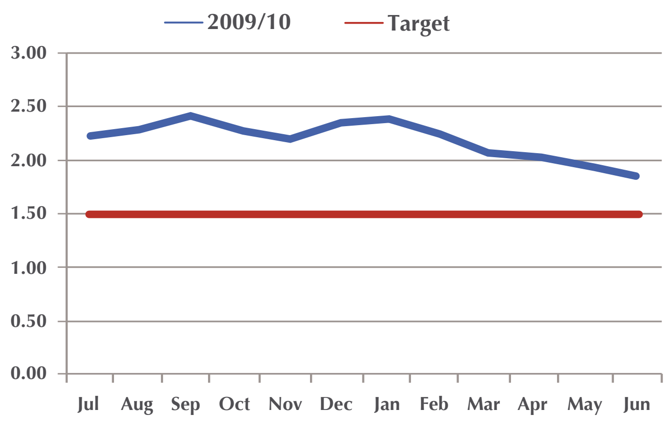


Figure 2: The Group's Disabling Injury Frequency Rate (number of lost-time injuries per 200,000 hours worked)

CORPORATE SOCIAL INVESTMENT

Ever since it began adhering to corporate governance principles and practising corporate social responsibility, the O&L Group of Companies has never had any problems in choosing partners and projects. Due to the variety of its business, the various operating companies have always found ways in which to assist the communities that support them and in which they operate.

Support from the O&L Group ranges from educational to sport, health and environmental projects, and covers all aspects of the Namibian society that need and appreciate guidance and assistance. Community development is also no longer seen as a purely philanthropic activity, but rather as one with long-term goals of sustainability and self-sufficiency, thereby contributing towards the upliftment of the community which leads to a healthy nation and a healthy economic climate. Thus, it is no longer only a matter of giving, but also of creating a win-win situation for all parties involved.

Some of the initiatives that were undertaken by the O&L Group during the year under review are outlined below.

As HIV and AIDS severely impact the lives of thousands of children who are left orphaned or otherwise vulnerable, we work with various institutions such as the Dr Christina Swart Opperman Foundation Trust to offer basic care and support through the provision of blankets, clothing, school fees, and assistance with feeding schemes. The benefit of working with an institution that is dedicated to community upliftment is that we are assured that our support benefits those who need it most.

In living up to their long-standing promise of supporting the fight against cancer, Namibia Breweries and Kempinski Mokuti Lodge again sponsored awareness-raising activities undertaken by the Cancer Association of Namibia (CAN). In addition to this, we funded various costs relating to the treatment of cancer patients at the Dr AB May Oncology Clinic, while Namibia Breweries staff voluntarily participated in the renovation of the Oncology Clinic. As cancer currently affects 1 in 4 Namibians, it can be significantly reduced through awareness, early detection and treatment. For this reason we will continue to support CAN in their public awareness campaigns.

Namibia Breweries is a founding member of the Recycle Namibia Forum (RNF) and partnered with other RNF members in hosting more than 20 clean-up campaigns throughout the country during the year under review. The RNF launched the second School Recycling Competition in February 2010, with participation of 23 Windhoek-based schools and 3 Tsumeb schools.

More than 500 Namibia Breweries employees undertook DRINKiQ training as part of the "Zero to Hero" campaign which equips employees with the facts about alcohol and encourages them to become ambassadors for responsible drinking. We intensified our efforts aimed at promoting responsible drinking with the launch of the "Think Ahead – Don't Drink and Drive" campaign. Through strategic execution at roadblocks, events, billboards and on radio, this campaign raises awareness relating to the dangers of drinking and driving.

The "Too Young is Too Young" campaign targeting underage drinking was extended through the Teenagers Against Drug and Alcohol Abuse Programme which Namibia Breweries has sponsored for the past 15 years. The Self-regulating Alcohol Industry Forum in Namibia also supported the printing of materials targeting underage drinking, while the Botswana Alcohol Industry Association in that country embarked on a media campaign to address excessive drinking there. Namibia Breweries is a founding member of and actively participates in both of these self-regulatory bodies.

Over the past financial year, Model Pick n Pay Namibia has been involved in numerous corporate social initiatives, ranging from supporting the Cycle Classic tour enjoyed by more than 1,500 cyclists, to supporting educational initiatives, marginalised communities and the elderly. The Cycle Classic is run by the Rotarians, and the money collected is used for a variety of charities including children's homes and villages, old age homes, an Albino project, the donation of school books, and Autism Namibia.

During the review period, the Kwakwas School near Rehoboth received blankets as well as basic food items such as pasta, maize meal and toiletries from Model Pick n Pay, while staff members of the Okahandja store took the initiative to support the Immanuel Old Age Home by providing them with food three times per week. Staff members went the extra mile and assisted the elderly by cleaning their rooms, bathing those who were unable to care for themselves, and washing their laundry. To top it all, Model Pick n Pay staff also taught the elderly some gardening. This is a two-way value added project as the elderly plant herbs, fruits and vegetables, and Model Pick n Pay Okahandja sells their produce.

With its Head Office in Walvis Bay, Hangana Seafood is an ardent supporter of the community in and around the coastal town and the Erongo Region at large. During the reporting period, Hangana assisted a variety of projects at the Walvis Bay Child and Family Centre, the University of Namibia Endowment Fund, and the Erongo Regional Council. Like Model Pick n Pay, Hangana believes in being there for the community that supports them and in which they operate. For this reason they have concentrated on projects in their area that deserve their support.

...while staff members of the Okahandja store took the initiative to support the Immanuel Old Age Home by providing them with food three times per week.

The O&L Group also held a Christmas party at the Namibia Breweries premises for approximately 150 orphans and other vulnerable children between the ages of 2 and 8. Now in its sixth year, this annual event aimed at bringing joy and happiness to less fortunate children. They enjoyed slip-and-slides, jumping castles, and face-painting, and were treated to a giant cake, ice cream, watermelons, hotdogs, Oshikandela, Pepsi and goodie bags sponsored by operating companies under the O&L umbrella.

As the O&L Group continues to grow as a business, we also continue to increase our positive contribution through corporate social investment aimed at uplifting the society within which we operate.

Environmental aspects

The O&L Group of Companies is aware of the impact its activities have on the environment and, in particular, how this contributes to climate change. Thus, the Group has begun implementing an environmental management system with the aim of reducing its carbon footprint.

During the year under review, the following are some of the milestones that were reached:

- Finalisation of ISO 14001 accreditation at Hangana Seafood
- Investment in and upgrading of adequate electrical consumption monitoring equipment
- Investment in power factor correction units at all major facilities
- Investment in a voltage regulator at one of the retail stores, which will be used as a pilot project for all other facilities
- Investment in alternative fuel for fishing vessels
- Conclusion of contracts for the removal of solid waste at remote areas, particularly at the Kempinski Mokuti Lodge and the Midgard Country Estate
- Agreement in principle for the partnered operation of a desalination plant in Walvis Bay (final approval is required by local government)
- A national clean-up campaign and a recycling competition for schools, sponsored and coordinated by Namibia Breweries with the cooperation of various partners in the Recycle Namibia Forum, and
- Continuation of solid waste recycling programmes at all major facilities, as well as the sponsorship of national programmes such as the Collect-a-Can drive.

The following environmental initiatives are under consideration for the coming financial year:

- Biogas plant for the !Aimab Superfarm
- More electricity savings measures in order to minimise consumption and counter the significant increase that is expected in electricity rates over the next few years
- Plans to rehabilitate waste dumps at operations in remote areas
- Optimisation of water consumption and seeking alternative sources such as recycled water
- Participation in an envisaged biogas and water treatment facility in Windhoek's Northern Industrial Area, and
- Detailed energy and carbon footprint audits.

The Group is active in driving a culture of recycling and environmental consciousness in the workplace. The majority of solid waste at Namibia Dairies and Namibia Breweries' main manufacturing facilities is recycled. Efforts are also made to utilise organic waste. Spent grain at Namibia Breweries is used as fodder on the !Aimab Superfarm, dairy organic waste is utilised as pig fodder, and at Hangana, fish offal is processed into fishmeal.

The Group intends to focus on the following aspects, which it regards as the most relevant and principal contributors to its carbon footprint:

- Electricity consumption
- Fuel consumption
- Water consumption, and
- Solid and hazardous waste disposal.

The Group's energy consumption figures for the last three financial years are depicted in Table 3.

Diesel and petrol consumption is down and HFO up due to the

Table 3: Energy consumption, 2008 -2010

Product consumed	2010	2009	2008
Diesel and petrol (l)*	7 808 147	9 771 585	9 638 390
Heavy fuel oil (l)	6 283 486	4 494 182	3 855 156
Liquefied petroleum gas (kg)	176 776	180 977	181 885
Electricity (kWh)	50 492 166	49 322 782	44 926 032
Water (l)	1 472 604	1 189 802	1 168 554

** Excludes fuel for chartered fishing vessels and outsourced transport in the Beer & Soft Drinks segment.*

blended fuel used in the Fishing Industry. Water consumption has increased significantly due to the new sorting and grading facility as well as the new ice making facility at Hangana Seafood which was not reported previously.

The increase in electricity consumption can be attributed to increased volume growth in the Group's manufacturing operations as well as the addition of new facilities.

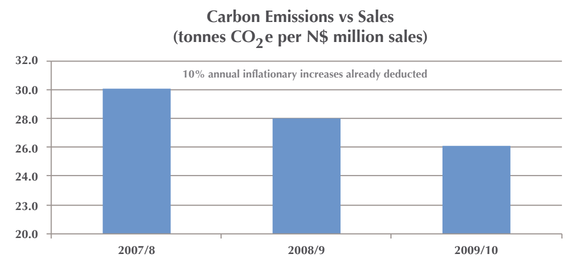


Figure 3: Carbon emissions versus Sales (CO2e = carbon dioxide equivalent units)

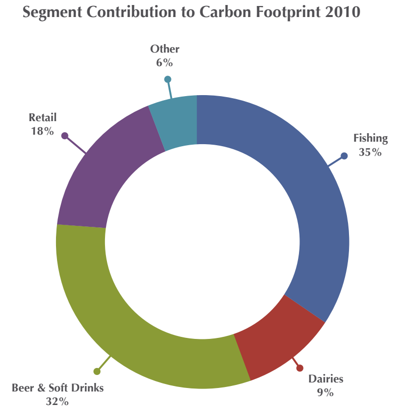


Figure 4: Segment contribution to carbon footprint during the 2010 financial year

The Group's carbon footprint is dominated by electricity consumption in its manufacturing and retail operations, heavy fuel oil used in generating heat in the Beer & Soft Drinks and Fresh Produce segments, and blended fuel consumption in fishing vessels.

The Group is confident that its energy and water consumption are within – and, in some cases, well below – industry benchmarks and will continuously strive to improve upon it.

Sustainable fisheries

During April 2010, the Minister of Fisheries and Marine Resources announced an increase from 135,000 to 145,000 t in the total allowable catch (TAC) for hake in the 2010/11 fishing season. This is due to an improvement in catch rates since hake stocks have increased in quantity and size. Researchers at the Ministry believe that environmental conditions remain favourable for the spawning, survival and growth of fish stocks. However, the Namibian Hake Association cautioned that, although catches have improved, the hake stocks still need to be managed and protected according to the conservation regulations put in place during the 2005/6 season.

The Ministry is committed to sustaining employment and economical viability of the fishing industry in Namibia. To prevent overfishing, the Ministry issues rights of exploitation, fishing vessel licences, TACs in certain fisheries, individual catch quotas, and closed seasons.

The Ministry's overall objectives are to promote and regulate the responsible and sustainable utilisation of living marine and freshwater resources and aquaculture within the context of environmental sustainability. The strategies being applied to attain these objectives, as stipulated in Vision 2030, are as follows:

- Setting TACs at a conservative level in order to promote the sustainability of resources and to enhance the recovery of depleted stocks
- Adopting and implementing all the policies and programmes in support of sustainability and equity
- Developing strategies that create incentives for fishing companies to adopt more sustainable fishing practices
- Utilising the services of expert consultants to assist Government fisheries scientists in setting their estimates for TACs
- Continuing research, involving outside researchers into the functioning of the marine environment and marine biodiversity, and
- Developing new ways of adding value to Namibia's marine products.

Financial Review

Accounting policies

The Group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and are consistent with the previous year except for the accounting policy regarding returnable containers.

Returnable containers were previously recorded at deposit value and not depreciated, whilst a new type of container was capitalised and the difference between cost and deposit value was amortised over the estimated useful life of the container. Containers are now stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost over the containers' useful lives to their residual value, using the straight-line method.

Group operating performance

REVENUE

Revenue for the Group increased by 7.6% compared with the previous year, despite a significant revenue loss in our Fishing segment due to the strengthening of the Namibia Dollar. The Beer and Soft Drinks, Fresh Produce and Retail segments all had double-digit turnover growth.

OPERATING PROFIT

Operating profit increased by N$28.3 million, or 8.3%, to N$371.6 million for the year under review.

Other gains and losses amounted to a gain of N$24.9 million for the year under review, compared with a loss of N$15.7 million the previous year. The net foreign exchange loss for the year was N$12.2 million (2009: N$ 27.8 million) and the current year also includes a negative fair value adjustment on interest rate derivatives of N$0.2 million. (2009: N$13.7 million)

The operating profit for Namibia Breweries increased by 17.3% from N$267.5 million in the 2009 reporting year to N$313.8 million for the current reporting year. This can be attributed to good volume growth, most of which was obtained in higher margin markets as well as improved contract buying for malt and hops.

The Namibia Dairies' operating profit increased by N$3 million, namely from N$25.9 million in the previous financial year to N$28.9 million for the 2010 reporting period, despite a significant shortfall in their Angolan operations as well as start-up issues at the Superfarm. The Group sold its Angolan subsidiary Freshuila Limitada, and is now handling its own product distribution in Angola via various channels.

Hangana Seafood contributed N$1.6 million to operating profit in the year under review, compared with N$36.4 million in the previous year. The significant loss of revenue due to the strong Namibia Dollar as well as lower hard currency prices was partially offset by efficiencies from capital investments made in the last two years. These entailed the new ice plant, the construction of an intermediate fuel oil blending station, and two modern vessels.

The Property sector contributed N$83.0 million (2009: N$61.3 million) to operating profit during the 2010 financial year. This increase can mainly be attributed to a net valuation increase on the Carl List Haus – now known as Alexander Forbes House – as a result of the major refurbishment substantially completed in the current year.

SALIENT FEATURES

The salient features for the year under review are as follows:

		2010 (N$'000)	2009 (N$'000)
Revenue	+7.6%	3 356 004	3 119 358
Other gains and losses		24 915	(15 731)
Operating expenses		(3 009 345)	(2 760 379)
Operating profit	+8.3%	371 574	343 248
Share-based payment expense		(54 949)	–
Share of net losses of associates and joint ventures		(88 046)	(38 967)
Net finance costs		(68 270)	(58 940)
Profit before taxation	-34.7%	160 309	245 341
Taxation		88 199	93 563
Profit for the year	**-52.5%**	**72 110**	**151 778**

The Retail sector improved significantly in comparison with the previous reporting period, contributing N$5.1 million operating profit in 2010, compared to N$1.8 million in 2009. This increase can be attributed to increased margins being realised, reduced shrinkage and improved cost control.

Included under "Other" in the segment report is a N$38 million (2009: N$20 million) provision for loss on the Large Cherenkov Telescope project under Kraatz Marine. Final settlement was reached between the parties in July 2010 and all losses were provided for.

SHARE OF PROFITS AND LOSSES FROM ASSOCIATE AND JOINT VENTURES

The Group equity accounted a N$3.7 million (2009: N$2.6 million) profit from Dimension Data Namibia.

The Group also equity accounted a loss of N$78.4 million (2009: N$35.7 million) from DHN Drinks. This loss was in line with the budget. The losses for the coming financial year will be significantly lower, with a break-even point being anticipated in 2012.

The Group's equity losses from OLIFA Hotels & Resorts amounted to N$13.4 million (2009: N$5.9 million).

FINANCE COSTS

Net finance costs increased by N$9.3 million during the year under review, to N$68.3 million. This can be attributed to the increase in interest-bearing borrowings.

SHARE-BASED PAYMENT EXPENSE

During the reporting period, the Group incurred a N$54.9 million share-based payment expense on the BEE transaction with Epia. The same amount is then included in non-distributable reserves as an equity contribution by the BEE partners.

PROFIT BEFORE TAXATION

Profit before taxation decreased by N$85.0 million, i.e. from N$245.3 million in the 2009 financial year to N$160.3 million for the 2010 period.

TAXATION

The 2010 financial year's taxation charge amounted to N$88.2 million (2009: N$93.6 million), while the effective taxation rate amounted to 55.0% (2009: 38.1%). This increase in the effective taxation rate can mainly be attributed to the higher share of losses in joint ventures, which is an after-taxation loss, but is included in the calculation of the effective taxation rate.

STATEMENT OF FINANCIAL POSITION

Total assets have grown by N$319.4 million, namely from N$3 383.6 million in the 2009 financial year to N$3 702.9 million in the current financial year. *Property, plant and equipment* increased by N$142.5 million from N$1 534.1 million in the 2009 year to N$1 676.7 million in the current year. Capital additions amounted to N$285.0 million for the 2010 financial year. Capital expenditure in Namibia Breweries amounted to N$104.2 million for the reporting period. This expenditure consisted of the new quart bottles that were launched as well as other equipment. Namibia Dairies invested N$68.7 million during the year under review, which includes N$37.5 million for a property acquired for a new distribution depot in Windhoek.

Investment property increased by N$146.7 million from 2009 to N$376.8 million for the 2010 financial year. This can be attributed to a reclassification of the Carl List Haus from Property, plant and equipment to Investment property, as well as to a N$52.4 million investment relating to the refurbishment of the property.

Inventories decreased by N$77.2 million compared with the previous reporting period, to N$235.8 million. This decrease includes a reduction of N$61.3 million in Namibia Breweries' inventories, where the previous financial year included a large buy-in of glass before the year end.

Total *interest-bearing borrowings* increased by N$342.0 from the 2009 financial year to N$1,049.9 million in 2010. Namibia Breweries took up a short-term loan of N$150 million to fund cash injections into the DHN Drinks joint venture. The Development Bank of Namibia debt of N$43.8 million, which was included in related party debt, is now classified as an interest-bearing borrowing, and is therefore included in this increase. The remainder of the increase relates mainly to debt taken up on the acquisition of property, plant and equipment and investment property.

Deferred income mainly relates to prepaid operating lease income received for the brands associated with the DHN Drinks joint venture transaction, which is amortised over 25 years to profit or loss.

The *Non-current related party payable balance* consists of N$188.3 million representing the fair value of the distribution rights on Namibia Breweries' products at termination of the DHN Drinks (Proprietary) Limited joint venture. The 2009 reporting period's figure also included a N$43.8 million loan from the Development Bank of Namibia, which is now included as an interest-bearing borrowing.

CASH FLOW

Cash flow from operating activities decreased from N$268.8 million in the 2009 financial year to N$229.4 million in the 2010 financial year.

The net cash spent on investing activities increased from N$331.5 million in the previous reporting period to N$402.0 million for the year under review. Significant investments were made in Property, plant and equipment as well as in Investment property, in line with our strategic plan.

Cash and cash equivalents amounted to N$204.4 million for the reporting period (2009: N$119.3 million).

DIVIDENDS

The company declared no dividend per share for the 2010 financial year (2009: 68c).

Günther Hanke
Group Financial Director

Statements of Financial Position at 30 June 2010

		COMPANY 2010 N$ '000	COMPANY 2009 N$ '000
ASSETS			
Non-current assets			
Interest in subsidiaries	7	681 491	595 939
Related parties	13	38	38
		681 529	595 977
Current assets			
Trade and other receivables	5	197	162
Investments and loans	10	-	24 082
Bank balances and cash	5	34	-
Related parties	13	1 028	-
		1 259	24 244
Total assets		682 788	620 221
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	17	2 747	2 747
Share premium	17	645	645
Non-distributable reserves	18	54 949	-
Retained earnings		538 998	605 461
Equity attributable to owners of the parent		597 339	608 853
Non-controlling interests		-	-
Total equity		597 339	608 853
Non-current liabilities			
Interest-bearing borrowings	19	60 794	2 843
Current liabilities			
Trade and other payables	22	2 742	5 196
Short-term borrowings	23	21 911	3 322
Related parties	13	2	7
		24 655	8 525
Total equity and liabilities		682 788	620 221

Statements of Financial Position at 30 June 2010 [continued]

	Note	GROUP 2010 N$ '000	2009 N$ '000 Restated	2008 N$ '000 Restated
ASSETS				
Non-current assets				
Property, plant and equipment	2	1 676 672	1 534 137	1 230 472
Investment property	3	376 877	230 144	284 794
Biological assets	4	34 467	32 021	23 319
Trade and other receivables	5	28 424	27 292	27 986
Intangible assets	6	16 345	11 721	17 670
Investment in associate	8	6 019	4 027	2 958
Investment in joint ventures	9	434 741	449 022	463 465
Investments and loans	10	507	507	20 727
Derivative financial instruments	11	-	-	9 724
Deferred taxation	12	61 015	64 670	87 468
Related parties	13	159 519	34 521	-
		2 794 586	2 388 062	2 168 583
Current assets				
Inventories	14	235 753	312 942	205 726
Biological assets	4	-	50	50
Trade and other receivables	5	331 972	298 111	295 201
Derivative financial instruments	11	181	1 780	17 109
Investments and loans	10	-	24 082	-
Taxation		35	45	20
Bank balances and cash	5	204 436	119 339	194 044
Related parties	13	131 430	234 649	156 082
		903 807	990 998	868 232
Non-current assets classified as held for sale	15	4 529	4 505	14 153
Total assets		3 702 922	3 383 565	3 050 968
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	17	2 747	2 747	2 747
Share premium	17	645	645	645
Non-distributable reserves	18	307 852	218 467	198 535
Retained earnings		496 458	545 268	512 025
Equity attributable to owners of the parent		807 702	767 127	713 952
Non-controlling interests		556 735	501 246	440 511
Total equity		1 364 437	1 268 373	1 154 463
Non-current liabilities				
Interest-bearing borrowings	19	669 860	423 245	444 223
Deferred taxation	12	299 032	280 069	252 037
Deferred income	20	216 701	245 467	250 034
Provisions	21	31 703	30 963	12 266
Related parties	13	188 258	232 047	232 754
		1 405 554	1 211 791	1 191 314
Current liabilities				
Trade and other payables	22	520 393	521 267	482 587
Short-term borrowings	23	379 991	284 618	158 223
Derivative financial instruments	11	5 893	29 641	3 531
Deferred income	20	10 825	10 825	-
Provisions	21	1 862	29 387	1 366
Taxation		7 050	7 944	11 499
Related parties	13	6 917	19 668	47 796
		932 931	903 350	705 002
Liabilities directly associated with non-current assets classified as held for sale	15	-	51	189
Total equity and liabilities		3 702 922	3 383 565	3 050 968

Statements of Comprehensive Income for the year ended 30 June 2010

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		Note	GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
17 255	19 572	**Revenue**	24	3 356 004	3 119 358
(5 410)	(23 313)	Other gains and losses	25	24 915	(15 731)
(4 127)	(4 604)	Operating expenses	26	(3 009 345)	(2 760 379)
7 718	(8 345)	**Operating profit/ (loss)**	27	371 574	343 248
-	-	Share of profits in associate	28	3 735	2 600
-	-	Share of losses in joint ventures	28	(91 781)	(41 567)
-	(54 949)	Share-based payment expense	29	(54 949)	-
(6 742)	(8 113)	Finance costs	30	(89 957)	(82 255)
4 359	4 944	Income from investments	31	21 687	23 315
5 335	(66 463)	**Profit/ (loss) before taxation**		160 309	245 341
-	-	Taxation	32	88 199	93 563
5 335	(66 463)	**Profit/ (loss) for the year**		72 110	151 778
		Other comprehensive income			
-	-	Exchange differences on translating foreign operations		(2 346)	(1 819)
-	-	Gain on revaluation of property, plant and equipment		49 652	31 018
-	-	Deferred taxation arising on revaluation of properties		(13 725)	(6 373)
-	-	Deferred taxation released on disposal of properties		-	400
-	-	Deferred taxation released on change in tax rate		1 268	-
-	-	Other comprehensive income for the year, net of tax		34 849	23 226
5 335	(66 463)	**Total comprehensive income/ (loss) for the year**		106 959	175 004
		Profit/ (loss) attributable to:			
5 335	(66 463)	Owners of the parent		(47 799)	33 931
-	-	Non-controlling interests		119 909	117 847
5 335	(66 463)			72 110	151 778
		Total comprehensive income/ (loss) attributable to:			
5 335	(66 463)	Owners of the parent		(14 402)	56 910
-	-	Non-controlling interests		121 361	118 094
5 335	(66 463)			106 959	175 004

Statements of Changes in Equity for the year ended 30 June 2010

N$ '000	Notes	Share capital	Share premium	Non-distributable reserves	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total equity
GROUP								
Balance at 1 July 2008		2 747	645	198 535	512 025	713 952	440 511	1 154 463
Total comprehensive income for the year		-	-	22 979	33 931	56 910	118 094	175 004
Profit for the year		-	-	-	33 931	33 931	117 847	151 778
Other comprehensive income for the year		-	-	22 979	-	22 979	247	23 226
Transfer to retained earnings		-	-	(3 047)	3 047	-	-	-
Dividends paid		-	-	-	(3 735)	(3 735)	(57 323)	(61 058)
Shares forfeited by employees to NBL Share Purchase Trust		-	-	-	-	-	(36)	(36)
Balance at 30 June 2009		2 747	645	218 467	545 268	767 127	501 246	1 268 373
Total comprehensive income for the year		-	-	33 397	(47 799)	(14 402)	121 361	106 959
Profit for the year		-	-	-	(47 799)	(47 799)	119 909	72 110
Other comprehensive income for the year		-	-	33 397	-	33 397	1 452	34 849
Transfer to retained earnings		-	-	(867)	895	28	(28)	-
Disposal of subsidiary		-	-	1 906	(1 906)	-	(1 305)	(1 305)
Recognition of share-based payments	29	-	-	54 949	-	54 949	-	54 949
Dividends paid		-	-	-	-	-	(64 588)	(64 588)
Reversal of shares forfeited by employees to NBL Share Purchase Trust		-	-	-	-	-	49	49
Balance at 30 June 2010		2 747	645	307 852	496 458	807 702	556 735	1 364 437
COMPANY								
Balance at 1 July 2008		2 747	645	-	603 861	607 253	-	607 253
Total comprehensive income for the year		-	-	-	5 335	5 335	-	5 335
Profit for the year		-	-	-	5 335	5 335	-	5 335
Other comprehensive income for the year		-	-	-	-	-	-	-
Dividends paid		-	-	-	(3 735)	(3 735)	-	(3 735)
Balance at 30 June 2009		2 747	645	-	605 461	608 853	-	608 853
Total comprehensive loss for the year		-	-	-	(66 463)	(66 463)	-	(66 463)
Loss for the year		-	-	-	(66 463)	(66 463)	-	(66 463)
Other comprehensive income for the year		-	-	-	-	-	-	-
Recognition of share-based payments	29	-	-	54 949	-	54 949	-	54 949
Balance at 30 June 2010		2 747	645	54 949	538 998	597 339	-	597 339

Statements of Cash Flows for the year ended 30 June 2010

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		Note	GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
2 125	9 310	**CASH FLOW FROM OPERATING ACTIVITIES**		229 363	268 770
1 643	370	Cash receipts from customers		3 328 003	3 120 063
(5 206)	(3 370)	Cash paid to suppliers and employees		(2 876 470)	(2 667 906)
(3 563)	(3 000)	Cash generated/ (utilised) by operations	34.1	451 533	452 157
486	4 944	Interest received	34.2	10 748	13 305
15 654	19 167	Dividend income		12	7
(6 742)	(8 113)	Finance costs	34.3	(74 944)	(62 648)
-	-	Preference share dividends paid	34.4	(15 843)	(20 732)
5 835	12 998	Cash generated by operations		371 506	382 089
(3 710)	(3 688)	Dividends paid	34.5	(68 276)	(61 033)
-	-	Taxation paid	34.6	(73 867)	(52 286)
(6)	27 081	**CASH FLOW FROM INVESTING ACTIVITIES**		(402 034)	(331 501)
-	-	Equity injection into joint venture		(77 500)	(27 124)
(6)	-	Acquisition of additional shares in subsidiaries		-	(6)
-	-	Acquisition of intangible assets		(6 210)	(2 112)
-	-	Acquisition of investment property		(55 450)	(433)
-	-	Acquisition of property, plant and equipment		(285 013)	(317 726)
-	-	- replacement capital expenditure		(103 811)	(78 046)
-	-	- expansion capital expenditure		(181 202)	(239 680)
-	27 081	Proceeds on disposal of investments		24 082	-
-	-	Proceeds on available for sale assets		306	10 032
-	-	Decrease in cash flow due to disposal of subsidiary	34.8	(6 335)	-
-	-	Proceeds on disposal of property, plant and equipment		4 086	5 868
(2 119)	(36 357)	**CASH FLOW FROM FINANCING ACTIVITIES**		257 768	(11 974)
-	65 000	Proceeds from long- and medium-term financing		204 382	152 647
(1 019)	(7 049)	Repayment of long- and medium-term financing		(174 792)	(114 742)
(33 759)	(1 033)	Changes in related party balances		(41 210)	(118 378)
31 161	(111 864)	Decrease/ (increase) in loans to holding company, fellow subsidiaries and associate		-	-
1 498	18 589	Increase in short-term borrowings		269 388	68 499
-	34	**Net increase/ (decrease) in cash and cash equivalents**		85 097	(74 705)
-	-	Cash and cash equivalents at beginning of the year		119 339	194 044
-	34	**CASH AND CASH EQUIVALENTS AT END OF THE YEAR**	34.9	204 436	119 339

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

It is important to note that this financial information has been prepared in accordance with IFRS that are effective at 30 June 2010. New and revised Standards and Interpretations that have been adopted in the current period together with the impact of adopting these standards are set out in Annexure D. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Annexure E. The Directors and management have not yet assessed the implications of Standards and Interpretations that are not yet effective.

The financial statements are presented in Namibia Dollar (N$) and are rounded to the nearest thousand. They are prepared on the historical cost basis, modified for the fair value treatment of financial instruments, biological assets, investment property and property, plant and equipment.

Non-current assets or disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and have been applied consistently to all periods and by all Group entities presented in these financial statements, except as indicated. The Group changed its accounting policy for returnable containers during the current year. Previously returnable containers were written down to deposit value and were not depreciated. Returnable containers are now accounted for at cost less accumulated depreciation (refer to Note 39).

1.2 BASIS OF CONSOLIDATION

1.2.1 INTEREST IN SUBSIDIARIES AND SPECIAL PURPOSE ENTITIES

A subsidiary is an entity, including an unincorporated entity such as a partnership, that is controlled by another entity.

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company and its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The Group consolidates a Special Purpose Entity (SPE) when the substance of the relationship between the Group and the SPE indicates that the Group controls the SPE.

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale, which are recognised and measured at fair value less costs to sell.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

On disposal of a subsidiary the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

The Company's interest in subsidiaries is reflected at cost less impairments.

All significant inter-company transactions, balances and unrealised surpluses and deficits on transactions between Group companies are eliminated on consolidation. Unrealised losses are not eliminated to the extent that they provide objective evidence of impairment.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders in the acquiree are initially measured at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests consists of the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

1.2.2 INVESTMENT IN ASSOCIATES

An associate is an entity, including an unincorporated entity such as a partnership, over which the Group has the ability to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee (that is neither a subsidiary nor an investment in a joint venture).

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where an entity within the Group transacts with the associate of the group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

1.2.3 INVESTMENT IN JOINT VENTURES

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, which is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interest in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably. Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using the equity accounting method, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary (see 1.3 below).

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

1.3 GOODWILL

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Subsequently, goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

In assessing value-in-use, the expected future cash flows from the unit under review are discounted to their present value using a pre-taxation discount rate that reflects current market assessments of the time value of money and specific identifiable risks.

1.4 PROPERTY, PLANT AND EQUIPMENT

Land and buildings

Owner-occupied land and buildings are stated in the statement of financial position at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Professional external revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss, in which case the increase is credited to profit and loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of land and buildings is recognised in profit and loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

Buildings are depreciated over their useful lives (2-12% depreciation per year) to the residual value. Useful lives are assessed and revised on an annual basis. Land is not depreciated. Leasehold land and buildings are accounted for at cost and amortised on the straight-line basis over the period of the lease.

Properties in the course of construction

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying value. Cost includes professional fees, and for qualifying assets, borrowing costs are dealt with in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Other property, plant and equipment

Other items of property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost over their estimated useful lives to their residual value, using the straight-line method. The depreciation for each significant part of an item of property, plant and equipment is separately determined.

The residual value of an item of property, plant and equipment is the amount it estimates it would receive currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life.

The depreciation rates per category are:

Leasehold land and buildings:
2.0 - 33.3%
Plant and machinery:
4.0 - 25.0%
Vehicles:
5.0 - 33.3%
Furniture and equipment:
10.0 - 33.3%
Fishing vessels:
10.0 - 15.0%
Refits:
20.0 - 86.0%
Returnable containers:
20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Hotel equipment is valued annually at the lower of cost or a value based on its remaining useful life.

Refits of fishing vessels which relate to separate components are capitalised when incurred, and amortised over their useful lives.

1.5 INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

In determining whether a property qualifies as an investment property or owner occupied property, the Group applies the principle that if the floor space occupied by third parties exceeds 80% of the total floor space of the property, then the property classifies as investment property and is treated in accordance with this policy. Where the asset does not meet this criterion, the property is treated in accordance with the policies on land and buildings referred to above.

1.6 IMPAIRMENT OF ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance. It includes patents, trademarks, capitalised development costs and certain costs of purchase and installation of major information systems (including packaged software).

Intangible assets are initially recognised at cost if acquired separately or internally generated or at fair value if acquired as part of a business combination. If assessed as having an indefinite useful life, the intangible asset is not amortised but tested for impairment annually and impaired if necessary. If assessed as having a finite useful life, it is amortised over its useful life (generally three to seven years) using a straight-line basis and tested for impairment if there is an indication that it may be impaired. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research costs are recognised in profit or loss when incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products or processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development. The expenditure capitalised includes the cost of material, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss in the period in which it is incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other subsequent expenditure is expensed as incurred.

Amortisation commences when the project generating the intangible asset has been completed.

1.8 INVENTORIES

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or rendering of services.

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on the following bases:

- Raw materials, merchandise and consumable stores on the first-in, first-out basis or weighted average cost.
- Manufactured finished products and work-in-progress, at raw material cost on the first-in, first-out basis plus overhead expenses or weighted average cost.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

1.9 BIOLOGICAL ASSETS

The Group's biological assets mainly consist of livestock. Livestock is used for dairy production.

The Group is also involved in agronomy and its activities relate to the cultivation of lucerne.

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less estimated point-of-sale costs, except where the fair value cannot be measured reliably, in which case the biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The fair value of livestock is determined using the market prices for similar assets in the active market normally utilised by the Group, less estimated point-of-sale costs.

The fair value of milk and agronomy is determined based on the market price of similar items in the local area at the time of milking and harvesting.

The fair value of the lucerne field is determined using the discounted cash flow method as at the end of the reporting period.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale cost of biological assets are included in net profit or loss for the year in which they arise.

1.10 PROVISIONS

Provisions represent liabilities of uncertain timing or amount.

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

1.11 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise of cash on hand, funds on call and short-term deposits.

1.12 NON – CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and the fair value less costs to sell.

1.13 REVENUE RECOGNITION

Revenue represents the gross inflow of economic benefits during the period arising in the course of the ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Included in revenue are net invoiced sales to customers for goods and services, rentals from leasing fixed and movable property and commissions. Revenue is measured at the amount received or receivable. Inter-group transactions, cash discounts, rebates, VAT and other indirect taxes are excluded from revenue.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred, when delivery has been made and title has passed, when the amount of revenue and the related costs can be reliably measured.

Revenue from services is recognised when the service is rendered.

Revenue on construction contracts is recognised on the percentage of completion method.

Revenue from rentals is recognised on the accrual basis in accordance with the substance of the relevant lease agreements and when the right to receive rentals is assured.

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Where the Group acts as agent and is remunerated on a commission basis, only net commission income, and not the value of the business handled, is included in revenue.

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

1.14 CONSTRUCTION CONTRACTS

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.15 INVESTMENT INCOME

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the year to maturity, when it is probable that such income will accrue to the Group.

1.16 LEASING

Leases are classified as finance leases or operating leases at the inception of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at date of acquisition. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to profit or loss over the term of the relevant lease so as to produce a constant yearly rate of interest on the remaining balance of the obligations for each accounting period.

Rentals payable or receivable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.17 FOREIGN CURRENCIES

Transactions in currencies other than the Group's reporting currency are initially recorded at the rates of exchange ruling on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange exposures as well as foreign exchange contracts and options are recorded at the rate ruling on the transaction date and are remeasured to fair value at the end of the reporting period.

Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded are recognised in profit or loss in the year in which they arise.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (see below for details of the Group's accounting policies in respect of such derivative financial instruments).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Namibia Dollar using exchange rates prevailing at the end of the reporting period. Items included in profit or loss are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity and attributed to non-controlling interests as appropriate. Such translation differences are reclassified to profit or loss in the period in which the foreign operation is disposed of. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

1.18 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.19 POST-EMPLOYMENT BENEFIT COSTS

Retirement benefits

The policy of the Group is to provide retirement benefits for its employees, the assets of which are held in a separate trustee administrated fund. The contributions paid by the companies in the Group to fund obligations for the payment of retirement benefits are recognised as an expense in the year of payment. The Ohlthaver & List Retirement Fund, which is a defined contribution fund, covers all the Group's employees and is governed by the Namibian Pension Funds Act.

Medical benefits

Qualifying employees in the Group companies are entitled to certain post-retirement medical benefits. The Group's obligation for post-retirement medical aid benefits to past and current employees is actuarially determined in respect of current and retired employees and is provided for in full. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. The movement for the year is recognised in profit or loss in the year in which it occurs.

Severance pay

In accordance with the Namibia Labour Act, 2007, severance benefits are payable to an employee, if the employee is dismissed, dies while employed or resigns/retires on reaching the age of 65 years. The obligation for severance benefits to current employees is actuarially determined in respect of all Group employees and is provided for in full. The cost of providing benefits is determined using the projected-unit-credit method, with actuarial valuations being carried out at the end of each reporting period. The movement for the year is recognised in profit or loss in the year in which it occurs.

1.20 SHARE-BASED PAYMENTS

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. Where no specific services are provided, the fair value of equity instruments granted is recognised as an expense at the grant date, with the corresponding credit to equity. As the grant is equity-settled, the expense is not remeasured at subsequent reporting dates.

1.21 TAXATION

1.21.1 CURRENT TAXATION

The charge for current tax is the amount of income taxes payable in respect of the taxable profit for the current year. It is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.21.2 DEFERRED TAXATION

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled. The deferred tax for the period is recognised as an expense or income in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

1.22 FINANCIAL INSTRUMENTS

1.22.1 INITIAL RECOGNITION AND MEASUREMENT

All financial instruments, including derivative instruments, are recognised on the statement of financial position. Financial instruments are initially recognised when the Group becomes party to the contractual terms of the instruments and are measured at cost, which is the fair value of the consideration given (financial asset) or received (financial liability or equity instrument) for it. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement on initial recognition. Subsequent to initial recognition these instruments are measured as set out below.

1.22.2 FAIR VALUE METHODS AND ASSUMPTIONS

The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices, adjusted for any transaction costs necessary to realise the assets or settle the liabilities.

The fair value of financial instruments not traded in an organised financial market, is determined using a variety of methods and assumptions that are based on market conditions and risks existing at the reporting date, including independent appraisals and discounted cash flow methods. The fair value determined is adjusted for any transaction costs necessary to realise the assets or settle the liabilities.

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values due to the short-term trading cycle of these items.

1.22.3 DERECOGNITION OF ASSETS AND LIABILITIES

Financial assets (or a portion thereof) are de-recognised when the Group realises the rights to the benefits specified in the contract, the rights expire or the company surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and proceeds receivable and any prior adjustment to reflect fair value that had been reported in equity are included in profit or loss.

Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and amounts paid for it are included in profit or loss.

1.22.4 EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument, or, where appropriate, a shorter period.

1.22.5 FINANCIAL ASSETS

Financial assets are classified into the following specified categories:

financial assets 'at fair value through profit or loss' (FVTPL), 'held to maturity' investments, 'available for sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's and the Group's principal financial assets are Group-Company loans, investments and loans, trade and other receivables and bank and cash balances:

Financial assets at FVTPL
Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments
Financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets
Unlisted shares held by the Group, whose fair value cannot be reliably determined are classified as being available-for sale and are stated at cost. These assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition of the asset, the estimated future cash flows of the investment have been impacted.

Loans and receivables
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Interest income is recognised by applying the effective interest rate except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Trade and other receivables originated by the Group are stated at their cost less a provision for impairment. An estimate of impairment is made based on a review of all outstanding amounts at reporting date, and posted against a provision account. When the trade receivable is uncollectible, it is written off against the provision account. Bad debts are written off during the period in which they are identified.

Bank and cash balances
Bank and cash balances represent funds on call and short-term deposits, all of which are available to the Group unless otherwise stated.

1.22.6 CLASSIFICATION OF DEBT OR EQUITY

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contract arrangement.

1.22.7 FINANCIAL LIABILITIES

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Group's principal financial liabilities are interest-bearing debt, non-interest-bearing debt, preference shares, trade and other payables, bank overdrafts and other short-term borrowings:

Financial liabilities at fair value through profit and loss (FVTPL)
Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. The Group only has financial liabilities as held for trading under this category.

A financial liability is classified as held for trading if:
- It has been incurred principally for the purpose of repurchasing in the near future; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated a fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Interest-bearing debt
Interest-bearing debt is recognised at amortised cost, namely original debt less principal repayments and amortisations.

Non-interest-bearing debt
Non-interest-bearing debt is recognised at original debt less principal repayments.

Trade and other payables
Trade and other payables are stated at cost.

Preference shares
Preference shares are used by the Group in order to raise cost effective financing. These instruments are classified between equity and liabilities taking into account the specific characteristics of each preference share. Where the preference shares are classified as equity they are treated in accordance with the policy for equity instruments below.

Preference shares, which are redeemable on specific dates, are classified as liabilities and are stated at proceeds received. Preference share dividends are recognised as finance charges and, where not paid by the year end, are added to the amount outstanding in respect of the preference shares.

Bank overdrafts and other short-term borrowings
Interest-bearing bank overdrafts and other short-term borrowings are recorded at the proceeds received, net of direct issue costs.

1.22.8 EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue cost.

1.22.9 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments, principally foreign exchange forward contracts, foreign exchange options, interest rate swap agreements and interest rate collars, are used by the Group in its management of financial risks. Therefore, the Group's objective in using derivative financial instruments is to reduce the uncertainty over future cash flows arising from movements in currency and interest rates. The risks being hedged are exchange losses due to unfavourable movements between the Namibia Dollar and the foreign currency and the movements in interest rates. Currency and interest exposure is managed within Board-approved policies and guidelines. As a matter of principle, the Group does not enter into derivative contracts for speculative purposes.

Derivative financial instruments are initially recorded at fair value at the date the derivative contract is entered into and are re-measured to fair value at subsequent reporting dates. The fair value of foreign exchange forward contracts, options, interest rate swaps and interest rate collars, represents the estimated amounts the Group would receive, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting
The Group designates certain hedging instruments, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on and ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

1.22.9.1 Fair value hedges
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

1.22.9.2 Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "other gains and losses" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the statement of comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred inequity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

1.23 KEY ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Post-employment benefit obligations
Post-retirement defined benefits are provided for certain former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare inflation costs and rates of increases in compensation costs.

Severance pay obligation
Severance pay has been provided for all employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the inflation rate and rates of increases in compensation costs.

Valuation of investment properties and freehold land and building
Valuations are based on assumptions regarding discount rates, vacancy factors, structural conditions and inflation rates and are performed by independent external valuers.

1.24 JUDGEMENTS MADE BY MANAGEMENT

Preparing financial statements in conformity with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates.

Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments as follows:

• *Deferred taxation assets*
Deferred tax assets are recognised to the extent it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation, tax rates and competitive forces.

• *Asset lives and residual values*
Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

• *Valuation of financial instruments*
The valuation of derivative financial instruments is based on the market situation at reporting date. The value of the derivative instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the reporting date.

• *Kraatz Marine (Proprietary) Limited: Large Cherenkov Telescope (LCT) project*
There was a potential late penalty claim against the Company in the prior year, which was disclosed as a contingent liability in the prior year. The claim has been settled during the current year.

One of the subcontractors instituted a claim against Kraatz Marine (Proprietary) Limited based on the additional costs incurred by the subcontractor due to the delay in the project. The claim is fully provided for in the financial statements.

A provision for losses was raised on the LCT project in the prior year as the estimated costs to finalise the project exceeded the projected revenues. Judgement was required in assessing the estimated costs. The cancellation of the contract for the manufacturing and erection of the LCT telescope during October 2009 resulted in a change in estimate in the current year (refer to Note 40).

• *Fair value of derivatives and other financial instruments*
As described in Note 43, the Directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. Details of the assumptions used and of the results of sensitivity analyses regarding these assumptions are provided in Note 43.

The maturities of variable interest rate instruments, as disclosed in the liquidity and interest risk tables in Note 43.4.1, are determined based on the projected interest rates illustrated by the respective yield curves at the reporting date.

• *BEE expense*
As referred to in Note 29, the Directors used their judgement in selecting an appropriate valuation technique for determining the amount of the BEE expense arising from the share-based payment transaction entered into in the current year. Details of the assumption used are provided in Note 29.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
		2. PROPERTY, PLANT AND EQUIPMENT		
		At valuation or cost		
-	-	Freehold land and buildings	989 613	842 693
-	-	Leasehold land and buildings	10 569	7 100
-	-	Plant and machinery	714 012	658 245
-	-	Vehicles	101 444	102 443
-	-	Furniture and equipment	181 029	148 411
-	-	Containers	77 362	55 702
-	-	Fishing vessels	154 429	145 449
-	-	Work in progress	45	69 811
-	-		2 228 503	2 029 854
		Depreciation and amounts written off		
-	-	Freehold land and buildings	3 199	1 307
-	-	Leasehold land and buildings	3 726	3 144
-	-	Plant and machinery	311 742	270 347
-	-	Vehicles	51 390	49 743
-	-	Furniture and equipment	101 327	91 201
-	-	Containers	17 737	33 847
-	-	Fishing vessels	62 710	46 128
-	-		551 831	495 717
		Net carrying value		
-	-	Freehold land and buildings	986 414	841 386
-	-	Leasehold land and buildings	6 843	3 956
-	-	Plant and machinery	402 270	387 898
-	-	Vehicles	50 054	52 700
-	-	Furniture and equipment	79 702	57 210
-	-	Containers	59 625	21 855
-	-	Fishing vessels	91 719	99 321
-	-	Work in progress	45	69 811
-	-		1 676 672	1 534 137
		The following assets held under mortgage bonds, finance leases and instalment sale agreements are included in property, plant and equipment above:		
		At valuation or cost		
-	-	Land and buildings	730 975	588 318
-	-	Plant and machinery	117 191	82 587
-	-	Vehicles	52 897	51 368
-	-	Furniture and equipment	49 878	35 780
-	-	Fishing vessels	136 098	135 932
-	-		1 087 039	893 985
		Depreciation and amounts written off		
-	-	Land and buildings	830	63
-	-	Plant and machinery	35 012	25 903
-	-	Vehicles	18 549	17 000
-	-	Furniture and equipment	14 116	7 439
-	-	Fishing vessels	45 484	39 526
-	-		113 991	89 931
		Net carrying value		
-	-	Land and buildings	730 145	588 255
-	-	Plant and machinery	82 179	56 684
-	-	Vehicles	34 348	34 368
-	-	Furniture and equipment	35 762	28 341
-	-	Fishing vessels	90 614	96 406
-	-		973 048	804 054

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000

2. PROPERTY, PLANT AND EQUIPMENT [continued]

Freehold land and buildings, other than those where management believed that their fair values differed significantly to their carrying amounts at year end (see below), were revalued during 2008 by independent valuers, not connected with the Group, by reference to market evidence of recent transactions for similar properties, on a discounted cash flow basis or depreciated replacement cost.

Freehold land and buildings of Hangana Seafood (Proprietary) Limited, Consortium Fisheries Limited and Wernhil Park (Proprietary) Limited were revalued during the current year since management had reason to believe that their fair values significantly exceeded their carrying amounts at year end.

Details of the Group's freehold and leasehold land and buildings are maintained at the registered office of the Company and are available for inspection by members or their duly authorised representatives.

Certain fixed assets are encumbered to secure borrowings as detailed in Note 37.

Hangana Seafood (Proprietary) Limited has a notarial bond of N$20 million (2009: N$20 million) registered over its moveable assets.

Movement of property, plant and equipment has been detailed in Annexure B. Refer to note 39 for the change in accounting policy.

Capitalised borrowing costs of N$0.8 million (2009: N$3.64 million) are included above.

The insurance policies over certain items of property, plant and equipment have been ceded to the bond holders.

3. INVESTMENT PROPERTY

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Fair value		
-	-	At the beginning of the year	230 144	284 794
-	-	Additions	54 107	433
-	-	Capitalised borrowing costs	1 343	-
-	-	Transferred from/ (to) property, plant and equipment	63 345	(63 824)
-	-	Increase in fair value during the year	27 938	8 741
-	-	At the end of the year	376 877	230 144
-	-	The value of freehold land under mortgage amounts to:	371 497	225 944

The fair value of investment property has been adjusted for by adding the recognised lease liabilities to the discounted cash flow calculation as follows:

			GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Valuation obtained from independent sworn appraisers	27 065	8 234
		Recognised lease obligations	873	507
		Fair value adjustment during the year	27 938	8 741

Independent valuations were obtained from sworn appraisers at 30 June 2010. The valuations were arrived at by reference to market evidence of transaction prices for similar properties or on a discounted cash flow basis.

Capitalisation rates of 9.50% - 11.25% (2009: 10.00% - 10.50%) and discount rates of 15.00% - 16.75% (2009: 15.50% - 16.50%) were used.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000

3. INVESTMENT PROPERTY [continued]

The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to N$36.564 million (2009: N$27.192 million). Direct operating expenses arising on the investment property for the year amounted to N$9.061 million (2009: N$4.452 million).

The insurance policies over certain items of investment property have been ceded to the bond holder.

4. BIOLOGICAL ASSETS

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
-	-	Agronomy	8 528	8 740
-	-	Livestock	25 939	23 331
-	-		34 467	32 071
		Analysed as:		
-	-	Current assets	-	50
-	-	Non-current assets	34 467	32 021
-	-		34 467	32 071

Reconciliation of lucerne fields carrying amounts:

	GROUP 2010 N$ '000	GROUP 2009 N$ '000
Carrying amount at the beginning of the year	8 740	5 276
(Loss)/ gain arising from changes in fair value less estimated point-of-sale costs attributable to price changes	(212)	3 464
Carrying amount at the end of the year	8 528	8 740

The value of the lucerne fields was determined internally in 2010 using the discounted cash flow method. The main assumptions were:

Disount rate 9.25% p.a. (2009: 11.50% p.a.)

Inflation rate 8.00% p.a. (2009: 8.00% p.a.)

Reconciliation of livestock carrying amounts:

	Cattle N$ '000	Horses N$ '000	Game N$ '000	Total N$ '000
Carrying amount at 1 July 2009	23 281	50	-	23 331
Increase due to purchases	3 814	-	5	3 819
Gain arising from changes in fair value less estimated point-of-sale costs attributable to price changes	876	-	-	876
Gain arising from changes in fair value less estimated point-of-sale costs attributable to growth	239	-	-	239
Decrease due to sales and death	(2 276)	(50)	-	(2 326)
Carrying amount at 30 June 2010	25 934	-	5	25 939

The livestock consisted of the following:	**2010**	**2009**
Milk cows	2 507	2 448
Beef cattle	6	-
Horses	-	1
Ostriches	2	-

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000

5. OTHER FINANCIAL ASSETS

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Trade and other receivables		
-	-	Trade receivables	218 787	191 300
-	-	Allowance for doubtful debts	(8 505)	(9 071)
-	-		210 282	182 229
-	-	Amounts due from customers for contract work	10 379	5 643
156	197	Value-added tax	54 065	55 233
-	-	Deferred rental	20 055	19 857
-	-	Prepayments	3 350	13 942
-	-	Fuel rebate	3 553	2 549
6	-	Other	58 712	45 950
162	197		360 396	325 403
		Analysed as:		
-	-	Non-current assets	28 424	27 292
162	197	Current assets	331 972	298 111
162	197		360 396	325 403

Trade and other receivables comprise amounts receivable for the sale of goods and services. The Directors consider that the carrying amounts of trade and other receivables approximate their fair value.

Certain trade receivables are encumbered as disclosed in Note 37.

The average credit period on sales of goods of the Group is 37 days (2009: 41 days). No interest is charged on the trade receivables for the first 30 - 60 days from the date of the invoice. Thereafter, interest is charged at between 0% and prime overdraft rate plus 2% per annum on the outstanding balance.

Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Included in the Group's trade receivables balance are debtors with a carrying amount of N$32 230 691 (2009: N$18 327 662) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality.

The Group does not hold any collateral over these balances.

	GROUP 2010 N$ '000	GROUP 2009 N$ '000
Ageing of past due but not impaired:		
30-60 days	22 314	3 608
60-90 days	6 855	8 039
>90 days	3 062	6 681
Total	32 231	18 328
Movement in the allowance for doubtful debts:		
Balance at the beginning of the year	(9 071)	(15 556)
Impairment losses recognised on receivables	(2 725)	(1 749)
Amounts written off as irrecoverable	1 546	3 557
Amounts recovered during the year	1 740	4 238
Impairment losses reversed	5	439
Balance at the end of the year	(8 505)	(9 071)

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		5. OTHER FINANCIAL ASSETS [continued]		
		In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.		
		The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.		
		The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds.		
		Ageing of impaired trade receivables:		
		60-90 days	120	340
		90-120 days	579	123
		120+ days	7 806	8 608
		Total	8 505	9 071
		Bank balances and cash		
-	34	Bank balances and cash comprise cash and short-term deposits held by the Group. The carrying amount of these assets approximates their fair value.	204 436	119 339
		Certain bank balances were encumbered in 2009 as disclosed in Note 37.		
		6. INTANGIBLE ASSETS		
		At cost		
-	-	Software	14 659	6 698
-	-	Business process re-engineering	2 291	2 255
-	-	Brand equity	-	7 971
-	-	Goodwill	4 746	4 711
-	-	Licences	853	1 259
-	-		22 549	22 894
		Depreciation, amortisation and amounts written off		
-	-	Software	4 095	1 621
-	-	Business process re-engineering	1 691	1 235
-	-	Brand equity	-	7 971
-	-	Licences	418	346
-	-		6 204	11 173
		Net carrying value		
-	-	Software	10 564	5 077
-	-	Business process re-engineering	600	1 020
-	-	Brand equity	-	-
-	-	Goodwill	4 746	4 711
-	-	Licences	435	913
-	-		16 345	11 721
		Movement of intangible assets		
-	-	Net book value at the begining of the year	11 721	17 670
-	-	Additions	6 210	2 112
-	-	Goodwill on additional shares purchased in subsidiary	35	6
-	-	Transfer from/(to) property, plant and equipment	2 042	(2 211)
-	-	Impairment	-	(7)
-	-	Amortisation	(3 663)	(5 849)
-	-	Net book value at the end of the year	16 345	11 721

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		6. INTANGIBLE ASSETS [continued]		
		Intangible assets, other than goodwill, are amortised over their useful lives. The foreseeable lives of the intangible assets range between 3 and 7 years. The charges to profit or loss are shown in Note 26. Goodwill is assessed for impairment annually.		
		7. INTEREST IN SUBSIDIARIES [see Annexure C]		
91 695	88 695	Shares at cost		
861 701	939 318	Indebtedness to the Company		
953 396	1 028 013			
(216 052)	(239 364)	Impairment of interest/provision for losses		
737 344	788 649			
(141 405)	(107 158)	Indebtedness by the Company		
595 939	681 491			
		Aggregate profits/losses of subsidiaries:		
212 820	232 425	Aggregate profits		
(25 607)	(65 260)	Aggregate losses		
		8. INVESTMENT IN ASSOCIATE [see Annexure C]		
-	-	Investment in associate	6 019	4 027
-	-	Income from associate	3 735	2 600
-	-	Cost of investment	135	135
-	-	Share of associate's reserves	5 884	3 892
-	-	Beginning of the year	3 892	2 762
-	-	Dividends received	(1 743)	(1 470)
-	-	Profit for the year	3 735	2 600
-	-	Carrying value	6 019	4 027
-	-	Directors' valuation of unlisted associate	6 019	4 027
		Summarised financial information of associate:		
-	-	Total assets	24 080	33 039
-	-	Net assets	16 782	12 646
-	-	Group's share of associate's net assets	8 223	6 197
-	-	Profit for the year	7 622	5 306

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		9. INVESTMENT IN JOINT VENTURES [see Annexure C]		
-	-	Investment in joint ventures	434 741	449 022
-	-	Losses from joint ventures	(91 781)	(41 567)
-	-	Cost of investment	574 382	496 882
-	-	Beginning of the year	496 882	469 758
-	-	Equity injection into joint ventures	77 500	27 124
-	-	Share of joint venture reserves	(139 641)	(47 860)
-	-	Beginning of the year	(47 860)	(6 293)
-	-	Loss for the year	(91 781)	(41 567)
-	-	Carrying value	434 741	449 022
-	-	Directors' valuation of unlisted joint venture companies	434 741	449 022
		Summarised financial information of joint ventures:		
-	-	Current assets	729 510	850 904
-	-	Non-current assets	541 656	347 477
-	-	Total assets	1 271 166	1 198 381
-	-	Current liabilities	1 199 090	830 252
-	-	Non-current liabilities	98 925	362 582
-	-	Total liabilities	1 298 015	1 192 834
-	-	Group's share of joint ventures' net liabilities	(17 714)	(3 229)
		Commitments		
-	-	Future capital expenditure	-	3 248
-	-	Group's share of commitments	-	1 624
-	-	Revenue	3 515 713	2 892 356
-	-	Total expenses	(4 241 264)	(3 230 021)
-	-	Taxation	190 916	108 166
-	-	Loss for the year	(534 635)	(229 499)
		10. INVESTMENTS AND LOANS		
		Interest-bearing loans		
24 082	-	Pointbreak Investments (Proprietary) Limited	-	24 082
-	-	L Heydenrich	493	493
24 082	-		493	24 575
		Available-for-sale financial assets		
-	-	Unlisted investments	14	14
		There were no impairment provisions against available-for-sale financial assets in 2010 or 2009.		
		Analysed as:		
-	-	Non-current assets	507	507
24 082	-	Current assets	-	24 082
24 082	-		507	24 589
24 082	-	Directors' valuation of investments	507	24 589

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000

10. INVESTMENTS AND LOANS [continued]

The loan to Pointbreak Investments (Proprietary) Limited bore interest at 21.81% in 2009.

The loan to Heydenrich bears interest at 0% (2009: 0%). The Group holds a right of execution over the Farm Leeudrink, No 940. The fair value of the farm exceeds the carrying amount of the loan.

11. DERIVATIVE FINANCIAL INSTRUMENTS

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Assets		
		Fair value through profit or loss - held for trading		
-	-	Foreign exchange forward contracts	181	-
-	-	Foreign exchange options	-	1 780
-	-		181	1 780
		Analysed as:		
-	-	Current assets	181	1 780
		Liabilities		
		Fair value through profit or loss - held for trading		
-	-	Interest rate collar	-	1 993
-	-	Interest rate swaps	-	1 034
-	-	Foreign exchange forward contracts	5 874	26 556
-	-	Foreign exchange options	19	58
-	-		5 893	29 641
		Analysed as:		
-	-	Current liabilities	5 893	29 641

(a) Foreign exchange forward contracts

The fair value of foreign exchange forward contracts represents the estimated amounts that the Group would receive or pay, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses. Details of these contracts are as follows:

GROUP

	Foreign amount 2010 '000	Foreign amount 2009 '000	Average rate 2010	Average rate 2009	Namibia Dollar amount 2010 N$ '000	Namibia Dollar amount 2009 N$ '000
Bought						
Euros	2 847	18 147	9.55	12.71	27 181	230 583
Pound Sterling	82	-	12.11	-	993	-

(b) Foreign exchange options

The fair value of foreign exchange options represents the estimated amounts that the Group would receive or pay should the contracts be terminated at the reporting date, thereby taking into account unrealised gains and losses.

The foreign exchange options were valued by Rand Merchant Bank at 30 June 2010.

The Group issued and took out options to and from the bank to buy US Dollars for a minimum of N$7.72 and a maximum of N$8.03 as a hedge against exchange losses on future payments in US Dollars.

11. DERIVATIVE FINANCIAL INSTRUMENTS [continued]

(b) Foreign exchange options [continued]

GROUP

At 30 June 2010:

The options consist of various put and call options with expiry dates ranging from 28 July 2010 to 30 March 2011 and can be summarised as follows:

Direction	Strategy	Currency	Amount in foreign currency '000	Strike rate	Value N$ '000
Buy	Put	USD	(271)	7.80	(76)
Sell	Call	USD	271	7.80	69
Buy	Put	USD	(144)	7.88	(51)
Sell	Call	USD	144	7.88	48
Buy	Put	USD	(216)	8.03	(104)
Sell	Call	USD	216	8.03	97
Buy	Put	USD	(82)	7.72	(13)
Sell	Call	USD	82	7.72	11
					(19)
				Assets	-
				Liabilities	(19)

At 30 June 2009:

The options consist of various put and call options with expiry dates ranging from 27 July 2009 until 29 December 2009 and can be summarised as follows:

Direction	Strategy	Currency	Amount in foreign currency '000	Strike rate	Value N$ '000
Buy	Put	Euro	250	11.26	115
Sell	Call	Euro	(250)	11.33	(21)
Buy	Put	Euro	250	13.42	627
Sell	Call	Euro	(250)	13.97	-
Buy	Put	Euro	250	13.43	614
Sell	Call	Euro	(250)	14.03	(1)
Buy	Put	Euro	250	11.27	127
Sell	Call	Euro	(250)	11.41	(43)
Buy	Put	Euro	250	11.28	137
Sell	Call	Euro	(250)	11.54	(59)
Buy	Put	Euro	250	11.41	168
Sell	Call	Euro	(250)	11.74	(66)
Buy	Put	Euro	250	11.42	173
Sell	Call	Euro	(250)	11.83	(77)
Buy	Put	Euro	250	11.43	174
Sell	Call	Euro	(250)	11.95	(88)
Buy	Put	Euro	264	8.06	63
Sell	Call	Euro	(264)	8.06	(113)
Buy	Put	Euro	167	8.06	70
Sell	Call	Euro	(167)	8.06	(78)
					1 722
				Assets	1 780
				Liabilities	(58)

COMPANY			GROUP	

11. DERIVATIVE FINANCIAL INSTRUMENTS [continued]

(c) Interest rate collar

GROUP

The Group entered into a three-year zero premium stepped interest rate collar with a notional amount of N$300 million to reduce interest rate risk. The specific caps and floors are disclosed below:

At 30 June 2009:

Start	End	Notional N$ '000	Cap	Floor	Value N$ '000
29 May 2009	29 May 2010	300 000	10.00%	7.92%	1 993
					1 993

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Maturities of derivatives		
		The following table details the Group's liquidity analysis for its derivative instruments. The liquidity analysis is determined based on the maturity profile of the underlying instrument.		
		Year one		
		Net settled		
-	-	Interest rate swaps	-	(1 034)
-	-	Interest rate collar	-	(1 993)
-	-	Foreign exchange options	(19)	1 722
-	-	Foreign exchange forward contracts	(5 693)	(26 556)
-	-	**Total**	(5 712)	(27 861)

12. DEFERRED TAXATION

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Analysis for financial reporting purposes		
-	-	Deferred tax liabilities	(299 032)	(280 069)
-	-	Deferred tax assets	61 015	64 670
-	-	Net position	(238 017)	(215 399)
		The movements for the year in the deferred tax position were as follows:		
-	-	Charge to income for the year	(10 137)	(44 857)
-	-	Charge to equity for the year	(12 457)	(5 973)
-	-	Movement in deferred taxation on disposal of subsidiary	(24)	-
-	-	Total movements for the year	(22 618)	(50 830)
-	-	Balance at beginning of year	(215 399)	(164 569)
-	-	Balance at end of year	(238 017)	(215 399)
		Deferred taxation liability on temporary differences arises from:		
-	-	Fixed asset allowances	(331 338)	(278 474)
-	-	Debtors' allowances	1 189	1 252
-	-	Brand equity written off	738	868
-	-	Consumable stores	(12 352)	(35 682)
-	-	Tax losses	57 338	46 898
-	-	Biological asset allowances	(11 717)	(11 207)
-	-	Other	(2 890)	(3 724)
-	-		(299 032)	(280 069)
		Deferred taxation asset on temporary differences arises from:		
-	-	Fixed asset allowances	(76 187)	(72 507)
-	-	Consumable stores	(2 591)	(2 831)
-	-	Tax losses	137 853	137 465
-	-	Other	1 940	2 543
-	-		61 015	64 670

13. RELATED PARTIES

During the year the Group, in the ordinary course of business, entered into various sale and purchase transactions with its holding Company and all other related parties.

These transactions occurred under terms that are negotiated between the parties.

The following parties are included as related parties:

Heineken International BV, Heineken South Africa Export Company (Proprietary) Limited, Diageo Great Britain Limited and Diageo South Africa (Proprietary) Limited, due to their significant influence on Namibia Breweries Limited; Dimension Data Namibia (Proprietary) Limited; Ohlthaver & List Employee Catastrophe Fund Trust; OLIFA Hotels & Resorts Namibia (Proprietary) Limited (Joint Venture), Diageo, Heineken, Nambrew Drinks (Proprietary) Limited (Joint Venture); IFA Hotels & Resorts Namibia (Proprietary) Limited (Joint Venture partner); Development Bank of Namibia (S Thieme, Director in 2009) and AMW Roberts (Director in 2009). The Werner List Trust is the majority shareholder of List Trust Company (Proprietary) Limited, which is the ultimate holding company of Ohlthaver & List Finance and Trading Corporation Limited. Epia Investment Holdings (Proprietary) Limited is a related party due to its shareholding in O&L Holdings (Proprietary) Limited, which in turn is the immediate holding company of Ohlthaver & List Finance and Trading Corporation Limited. The following persons, S Thieme, UM Stritter, P Grüttemeyer, G Hanke, TZM Hijarunguru, B Mukuahima and AMW Roberts, all Directors, are shareholders of the Eight Namibian Investors (Proprietary) Limited.

The following persons are included as key management:

E Ender, P Grüttemeyer, G Hanke, T Z M Hijarunguru, C L List, H E List, E E C H Lorck, B Masche, B Mukuahima, A Mushimba, A M W Roberts (2009 only), U M Stritter, S Thieme, D van Jaarsveld, H Müseler, H van der Westhuizen, E P Shiimi, H Hamm, R Locke, P Laaser, M Reilly, I Stinnes, M Wenk, H Feris.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Non-current assets		
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	99 200	34 483
38	38	List Trust Company (Proprietary) Limited	38	38
-	-	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	60 281	-
38	38		159 519	34 521
		Current assets		
-	-	The Werner List Trust	-	378
-	11	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	2 815	55 196
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	109 696	178 828
-	-	Heineken South Africa Export Company (Proprietary) Limited	5 309	-
-	-	Diageo Great Britain Limited	3 304	-
-	-	Diageo South Africa (Proprietary) Limited	9 113	-
-	1 017	Ohlthaver & List Holdings (Proprietary) Limited	1 033	-
-	-	Dimension Data Namibia (Proprietary) Limited	112	209
-	-	Zambezi Queen (Proprietary) Limited	48	38
-	1 028		131 430	234 649

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		13. RELATED PARTIES [continued]		
		Current liabilities		
-	-	AMW Roberts	-	483
-	-	Directors and past Directors	1 611	-
-	-	Dimension Data Namibia (Proprietary) Limited	2 589	2 771
-	-	The Werner List Trust	1 210	-
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	-	14 929
-	-	Ohlthaver & List Employee Catastrophe Fund Trust	1 270	1 240
-	-	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	235	238
7	2	The Eight Namibian Investors (Proprietary) Limited	2	7
7	2		6 917	19 668

The loan from AMW Roberts bore interest at prime less 3% and was repayable at N$100 000 per month. The loan was settled during the current year.

The loan from Ohlthaver & List Employee Catastrophe Fund Trust bears interest at prime minus 2% and no repayment terms have been set.

The loan from the Eight Namibian Investors (Proprietary) Limited bears interest at prime rate.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Non-current liabilities		
		At amortised cost		
-	-	Development Bank of Namibia	-	43 789
		At fair value through profit or loss		
-	-	Parties to the joint venture - Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	188 258	188 258
-	-		188 258	232 047

The loan from Development Bank of Namibia bears interest at prime less 2%. Repayment of the loan is over 6 years and repayment commenced in 2010. The loan was reclassified to interest-bearing borrowings as the Development Bank of Namibia is no longer a related party in 2010.

The amount classified at fair value through profit or loss relates to the fair value of the repurchase obligation for the distribution rights, which will expire at the end of the contract. The fair value of this liability is determined using inputs that are not based on observable market data. There have been no changes, transfers or gains and losses recognised in the current year.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		ANALYSIS OF REPAYMENTS		
		Repayable during the 12 months to:		
7	-	30 June 2010	-	19 668
-	2	30 June 2011	6 917	4 428
-	-	30 June 2012	-	4 228
-	-	30 June 2013	-	4 670
-	-	30 June 2014	-	4 670
-	-	30 June 2015 and payable thereafter	188 258	214 051
7	2		195 175	251 715
		ANALYSIS BY CURRENCY		
7	2	Namibia Dollar	6 917	63 457
-	-	SA Rand	188 258	188 258
7	2		195 175	251 715

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		13. RELATED PARTIES [continued]		
		Revenue		
		Included in revenue is the following from related parties:		
-	-	Sales to Directors	378	169
-	-	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	462	3 947
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	897 884	845 595
-	-	Diageo Great Britain Limited	13 098	-
-	-	Diageo South Africa (Proprietary) Limited	99 776	-
-	-	Heineken South Africa Export Company (Proprietary) Limited	69 527	-
-	-	Dimension Data (Proprietary) Limited	174	-
		Proceeds on the sale of Farm Gocheganas		
-	-	U M Stritter	-	7 800
		Dividends received		
1 470	727	ICT Holdings (Proprietary) Limited	-	-
125	140	Namibia Breweries Limited	-	-
1 489	1 300	Central Properties (Proprietary) Limited	-	-
12 570	17 000	Ohlthaver and List Beverage Company (Proprietary) Limited	-	-
		Insurance premiums received		
4	1	Broll and List Property Management (Namibia) (Proprietary) Limited	-	-
83	10	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	-	-
6	-	Consortium Fisheries Limited	-	-
21	5	Dimension Data Namibia (Proprietary) Limited	-	-
3	1	Eros Air (Proprietary) Limited	-	-
148	47	Hangana Seafood (Proprietary) Limited	-	-
23	1	Kilimanjaro Trading (Proprietary) Limited	-	-
60	32	Kraatz Marine (Proprietary) Limited	-	-
678	222	Namibia Dairies (Proprietary) Limited	-	-
92	25	Ohlthaver & List Centre (Proprietary) Limited	-	-
6	3	Wernhil Park (Proprietary) Limited	-	-
88	7	Windhoek Schlachterei (Proprietary) Limited	-	-
384	51	WUM Properties Limited	-	-
		Management fees received		
-	-	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	786	539
-	-	Dimension Data Namibia (Proprietary) Limited	565	894
-	-	The Werner List Trust	104	104
		Royalty income		
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	39 473	28 789
-	-	Diageo Great Britain Limited	457	-
-	-	Diageo South Africa (Proprietary) Limited	3 483	-
		Interest received		
-	-	The Werner List Trust	56	62
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	10 468	3 008
-	-	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	402	3 070
-	-	Dimension Data Namibia (Proprietary) Limited	1	1
		Rent received		
-	-	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	263	317

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		13. RELATED PARTIES [continued]		
		Details of expenses paid to subsidiaries and other related parties as disclosed in Notes 27 and 30:		
		Interest		
859	-	Diageo Heineken Namibia BV	-	859
-	-	AMW Roberts	-	116
2 116	1 231	Hangana Seafood (Proprietary) Limited	-	-
-	-	Ohlthaver & List Employee Catastrophe Fund Trust	116	150
-	-	The Werner List Trust	5	34
2 616	2 936	Namibia Dairies (Proprietary) Limited	-	-
		Insurance claims		
32	-	Namibia Breweries Limited	-	-
(9)	-	Broll and List Property Management (Namibia) (Proprietary) Limited	-	-
286	217	Hangana Seafood (Proprietary) Limited	-	-
-	119	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	-	-
5	11	Kilimanjaro Trading (Proprietary) Limited	-	-
5	6	Kraatz Marine (Proprietary) Limited	-	-
330	6	Namibia Dairies (Proprietary) Limited	-	-
26	-	Ohlthaver & List Centre (Proprietary) Limited	-	-
41	-	Windhoek Schlachterei (Proprietary) Limited	-	-
242	31	WUM Properties Limited	-	-
		Management fees		
-	-	Diageo PLC	2 170	2 000
-	-	Heineken International BV	2 170	2 000
		Purchases		
-	-	Dimension Data Namibia (Propietary) Limited	12 360	899
		Royalties		
-	-	Heineken International BV	2 129	5 193
		Technical fees		
-	-	Dimension Data Namibia (Proprietary) Limited	-	6 014
-	-	Heineken International BV	1 492	784
		Key management personnel compensation		
17 272	14 194	Short-term benefits	25 710	25 531
-	1 575	Termination benefits	1 575	-
17 272	15 769		27 285	25 531
		Compensation paid to the Board of Directors is aggregated below, together with the aggregate compensation paid to the executive Directors.		
		The Directors' emoluments are as follows:		
		Executive Directors - for managerial services		
12 276	8 750	Basic remuneration and allowances		
1 913	1 836	Retirement, medical and other benefits		
1 180	3 530	Loss of office and restraint of trade		
15 369	14 116			
		Non-executive Directors		
280	353	Directors' fees		
1 623	1 300	For other services		
1 903	1 653			
		Paid by:		
120	193	Company		
17 152	15 576	Subsidiaries		
17 272	15 769			

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		14. INVENTORIES		
-	-	Raw materials	34 872	57 129
-	-	Work in progress - manufacturing	19 759	27 602
-	-	Work in progess - construction	6 443	32 810
-	-	Finished products	49 787	61 318
-	-	Consumable stores	67 682	81 242
-	-	Merchandise	57 210	52 841
-	-		235 753	312 942
		Included in the amount above are the following inventories carried at net realisable value:		
-	-	Work in progress - manufacturing	-	1 189
-	-	Finished products	5 304	3 295
-	-		5 304	4 484
		15. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
		The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:		
-	-	Freehold land and buildings	1 707	2 115
-	-	Investment property	2 822	2 390
-	-	Total non-current assets classified as held for sale	4 529	4 505
-	-	Mortgage and other secured loans	-	(51)
-	-	Liabilities directly associated with non-current assets classified as held for sale	-	(51)
-	-	Net assets of disposal group	4 529	4 454
		2010		
		Included in assets classified as held for sale are various company houses in Windhoek, Walvis Bay, Swakopmund, Lüderitz, Otjiwarongo and Gobabis.		
		2009		
		Included in assets classified as held for sale are various company houses in Windhoek, Walvis Bay, Swakopmund, Lüderitz, Otjiwarongo, Rehoboth and Gobabis.		
		Certain assets classified as held for sale were encumbered in 2009 as disclosed in Note 37.		
		16. CONSTRUCTION CONTRACTS		
		Contracts in progress at the reporting date:		
-	-	Construction costs incurred plus recognised profits less recognised losses to date	11 579	28 218
-	-	Less: Progress billing	(1 200)	(22 575)
-	-		10 379	5 643
		Recognised and included in the financial statements as amounts due:		
-	-	From customers under construction contracts including retentions (Note 5)	10 379	5 643

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		17. ORDINARY SHARE CAPITAL		
		Authorised		
6 000	6 000	12 000 000 (2009: 12 000 000) shares of N$0.50 each	6 000	6 000
		Issued		
2 747	2 747	5 492 917 (2009: 5 492 917) ordinary shares of N$0.50 each	2 747	2 747
645	645	Share Premium	645	645
3 392	3 392		3 392	3 392

The unissued 6 507 083 ordinary shares of the Company are under the control of the Directors. In terms of the Companies Act, this authority expires at the forthcoming Annual General Meeting. Members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in 2011.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		18. NON-DISTRIBUTABLE RESERVES		
		Movement for the year		
-	-	Revaluation of freehold land and buildings	48 475	30 498
-	-	Deferred tax liability arising on revaluation of properties	(13 085)	(6 373)
-	-	Transfer to retained earnings	(867)	-
-	-	Deferred tax released on disposal of revalued properties	-	400
-	-	Realised surplus on disposal of freehold land and buildings	-	(3 047)
-	54 949	Arising on share-based payments (Note 29)	54 949	-
-	-	Exchange differences arising from translation of foreign operations	(1 993)	(1 546)
-	-	Transfer of translation reserve on disposal of subsidiary	1 906	-
-	54 949	Total movements for the year	89 385	19 932
-	-	Balance at beginning of the year	218 467	198 535
-	54 949	Balance at end of the year	307 852	218 467
		Comprising:		
-	-	Unrealised surplus on revaluation of freehold land and buildings	252 903	218 380
-	54 949	Equity-settled share-based payment reserve	54 949	-
-	-	Translation reserve	-	87
-	54 949		307 852	218 467

The equity-settled share-based payment reserve arose from a share-based payment that was made in the current year as a result of a broad-based community economic empowerment transaction between the Group and Epia Investment Holdings (Proprietary) Limited.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		19. INTEREST-BEARING BORROWINGS [Annexure A]		
-	-	Preference share capital	147 300	168 839
-	-	Debentures	-	-
2 843	-	Mortgage and other secured loans	296 244	141 017
-	5 794	Instalment sales and lease creditors	171 316	113 389
-	55 000	Unsecured Domestic Medium Term notes	55 000	-
2 843	60 794		669 860	423 245

Security for interest-bearing borrowings is set out in Note 37.

At 30 June 2010, Hangana Seafood (Proprietary) Limited did not meet the interest cover ratio as stipulated in the agreement with Nedbank. This has been communicated to Nedbank and confirmation was obtained that the outstanding balance will not be recalled with immediate effect. Subsequent to year end, the interest cover ratio covenant has been waived by Nedbank.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		20. DEFERRED INCOME		
-	-	Deferred income	227 526	256 292
		Analysed as:		
-	-	Non-current liabilities	216 701	245 467
-	-	Current liabilities	10 825	10 825
-	-		227 526	256 292

Deferred income represents prepaid operating lease income which is recognised in profit or loss over a period of 25 years on a straight-line basis.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		21. PROVISIONS		
-	-	Provision for post-retirement medical aid costs	13 715	13 953
-	-	Provision for severance pay	17 988	17 010
-	-	Provision for probable losses	-	28 421
-	-	Provision for probable claims	1 862	966
-	-		33 565	60 350
		Analysed as:		
-	-	Non-current liabilities	31 703	30 963
-	-	Current liabilities	1 862	29 387
-	-		33 565	60 350

21.1 Provision for post-retirement medical aid costs

The Group subsidises 50% of the medical aid contribution in respect of certain retired employees on an ad-hoc basis based on past negotiations. Provisions are made for these costs.

Valuation method and assumptions

The actuarial valuation method used to value the liabilities is the Projected Unit Credit Method prescribed by IAS 19 Employee Benefits. Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.

The most significant assumptions used are:

	GROUP 2010	GROUP 2009
Discount rate	9.00% p.a.	9.25% p.a.
Health care cost inflation	7.50% p.a.	8.00% p.a.

The assumed rates of mortality are per PA (90) ultimate table rated down 2 years plus 1% improvement p.a. from a base year of 2006. No explicit assumptions were made about additional mortality or health care costs due to HIV/AIDS.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010	GROUP 2009
		Reconciliation of net liability in the Statement of Financial Position	N$'000	N$'000
-	-	Opening balance	13 953	12 266
-	-	Interest cost	1 242	1 144
-	-	Actuarial loss recognised	(472)	1 404
-	-		14 723	14 814
-	-	Expected employer benefit payments	(1 008)	(861)
-	-		13 715	13 953

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000

21. PROVISIONS [continued]

21.1 Provision for post-retirement medical aid costs [continued]

An independent actuarial valuation was performed by Alexander Forbes Financial Services at 30 June 2010.

Sensitivity analysis of health care cost inflation
A one percentage point decrease or increase in the rate of health care cost inflation will have the following effect:

– The accrued liability as at 30 June 2010 will decrease by N$1.189 million or increase by N$1.380 million respectively; and

– The current service cost and interest cost will decrease by N$0.107 million or increase by N$0.124 million respectively.

21.2 Provision for severance pay

In accordance with section 35 (1) of the Namibia Labour Act, 2007, severance benefits are payable to an employee, if the employee is unfairly dismissed, dies while employed or resigns/retires on reaching the age of 65 years. The statutory termination benefits provided are classified as defined benefits and are determined based on one weeks' salary/wages for each completed year of service.

Valuation method and assumptions
The actuarial valuation method used to value the liabilities is the Projected Unit Credit Method prescribed by IAS 19 Employee Benefits. Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.

The most significant assumptions used are:

	GROUP 2010	GROUP 2009
Discount rate	9.00% p.a	9.25% p.a
Inflation rate	6.50% p.a	7.00% p.a
Salary increase rate	7.50% p.a	8.00% p.a

Since the Namibia Labour Act came into effect on 1 November 2008, the full liability has been expensed in the previous year as a past service cost.

COMPANY 2009	COMPANY 2010		GROUP 2010	GROUP 2009
			N$ '000	N$ '000
		Reconciliation of net liability in the Statement of Financial Position		
-	-	Past service costs	17 010	15 839
-	-	Service costs	1 760	1 132
-	-	Interest costs	1 734	1 033
-	-	Actuarial gain	(1 437)	(841)
-	-		19 067	17 163
-	-	Employer benefit payments	(1 079)	(153)
-	-		17 988	17 010

An independent actuarial valuation was performed by Alexander Forbes Financial Services at 30 June 2010.

21. PROVISIONS [continued]

21.3 Provision for probable claims

One of the subcontractors instituted a claim against Kraatz Marine (Proprietary) Limited relating to the Large Cherenkov Telescope (LCT) project. This claim of N$1.314 million is based on the additional costs incurred by the subcontractor due to a delay in the project.

There is also a claim by a customer for spares incorrectly invoiced by Kraatz Marine (Proprietary) Limited, which will be refunded to the customer.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
		Movement of provision		
400	-	Balance at the beginning of the year	966	1 366
(400)	-	Utilisation of provision	-	(400)
-	-	Amount charged to profit or loss	896	-
-	-		1 862	966

21.4 Provision for probable losses

A provision for losses was raised on the LCT project as the estimated costs to finalise the project exceeded the projected revenues. The provision has been utilised in the current year as the Max Planck Institute terminated the contract and final settlement was reached between the parties subsequent to year end.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
-	-	Balance at the beginning of the year	28 421	-
-	-	Amount reclassified from trade receivables	-	8 421
-	-	Amount charged to profit or loss	-	20 000
-	-	Utilisation of the provision	(28 421)	-
-	-		-	28 421

22. TRADE AND OTHER PAYABLES

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
-	-	Trade payables	298 221	355 736
-	-	Value-added tax	4 945	6 934
-	-	Quota levies	8 630	7 314
-	-	Bonus accrual	31 930	29 333
-	-	Leave pay accrual	19 089	14 076
3 760	72	Shareholders for dividend	72	3 760
1 436	2 670	Other	157 506	104 114
5 196	2 742		520 393	521 267
		Analysed as:		
5 196	2 742	Current liabilities	520 393	521 267

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

The average credit period on purchase of certain goods from major creditors is 30 to 90 days. No interest is charged on the trade payables for the first 30 to 90 days from the date of the invoice. Thereafter, interest is charged at varying rates ranging from nil to 30% per annum on the outstanding balance. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		23. SHORT-TERM BORROWINGS		
		Financial liabilities at amortised cost		
2 667	17 349	Bank overdrafts	115 380	129 393
-	-	Secured short-term loans	-	5 000
-	-	Current portion of preference share capital (Annexure A)	32 289	32 580
655	-	Current portion of mortgage and other secured loans (Annexure A)	178 461	23 163
-	3 906	Current portion of instalment sale and lease creditors (Annexure A)	53 205	31 401
-	-	Current portion of debentures (Annexure A)	-	39 000
-	656	Current portion of unsecured Domestic Medium Term notes (Annexure A)	656	-
-	-	Current portion of unsecured long-term loans (Annexure A)	-	24 081
3 322	21 911		379 991	284 618
		Bank overdrafts and secured short-term loans bear interest of between prime and prime +1% and are renegotiated every year.		
4 093	4 516	Unutilised bank overdraft facilities	39 028	66 210
		Security for interest-bearing borrowings is set out in Note 37.		
		24. REVENUE		
-	-	Sale of goods	3 207 884	2 947 522
-	-	Rendering of services	33 781	72 070
-	-	Royalty income	43 413	28 789
-	-	Rent received	64 536	63 504
15 654	19 167	Dividends received	-	-
1 596	405	Insurance premiums received	-	-
5	-	Other	6 390	7 473
17 255	19 572		3 356 004	3 119 358
		Inclusive of:		
-	-	Export sales	1 270 433	1 240 772
17 255	19 572	Revenue from subsidiaries and other related parties	1 124 712	879 933

The rental income from Wernhil Park and Alexander Forbes House has been ceded to First National Bank of Namibia.

25. OTHER GAINS AND LOSSES

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
		Gains		
-	-	Fair value adjustments on held for sale assets	433	455
-	-	Fair value adjustments on biological assets	903	6 144
-	-	Fair value adjustments for investment property	27 938	8 741
		Gains on foreign exchange transactions		
-	-	- unrealised	322	1 780
8 124	-	- realised	9 250	24 592
-	-	Negative goodwill	-	29
		Profit on disposal of property, plant and equipment		
-	-	- land and buildings	95	1 007
-	-	- plant and machinery	953	63
-	-	- vehicles	1 361	1 590
-	-	- furniture and equipment	510	47
-	-	- fishing vessels	-	162
-	-	Profit on sale of subsidiary	1 785	-
17 087	3 635	Reversal of provision for losses of subsidiaries	-	-
-	-	Reversal of impairment losses on trade receivables	1 745	4 676
-	-	Movement on deferred income	11 146	11 146
1 264	-	Unrealised gain on investment	-	-
26 475	3 635	Total gains	56 441	60 432
		Losses		
-	-	Impairment losses on property, plant and equipment	-	2 240
-	-	Impairment losses on trade receivables	2 725	1 748
-	-	Fair value adjustment on derivative financial instruments	225	13 655
-	-	Loss on disposal of asset held for sale	52	71
-	-	Impairment losses on goodwill	-	6
		Loss on disposal of property, plant and equipment		
-	-	- land and buildings	16	52
-	-	- plant and machinery	452	129
-	-	- vehicles	453	122
-	-	- furniture and equipment	297	662
-	-	- containers	5 503	3 219
61	-	Loss on deregistration of company	-	61
		Loss on foreign exchange transactions		
-	-	- unrealised	5 980	27 087
9 131	-	- realised	15 822	27 111
-	1	Loss on disposal of subsidiary	1	-
22 693	26 947	Provision for losses of subsidiaries	-	-
31 885	26 948	Total losses	31 526	76 163
(5 410)	(23 313)	Net (losses)/ gains	24 915	(15 731)

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000			GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
		26. OPERATING EXPENSES			
		Costs by nature			
-	-	Depreciation		114 747	88 427
-	-	Amortisation		3 663	5 849
-	-	Employment costs		498 019	428 534
4 127	4 604	General charges		281 804	225 143
-	-	Railage and transport		142 906	136 945
-	-	Raw material and consumables		1 910 384	1 825 153
-	-	Repairs and maintenance		57 822	50 328
4 127	4 604			3 009 345	2 760 379
		Costs by function			
-	-	Costs of goods sold		2 459 682	2 250 974
4 127	4 604	Selling, administration and distribution costs		549 663	509 405
4 127	4 604			3 009 345	2 760 379
		27. OPERATING PROFIT/ (LOSS)			
		is arrived at after taking account of:			
		Income			
		Income from related parties			
15 654	19 167		- dividends	-	-
-	-		- interest received	10 927	6 141
1 596	405		- insurance premiums received	-	-
-	-		- management fees received	1 455	1 537
-	-		- royalties	43 413	28 789
-	-		- rent	263	317
		Expenses			
585	833	Audit fees	- current year	5 266	4 849
162	41		- prior year	628	1 361
566	-		- other services	4	1 114
		Amortisation of intangible assets			
-	-		- business process re-engineering	456	4 321
-	-		- brand equity	-	5
-	-		- other	3 207	1 523
-	-	Depreciation		114 747	88 427
-	-	Fees for services	- administration	-	7 462
120	-		- managerial	6 565	6 093
-	-		- marketing	96	796
-	-		- technical	8 804	9 875
		Operating lease payments			
-	-		- land and buildings	18 433	18 597
-	-		- plant and machinery	262	4 612
-	-		- vehicles	1 445	227
-	-		- furniture and fittings	-	1 419
		Related party charges			
17 272	15 769		- directors' remuneration	15 769	17 272
-	-		- management fees	4 340	4 000
-	-		- purchases	12 360	899
-	-		- royalties	2 129	5 193
-	-		- technical fees	1 492	6 798
-	-	Number of employees at the end of the year		4 831	4 595
		28. INCOME FROM ASSOCIATE AND JOINT VENTURES			
-	-	Share of losses in joint ventures		(91 781)	(41 567)
-	-	Share of profits in associate		1 992	1 130
-	-	Dividends received from associate		1 743	1 470
-	-			(88 046)	(38 967)

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000

29. SHARE-BASED PAYMENT EXPENSE

The following share-based payment expense was recognised in profit or loss during the year:

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
-	54 949	Share-based payment expense	54 949	-

A broad-based community economic empowerment transaction was entered into during the current year with Epia Investment Holdings (Proprietary) Limited (Epia), in terms of which Epia received an effective shareholding of 24.5% in Ohlthaver & List Finance and Trading Corporation Limited (OLFITRA) through a disposal of 50.1% of the shares in OLFITRA by List Trust Company (Proprietary) Limited to a new holding company, Ohlthaver & List Holdings (Proprietary) Limited, and Epia's 49% interest in Ohlthaver & List Holdings (Proprietary) Limited. As OLFITRA will receive services as consideration for equity instruments, the transaction is an equity-settled share-based payment transaction.

The share-based payment is measured at the fair value of equity instruments granted. The economic characteristics of the equity instruments granted to the BEE party, being the shares in O&L Holdings (Proprietary) Limited, resembles the payoff profile of a call option and as a result is treated and valued as a call option. The fair value of the call option was determined using an option pricing model called Monte Carlo Simulation which has become the standard market accepted methodology in southern Africa. The grant date was 31 March 2010.

The valuation arrived at using the Monte Carlo Simulation was not based on an observable market price. The key inputs to the valuation are as follows:

1. Valuation of OLFITRA at the grant date which was determined using a discounted cash flow valuation technique. The valuation was determined internally by management based on an externally developed valuation model for the purposes of certain recent transactions. The key assumptions to the discounted cash flow model included:

    - Market price of the shares on the Namibian Stock Exchange for the listed subsidiary company;
    - Market value as determined by independent expert valuators for the Group's property portfolio;
    - Growth rates for the projected free cash flows for the Group;
    - Discount rates applied were affected by the expected debt/equity ratio, the risk-free rate reflected by government bond rates, Namibian prime rates and other risk premium adjustments considered by management to be an appropriate reflection of the environment the Group operates in; and
    - Volatility of the share price was based on the significant subsidiaries' contribution to the Group's EBITDA (Earnings before interest, taxation, depreciation and amortisation). Proxy companies, as determined by management were used to replicate OLFITRA's share price volatility.

2. Management projections and estimates of the expected future dividend flows over the next ten years from OLFITRA, which are to be used to settle the interest-free ten year loan granted by List Trust Company (Proprietary) Limited to Ohlthaver & List Holdings (Proprietary) Limited.

3. Management projections of the likelihood of certain outcomes occurring. The specific outcomes were committed and agreed to by the BEE partner and affect:

    - the repayment profile of the loan out of the dividend streams from OLFITRA; and
    - the performance of the Group.

29. SHARE-BASED PAYMENT EXPENSE [continued]

4. The assumptions applied were:

- Share price on grant date was N$83.68 per share;
- Percentage of dividend applied to loan repayment is 66.07%, declining to 38.54% in year 10;
- Volatility of 33.06%;
- Discount rate of 10.4%; and
- Risk-free rate of 7.73%.

The share-based payment expense should be recognised over the period of service provided by the counterparty. As the period of service provided by the BEE parties and the specific service cannot be accurately determined, the total share-based payment was recognised as an expense at the grant date, with the corresponding credit a contribution to equity (equity-settled share-based payment reserve - Note 18). The share-based payment is not remeasured at subsequent reporting dates.

30. FINANCE COSTS

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
1 151	813	Bank and other	72 963	60 608
-	-	Debentures	865	4 516
-	3 133	Domestic Medium Term notes	3 133	-
4 732	4 167	Subsidiaries	-	-
859	-	Related parties	121	1 159
-	-	Preference share dividends	15 013	19 607
6 742	8 113	Total borrowing costs	92 095	85 890
-	-	Less: amounts included in the cost of qualifying assets	(2 138)	(3 635)
6 742	8 113		89 957	82 255

31. INCOME FROM INVESTMENTS

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000			GROUP 2010 N$ '000	GROUP 2009 N$ '000
-	-	Dividends	- listed investments	12	7
4 359	674	Interest	- bank and other	10 748	17 167
-	4 270		- related parties	10 927	6 141
4 359	4 944			21 687	23 315

32. TAXATION

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000			GROUP 2010 N$ '000	GROUP 2009 N$ '000
-	-	Namibian taxation		74 778	81 586
-	-	Foreign taxation		13 421	11 977
-	-			88 199	93 563
		Comprising:			
-	-	Normal taxation	- current year	78 062	48 967
-	-		- prior year	-	(261)
-	-	Deferred taxation	- current year	8 261	44 857
-	-		- prior year	1 876	-
-	-			88 199	93 563

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		32. TAXATION [continued]		
		The charge for the year can be reconciled to the statutory tax rate as follows:		
%	%		%	%
-	-	Effective rate of taxation	55.0	38.1
		Reduction of rate of taxation due to:		
		- incentive allowances	21.8	7.4
53.3	9.8	- exempt income	4.4	2.1
-	-	- use of tax losses relating to prior periods	0.7	0.5
-	-	- timing differences not provided for	0.8	-
-	-	- prior year adjustment	0.2	-
-	-	- tax rate change	1.1	1.8
		Increase in rate of taxation due to:		
(9.9)	(41.7)	- disallowable expenditure	(36.0)	(10.1)
-	-	- timing differences not provided for	-	(0.1)
(8.4)	(2.1)	- current year's tax losses available for allowance against taxable income	(14.0)	(4.7)
35.0	(34.0)	Net reduction in rate of taxation for the year	(21.0)	(3.1)
35.0	(34.0)	Namibian normal taxation rate	34.0	35.0
N$'000	N$'000		N$'000	N$'000
16 628	20 750	Estimated tax losses available for set-off against future taxable income	1 003 279	837 787
-	-	Less: Applied to offset any deferred taxation liability	(462 618)	(352 342)
16 628	20 750		540 661	485 445
-	-	Less: Utilised to create deferred taxation asset	(148 660)	(184 074)
16 628	20 750		392 001	301 371
-	-	Estimated capital allowances for set-off against future farming income	23 660	35 587

No taxation has been provided for in the Company and certain subsidiaries as they did not earn any taxable income during the year. In addition to the amount charged to profit or loss, deferred tax relating to the revaluation of the Group's properties amounting to N$12.46 million was charged to other comprehensive income (2009: N$5.97 million).

33. RETIREMENT BENEFIT INFORMATION

Retirement fund

The total value of contributions to the Ohlthaver & List Retirement Fund during the year amounted to:

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
-	-	Members' contributions	15 936	15 369
-	-	Employer contributions	31 678	24 520
-	-		47 614	39 889

This is a defined contribution plan fund and is regulated by the Pension Fund Act. The fund is valued at intervals of not more than three years. The fund was valued by an independent consulting actuary at 31 January 2009 and its assets were found to exceed its actuarially calculated liabilities.

Medical aid fund

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
-	-	Total value of company contributions during the year	11 527	10 015

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated

34. NOTES TO THE STATEMENTS OF CASH FLOWS

34.1 Cash generated/ (utilised) by operations

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
5 335	(66 463)	Profit/ (loss) before taxation	160 309	245 341
		Adjustments for:		
-	-	Amortisation	3 663	5 849
-	-	Depreciation	114 747	88 427
(15 654)	(19 167)	Dividend income	(12)	(7)
-	-	Fair value adjustment for asset held for sale	(433)	(455)
-	-	Fair value adjustments for investment property	(27 938)	(8 741)
-	-	Fair value adjustments of derivative financial instruments	225	13 655
-	-	Fair value adjustment on livestock, agronomy products and assets	(903)	(6 144)
6 742	8 113	Finance costs	74 944	62 648
-	-	Net unrealised foreign exchange loss	5 658	25 307
-	-	Impairment losses on goodwill	-	6
-	-	Impairment losses on property, plant and equipment	-	2 240
(400)	-	(Decrease)/ increase in provisions	(26 785)	46 718
-	-	Decrease in translation reserve	(2 346)	(1 828)
(4 359)	(4 944)	Interest received	(21 675)	(23 308)
-	-	Preference share dividends	15 013	19 607
-	1	Loss/ (profit) on disposal of subsidiaries	(1 784)	-
-	-	Negative goodwill recognised in profit or loss	-	(29)
-	-	Net profit on disposal of property, plant and equipment	3 802	1 315
-	-	Net loss on disposal of assets available for sale	52	71
-	-	Impairment loss recognised on trade receivables	2 725	1 748
-	-	Movement in deferred income	(11 146)	(11 146)
61	-	Loss on deregistration of company	-	61
5 606	23 312	Provision for losses in subsidiary	-	-
-	-	Reversal of impairment losses on trade receivable	(1 745)	(4 676)
-	54 949	Share-based payment expense	54 949	-
-	-	Share of losses in associate and joint ventures	89 789	40 437
(1 264)	-	Unrealised gain on investment	-	-
(3 933)	(4 199)	Cash generated/ (utilised) before working capital changes	431 109	497 096
370	1 199	Working capital changes	20 424	(44 939)
-	-	Inventories	75 134	(107 216)
-	-	Biological assets	(1 493)	(2 558)
-	-	Derivatives	(28 031)	12 203
42	(35)	Trade and other receivables	(28 001)	705
328	1 234	Trade and other payables	2 815	51 927
(3 563)	(3 000)	Cash generated/ (utilised) by operations	451 533	452 157

34.2 Interest received

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
4 359	4 944	Interest received recognised in profit or loss	21 675	23 308
-	-	Interest received capitalised on loan account of related parties	(10 927)	(6 141)
(3 873)	-	Interest received capitalised on investments	-	(3 862)
486	4 944	Cash amounts received	10 748	13 305

34.3 Finance costs

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
6 742	8 113	Finance costs recognised in profit or loss	74 944	62 648
-	-	Finance costs capitalised on interest-bearing borrowings	-	-
6 742	8 113	Cash amounts paid	74 944	62 648

34.4 Preference share dividends paid

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000 Restated
-	-	Accrued interest at the beginning of the year	3 619	4 744
-	-	Preference share dividends recognised in profit or loss	15 013	19 607
-	-	Accrued interest at the end of the year	(2 789)	(3 619)
-	-	Cash amounts paid	15 843	20 732

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		34. NOTES TO THE STATEMENTS OF CASH FLOWS [continued]		
		34.5 Dividends paid		
3 735	3 760	Amounts unpaid at the beginning of the year	3 760	3 735
3 735	-	Ordinary dividends	-	3 735
-	-	Dividend paid to outside shareholders	64 588	57 323
(3 760)	(72)	Amounts unpaid at the end of the year	(72)	(3 760)
3 710	3 688	Cash amounts paid	68 276	61 033
		34.6 Taxation paid		
		Taxation paid is reconciled to the amounts disclosed in profit or loss as follows:		
-	-	Amounts unpaid less overpaid at the beginning of the year	7 899	11 479
-	-	Taxation paid per profit or loss	78 062	48 706
-	-	Tax liability of subsidiary sold	(5 079)	-
-	-	Amounts unpaid less overpaid at the end of the year	(7 015)	(7 899)
-	-	Cash amounts paid	73 867	52 286
		34.7 Non-cash flow movement		
-	-	Debtor resulting from disposal of subsidiary	11 250	-
-	-	Cession of preference share debt from First National Bank to Standard Bank	79 800	-
-	-	Conversion of short-term debt into long-term debt	73 200	-
-	-	Development Bank of Namibia loan now classified as long-term debt, previously related party loan	43 789	-
-	-	OLIFA related party loan reclassified from current to non-current related party loans	54 413	-
-	-	Related party balances	(17 621)	(17 405)
-	-	Deferred income	17 621	17 405
1 264	-	Loans to / from holding company and fellow subsidiaries	-	-
		Non-cash flow movements on reversal of shares forfeited to the NBL Share Purchase Trust		
-	-	–Intangible assets	35	-
-	-	–Related party balance	14	-
		34.8 Decrease in cash flow due to disposal of subsidiary		
		During the year, the Group sold Freshuila Limitada. The carrying values of assets and liabilities sold were as follows:		
-	-	Inventory	2 055	-
-	-	Trade and other receivables	3 328	-
-	-	Property, plant & equipment	4 108	-
-	-	Taxation	(5 079)	-
-	-	Deferred taxation	24	-
-	-	Non-controlling interest	(1 305)	-
-	-		3 131	-
-	-	Add: Profit on sale of shares in subsidiary	1 784	-
-	-	Non-cash flow movement in debtor as proceeds have not been received yet	(11 250)	-
-	-	Net decrease in cash due to disposal of subsidiary	(6 335)	-
		34.9 Cash and cash equivalents at the end of the year		
-	34	Cash and bank	88 898	81 682
-	-	Funds on call and short-term investments	115 538	37 657
-	34		204 436	119 339

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		35. COMMITMENTS		
		Future capital expenditure		
-	-	Orders placed	-	3 820
-	-	Contracted	252 087	53 018
-	-	Authorised, but not contracted	228 157	112 626
-	-		480 244	169 464
		This expenditure is to be financed as follows:		
-	-	Working capital	159 097	29 016
-	-	Long-term credit facilities	321 147	140 448
-	-		480 244	169 464
		Operating lease commitments		
-	-	Land and buildings	36 906	54 060
-	-	Other	3 869	4 575
-	-		40 775	58 635
		To be incurred as follows:		
-	-	2010	-	14 165
-	-	2011	8 292	10 480
-	-	2012	8 162	9 634
-	-	2013	4 497	3 770
-	-	2014	3 223	3 769
-	-	2015 and thereafter	16 601	16 817
-	-		40 775	58 635

Included in operating lease commitments under land and buildings above is N$1.3 million (2009: N$1.2 million) and N$12.7 million (2009: N$12.9 million) relating to a lease for 99 years with the Municipal Council of Windhoek and the Ministry of Agriculture, Water & Forestry for the Wernhil parking area and the land R607 in the Hardap region expiring January 2104 and 2108, respectively. Operating lease commitments for the Wernhil parking area are for twelve months only, since the parties have a right to terminate the 99 year lease with a twelve month written notice.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		36. CONTINGENT LIABILITIES		
-	-	Possible legislative liabilities	971	-
-	-	Legal disputes	725	725
-	-	Performance guarantees	18 081	37 894
1 876	627	Possible insurance claims from subsidiaries	-	-
436 515	405 512	Guarantees of loans, overdrafts and other banking facilities of certain subsidiaries and associate	-	-
(216 052)	(239 364)	Less: Provision for losses already provided for	-	-
222 339	166 775		19 777	38 619

The investment property of Oshakati Towers (Proprietary) Limited was sold illegally during the 2005 financial year. The purchaser claims to have made N$724 763 improvements. If this has increased the value of the property by this amount, the company will have to refund the purchaser.

The possible legislative liabilities relate to penalties which may be imposed/ waived by the Receiver of Revenue.

The performance guarantees for 2010 relate mainly to performance guarantees issued in favour of Murray & Roberts for the Wernhil Park Phase 3 project and the Carl List Haus project of N$18 million.

The performance guarantees for 2009 relate mainly to the LCT project of Kraatz Marine (Proprietary) Limited. N$2 million was issued in favour of the Max Planck Institute for Nuclear Physics. An additional N$26.45 million was issued to the Institute for a milestone payment relating to the LCT project. Domi Metal Industries (Proprietary) Limited has land valued at N$9.44 million, which has also been provided as security for the performance guarantee.

The possible insurance claims relate to the balance left in the Group's self-insurance fund.

The following unlimited and limited suretyships have been given which could result in an additional liability for the Company. All outstanding exposures at 30 June 2010 have been included in the above amounts and all deficits between the assets and liabilities of the subsidiaries at 30 June 2010 have been provided for.

In favour of:	For subsidiary/associate
Agribank	Namibia Dairies (Proprietary) Limited
	WUM Properties Limited
Bank Windhoek	Dimension Data Namibia (Proprietary) Limited
	Hangana Seafood (Proprietary) Limited
	Kraatz Marine (Proprietary) Limited
	Namibia Dairies (Proprietary) Limited
	Ohlthaver and List Beverage Company (Proprietary) Limited
	Windhoek Schlachterei (Proprietary) Limited
	WUM Properties Limited
First National Bank of Namibia	Central Properties (Proprietary) Limited
	Namibia Dairies (Proprietary) Limited
	Wernhil Park (Proprietary) Limited
	WUM Properties Limited
Nedbank Namibia Limited	Kilimanjaro Trading (Proprietary) Limited
	Hangana Seafood (Proprietary) Limited
Standard Bank of Namibia	ICT Holdings (Proprietary) Limited
	Kraatz Marine (Proprietary) Limited
	Namibia Dairies (Proprietary) Limited
	Windhoek Schlachterei (Proprietary) Limited
	WUM Properties Limited

37. ENCUMBERED ASSETS AND SECURED LIABILITIES

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Assets with the following carrying values:		
100 100	100 100	Interest in subsidiaries	-	-
-	-	Freehold land and buildings	730 145	588 255
-	-	Investment property	371 497	225 944
-	-	Plant, vehicles, furniture and equipment, and fishing vessels	212 390	197 459
-	-	Leased plant, vehicles, furniture and equipment	30 513	18 340
-	-	Assets held for sale	-	358
-	-	Trade and other receivables	208 869	82 215
-	-	Bank balances and cash	-	2 730
100 100	100 100		1 553 414	1 115 301
		Are encumbered to secure the following liabilities:		
-	-	Preference share capital (Annexure A)	179 589	201 419
-	-	Debentures (Annexure A)	-	39 000
-	-	Bank facilities	154 408	140 603
-	-	Large Cherenkov Telescope - money received in advance	-	37 894
-	-	Related party borrowings	-	43 789
-	-	Secured short-term loans	-	5 000
-	-	Mortgage bonds and secured loans (Annexure A)	474 705	164 231
-	-	Instalment sale and lease creditors (Annexure A)	224 521	144 790
-	-		1 033 223	776 726

A portion of the Company's loan accounts to O&L Beverages (Proprietary) Limited were ceded to Bank Windhoek for the preference share capital.

38. UNALLOCATED SHARES IN EMPLOYEE SHARE INCENTIVE SCHEME

Shares '000	Shares '000	**Allocation of number of shares in the employee share incentive scheme:**
3 083	4 083	Shares offered to employees of the Group
(919)	(919)	Shares originally taken up by the employees
4 202	3 202	Shares to be offered to employees
(2 232)	(2 232)	Shares transferred from Trust to Company and sold
344	331	Shares forfeited by employees to the Trust
4 478	4 465	Unallocated shares at the end of the year

	GROUP		
	Effect on 2010 N$ '000	Effect on 2009 N$ '000	Effect on 2008 N$ '000

39. CHANGE IN ACCOUNTING POLICY

During the year, the Group changed its accounting policy for returnable containers. Previously, returnable containers were accounted for at deposit value and the cost of replacement was written off as incurred. Returnable containers are now accounted for at cost less accumulated depreciation and impairment losses. Depreciation is recognised so as to write off the cost of the containers less their residual values over their useful lives, using the straight-line method. Returnable containers held by customers are also no longer set off against property, plant and equipment, but included under trade and other payables. Management takes the view that this accounting policy provides more reliable and more relevant information as it more accurately reflects the expected use of the containers. The change in accounting policy has been applied retrospectively. The change in accounting policy did not have an effect on the Company. As the changes relate to the same segment (beer and soft drink industry) and there is no impact on net segment assets, information relating to the 2008 segment report has not been provided. The effect of this change on the financial statements of the Group is as follows:

	Effect on 2010 N$ '000	Effect on 2009 N$ '000	Effect on 2008 N$ '000
Decrease in write-down of containers to deposit value	22 754	12 671	17 889
Increase in depreciation and impairment losses	(19 168)	(11 144)	(19 333)
(Increase)/ decrease in loss on disposal of property, plant and equipment	(3 586)	(1 527)	1 444
Effect on profit or loss	-	-	-
Increase in property, plant and equipment	20 671	15 956	18 397
Increase in trade and other payables	(20 671)	(15 956)	(18 397)
Effect on equity	-	-	-

40. FINAL SETTLEMENT OF LCT PROJECT

Cancellation of the contract for the manufacturing and erection of the Large Cherenkov Telescope (LCT) during October 2009 and the subsequent new payment agreement during July 2010 resulted in the charges to profit or loss for the current period disclosed below. The change in accounting estimate only has an effect on the Group and not on the Company and will have no effect on future periods.

	Effect on 2010 N$ '000	Effect on 2009 N$ '000	Effect on 2008 N$ '000
Decrease in revenue	(9 247)	-	-
Increase in cost of sales	(28 599)	-	-
Decrease in profit	(37 846)	-	-

41. PRIOR PERIOD RESTATEMENTS

41.1 Correction of prior period error

The Group entered into a joint venture with Diageo and Heineken (DHN Drinks (Proprietary) Limited) in 2008. The non-current non-interest bearing obligation that formed part of the contribution to the joint venture was calculated incorrectly when initially recorded. The error was corrected during the current year and had no impact on profit or loss or on disclosable items. The correction of this error had no impact on the Company. As this error had no impact on segment assets or liabilities, information relating to the 2008 segment report has not been provided. The effect on the Group is reflected below:

	Effect on 2010 N$ '000	Effect on 2009 N$ '000	Effect on 2008 N$ '000
Decrease in non-current liabilities with related parties	-	-	30 373
Increase in deferred income	-	-	(30 373)
Effect on equity	-	-	-

41.2 Segment reporting

The appropriateness of reporting segments was reviewed during the current year and as a result, Windhoek Schlachterei's results were reclassified to the Fresh produce segment (refer to Note 44).

42. FINANCIAL INSTRUMENTS

42.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2009.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital reserves and retained earnings as disclosed in Notes 17 and 18.

42.1.1 Gearing ratio

The Group's management committee reviews the capital structure on an ad hoc basis. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The Group has entered into various financing agreements with Bank Windhoek, First National Bank of Namibia, Standard Bank of Namibia and Domestic Medium Term note holders. These agreements require the Group to meet certain terms and conditions, which include specified gearing ratios. These requirements were met during the current and prior years. This ratio is calculated as net debt divided by the total capital. Net debt is calculated as total debt less deferred tax liability. Total capital is calculated as 'equity', as shown in the consolidated statement of financial position.

The gearing ratio at the year end was as follows:

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
11 368	85 449	Debt (i)	2 039 453	1 835 123
608 853	597 339	Equity (ii)	1 364 437	1 268 373
2%	14%	Net debt to equity ratio	149%	144%

(i) Debt is defined as total debt excluding deferred tax.

(ii) Equity includes all capital and reserves of the Group.

COMPANY N$ '000		GROUP N$ '000

42. FINANCIAL INSTRUMENTS [continued]

42.2 Categories of financial instruments

2010

Loans and receivables	Financial assets as per statements of financial position	Fair value through profit and loss Held for trading	Loans and receivables	Available for sale	Total
-	Investments and loans	-	493	14	507
-	Derivative financial instruments	181	-	-	181
701 020	Related parties and intercompanies	-	290 949	-	290 949
-	Trade and other receivables	-	282 926	-	282 926
34	Bank balances and cash	-	204 436	-	204 436
701 054		181	778 804	14	778 999

2009

Loans and receivables	Financial assets as per statements of financial position	Fair value through profit and loss Held for trading	Loans and receivables	Available for sale	Total
24 082	Investments and loans	-	24 575	14	24 589
-	Derivative financial instruments	1 780	-	-	1 780
645 687	Related parties and intercompanies	-	269 170	-	269 170
6	Trade and other receivables	-	236 371	-	236 371
-	Bank balances and cash	-	119 339	-	119 339
669 775		1 780	649 455	14	651 249

2010

Amortised cost	Financial liabilities as per statements of financial position	Fair value through profit and loss Held for trading	Fair value through profit and loss Designated	Amortised cost	Total
60 794	Interest-bearing borrowings	-	-	669 860	669 860
2 742	Trade and other payables	-	-	515 448	515 448
107 160	Related parties and intercompanies	-	188 258	6 917	195 175
21 911	Short-term borrowings	-	-	379 991	379 991
-	Derivative financial instruments	5 893	-	-	5 893
-	Provisions	-	-	966	966
-	Liabilities directly associated with assets classified as held for sale	-	-	-	-
192 607		5 893	188 258	1 573 182	1 767 333

2009

Amortised cost	Financial liabilities as per statements of financial position	Fair value through profit and loss Held for trading	Fair value through profit and loss Designated	Amortised cost	Total
2 843	Interest-bearing borrowings	-	-	423 245	423 245
5 196	Trade and other payables	-	-	514 333	514 333
141 412	Related parties and intercompanies	-	188 258	63 457	251 715
3 322	Short-term borrowings	-	-	284 618	284 618
-	Derivative financial instruments	29 641	-	-	29 641
-	Provisions	-	-	966	966
-	Liabilities directly associated with assets classified as held for sale	-	-	51	51
152 773		29 641	188 258	1 286 670	1 504 569

43. RISK MANAGEMENT

The Group's objective in using derivative financial instruments is to reduce the uncertainty over future cash flows arising from movements in currency and interest rates. Currency and interest exposure is managed within Board-approved policies and guidelines. As a matter of principle, the Group does not enter into derivative contracts for speculative purposes.

The fair value of foreign exchange forward contracts represents the estimated amounts that the Group would receive, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses.

43.1 Market risk - Foreign currency management

The Group appropriately hedges foreign purchases and sales in order to manage its foreign currency exposure in line with Board-approved policies and guidelines. Forward foreign exchange contracts or foreign exchange options are entered into in order to manage the Group's exposure to fluctuations in foreign currency exchange rates on specific transactions.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Liabilities		
-	-	Euro-denominated payables	4 694	5 902
-	-	Angolan Kwanza-denominated payables	-	5 079
-	-	Pound Sterling-denominated payables	1	-
		Assets		
-	-	Euro-denominated receivables	45 176	29 752
-	-	Pound Sterling-denominated receivables	-	75
-	-	Botswana Pula-denominated receivables	-	20 207
-	-	US Dollar-denominated receivables	17 269	8 649
-	-	Angolan Kwanza-denominated receivables and cash	-	22 484

43.1.1 Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro, Botswana Pula, Pound Sterling, Angolan Kwanza and US Dollar.

The following table details the Company and Group's sensitivity to a 5% increase or decrease in the Namibia Dollar against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

A negative number below indicates a decrease in profit where the Namibia Dollar strengthens 5% against the relevant currency. For a 5% weakening of the Namibia Dollar against the Pound Sterling, Botswana Pula and the Angolan Kwanza, there would be an equal and opposite impact on the profit, and the balances below would be positive.

43. RISK MANAGEMENT [continued]

43.1.1 Foreign currency sensitivity analysis [continued]

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Euro impact		
-	-	Profit or loss (i)	(3 291)	(10 081)
		US Dollar impact		
-	-	Profit or loss (ii)	(1 146)	(393)
		Angolan Kwanza impact		
-	-	Profit or loss (iii)	-	(870)
		Botswana Pula impact		
-	-	Profit or loss (iv)	-	(1 010)
		Pound Sterling impact		
-	-	Profit or loss (v)	(50)	-

(i) This is mainly attributable to the exposure outstanding on Euro receivables, payables and foreign exchange contracts (as well as options in 2009) at year end in the Group.

(ii) This is mainly attributable to the exposure on outstanding US Dollar receivables and foreign exchange options at year end in the Group.

(iii) This is mainly attributable to the exposure outstanding on Angolan Kwanza receivables, foreign cash and payables at year end in the Group.

(iv) This is mainly attributable to the exposure outstanding on Botswana Pula receivables at year end in the Group.

(v) This is mainly attributable to the exposure outstanding on Pound Sterling receivables, payables and foreign exchange contracts at year end in the Group.

For a 5% weakening of the Namibia Dollar against the Euro and US Dollar, there would be the following impact on profit or loss:

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Euro impact		
-	-	Profit or loss (i)	3 291	10 134
		US Dollar impact		
-	-	Profit or loss (ii)	1 125	-

43.2 Market risk - Interest rate management

The Group is exposed to interest rate risk as it borrows and places funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating borrowings and placing within market expectations.

The Group also uses interest rate swaps and collars to manage its exposure to interest rate movements on its bank borrowings. At reporting date, the carrying amount of cash and short-term deposits, accounts receivable, accounts payable and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities.

The Group's exposure to interest rates on financial assets and liabilities is detailed in the liquidity risk management section of this note.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000

43. RISK MANAGEMENT [continued]

43.2.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group and Company's profit or loss for the year ended 30 June 2010 would (decrease)/ increase by the following amounts. This is attributable to the Group and Company's exposure to interest rates on its variable rate borrowings.

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000
(62)	(572)	Increase in rate	(10 239)	(2 942)
62	572	Decrease in rate	10 239	3 853

The Group's sensitivity to interest rates has increased during the current period mainly due to increased interest-bearing borrowings.

43.2.2 Interest rate swap contracts

The Group made use of interest rate swap contracts in 2009. Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of the interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract, and is disclosed below. The sensitivity is based on the outstanding balances at the end of the financial year.

43.3 Credit risk management

Financial assets, which potentially subject the Group to concentration of credit risk, consist principally of cash, funds on call and trade receivables. The Group's cash equivalents and funds on call are placed with high credit quality financial institutions.

Trade receivables and advances comprise a wide spread customer base. Ongoing credit evaluation of the financial position of customers is performed.

The granting of credit is made on application and is approved by management of the individual entities. At year-end, the Group did not consider there to be any significant concentration of credit risk or significant exposure to any individual customer or counter party which has not been adequately provided for.

43. RISK MANAGEMENT [continued]

43.3 Credit risk management [continued]

Major concentrations of credit risk that arise from the Group's receivables in relation to industry categories of the entities as a percentage of the total receivables from the customers are:

	GROUP 2010 %	GROUP 2009 %
Fishing industry	31	24
Trading industry	11	4
Manufacturing industry	58	72
	100	100

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The table below shows the balances of 5 major counterparties at the reporting date:

Group

Counterparty	Location	2010 Carrying amount N$ '000	2009 Carrying amount N$ '000
Dafin Sales	Botswana	-	20 257
Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	South Africa	208 896	178 828
Irvin & Johnson	Canary Islands	13 028	12 426
Merlus Fishing (Pty) Ltd	Namibia	13 744	-
OLIFA Hotels and Resorts Namibia (Proprietary) Limited	Namibia	63 096	55 196
Pick n Pay Limited	South Africa	-	11 316
Shoprite Limited	South Africa	11 023	-

43.4 Liquidity risk management

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Negotiations for and usage of overdraft facilities are approved at head office level.

43.4.1 Liquidity and interest risk tables

The following tables detail the Group and Company's remaining contractual maturity for its financial liabilities and financial assets, respectively. The tables have been drawn up based on the undiscounted cash flows of financial liabilities and financial assets based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. When the amounts payable or receivable are not fixed, the amount disclosed was determined by reference to the projected interest rates illustrated by yield curves existing at the reporting date.

43. RISK MANAGEMENT [continued]

43.4.1 Liquidity and interest risk tables [continued]

Financial Liabilities

2010

Group	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing liabilities	-	4 632	-	-	188 258	-	192 890
Lease creditors	10.86%	13 383	7 840	6 506	628	(3 916)	24 441
Instalment sale agreements	11.87%	21 645	19 919	29 331	1 774	(11 167)	61 502
Trade payables and provisions	-	516 414	-	-	-	-	516 414
Derivative financial liabilities	-	5 893	-	-	-	-	5 893
Variable interest rate instruments	9.85%	401 614	241 163	299 125	236 378	(237 995)	940 285
Fixed interest rate instruments	12.80%	3 601	3 249	32 948	-	(13 890)	25 908
		967 182	272 171	367 910	427 038	(266 968)	1 767 333

2009

Group	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing liabilities	-	19 668	-	-	188 258	-	207 926
Lease creditors	13.08%	11 891	8 997	8 393	1 164	(6 643)	23 802
Instalment sale agreements	13.36%	16 615	13 321	17 621	9 423	(12 500)	44 480
Trade payables and provisions	-	515 299	-	-	-	-	515 299
Derivative financial liabilities	-	29 641	-	-	-	-	29 641
Variable interest rate instruments	13.08%	235 449	102 110	301 896	174 845	(194 334)	619 966
Fixed interest rate instruments	13.45%	65 681	-	-	-	(2 226)	63 455
		894 244	124 428	327 910	373 690	(215 703)	1 504 569

2010

Company	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing liabilities	-	104 875	-	-	-	-	104 875
Trade payables and provisions	-	2 742	-	-	-	-	2 742
Variable interest rate instruments	11.09%	27 099	36 749	3 567	-	(7 891)	59 524
Fixed rate instruments	12.717%	3 179	3 180	32 948	-	(13 841)	25 466
		137 895	39 929	36 515	-	(21 732)	192 607

2009

Company	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing liabilities	-	111 754	-	-	-	-	111 754
Trade payables and provisions	-	5 196	-	-	-	-	5 196
Variable interest rate instruments	12.42%	35 823	-	-	-	-	35 823
		152 773	-	-	-	-	152 773

43. RISK MANAGEMENT [continued]

43.4.1 Liquidity and interest risk tables [continued]

Financial assets

2010

Group	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing assets	-	290 963	-	-	-	-	290 963
Trade receivables	-	282 926	-	-	-	-	282 926
Derivative financial assets	-	181	-	-	-	-	181
Bank balances	5.75%	204 436	-	-	-	-	204 436
Fixed interest rate instruments	-	493	-	-	-	-	493
		778 999	-	-	-	-	778 999

2009

Group	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing assets	-	269 184	-	-	-	-	269 184
Trade receivables	-	236 371	-	-	-	-	236 371
Derivative financial assets	-	1 780	-	-	-	-	1 780
Bank balances	6.30%	119 339	-	-	-	-	119 339
Fixed interest rate instruments	21.68%	24 575	-	-	-	-	24 575
		651 249	-	-	-	-	651 249

2010

Company	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing assets	-	701 020	-	-	-	-	701 020
Trade receivables	-	-	-	-	-	-	-
Bank balances	-	34	-	-	-	-	34
Fixed interest rate instruments	-	-	-	-	-	-	-
		701 054	-	-	-	-	701 054

2009

Company	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing assets	-	645 687	-	-	-	-	645 687
Trade receivables	-	6	-	-	-	-	6
Fixed interest rate instruments	21.82%	24 082	-	-	-	-	24 082
		669 775	-	-	-	-	669 775

43. RISK MANAGEMENT [continued]

43.5 Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;

- The fair value of other financial assets and liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and

- The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

43.5.1 Derivatives

Foreign currency forward contracts and options are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps and collars are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

The financial statements include holdings in unlisted shares which are measured at cost (Note 10).

43.5.2 Fair value

Except as detailed in the following tables, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

Group	**Carrying amount**		**Fair value**	
	2010 N$ 000's	**2009 N$ 000's**	**2010 N$ 000's**	**2009 N$ 000's**
Financial assets				
Unsecured loans				
Pointbreak Financial Trading (Proprietary) Limited	-	24 082	-	25 822
Financial liabilities				
Debentures				
Namibia Power Corporation	-	10 000	-	11 192
Sanlam Investment Management (Proprietary) Limited	-	29 000	-	32 973
Mortgage and other securities				
Aqua Utilities	-	373	-	374
Unsecured Domestic Medium Term notes				
DMT notes OL 001	25 466	-	26 688	-
Unsecured loans				
Pointbreak Financial Trading (Proprietary) Limited	-	24 082	-	25 822

43. RISK MANAGEMENT [continued]

43.5.2 Fair value of financial instruments [continued]

Company	**Carrying amount**		**Fair value**	
	2010 N$ 000's	**2009 N$ 000's**	**2010 N$ 000's**	**2009 N$ 000's**
Financial assets				
Unsecured loans				
Pointbreak Financial Trading (Proprietary) Limited	-	24 082	-	25 822
Financial liabilities				
Unsecured Domestic Medium Term notes				
DMT Notes OL001	25 466	-	26 688	-

Methods and assumptions used to determine the fair value:

The fair value of these financial instruments was determined with reference to discounted cash flows using market-related interest rates.

44. SEGMENT REPORTING

Business segmentation

For management purposes, the Group is currently organised into various operating segments as shown in the Group Portfolio Review on page 2. For primary segment information, reporting is done on the larger segments i.e. Beer and soft drinks, Fresh produce, Fishing, Retail and Properties, whilst the other segments are shown together as 'Other'. Windhoek Schlachterei's results were reclassified to the 'Fresh produce' segment. Comparative figures have been restated.

Included in the Beer and soft drinks segment revenue is a total of N$898 million received from Diageo, Heineken, Nambrew Drinks (Proprietary) Limited.

Segment information regarding these businesses is prepared on the next page:

44. SEGMENT REPORTING [continued]

Business Segmentation	**Total**		**Eliminations**		**Beer and soft drinks**	
	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000
Revenue	3 356 004	3 119 358	-	-	1 729 386	1 557 758
Inter-segment revenue	-	-	(43 515)	(43 978)	1 673	8 788
Total	3 356 004	3 119 358	(43 515)	(43 978)	1 731 059	1 566 546
Segment result	384 448	356 356			314 046	264 607
Share based payment expense	(54 949)	-				
Unallocated costs	(11 894)	(13 790)				
Net impairment (losses)/ reversal	(980)	682				
Share of losses from associates and joint ventures	(88 046)	(38 967)				
Finance costs	(89 957)	(82 255)				
Income from investments	21 687	23 315				
Taxation	(88 199)	(93 563)				
Net profit for the year	72 110	151 778				
Non-cash expenses per segment						
Depreciation	114 747	88 427			60 903	47 277
Amortisation of intangibles	3 663	5 849			623	3 907
Impairment losses	2 725	3 994			1 024	900
Reversal of impairment losses	(1 745)	(4 676)			(265)	(3 055)

Fresh Produce		Fishing		Retail		Properties		Others	
2010 N$ '000	Restated 2009 N$ '000	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000	2010 N$ '000	Restated 2009 N$ '000
408 859	379 227	310 111	316 200	744 507	674 391	64 090	63 377	99 051	128 405
2 290	3 069	1 311	1 963	1 707	1 208	9 841	9 282	26 693	19 668
411 149	382 296	311 422	318 163	746 214	675 599	73 931	72 659	125 744	148 073
20 834	20 667	3 352	35 857	5 141	1 875	83 450	63 588	(42 375)	(30 238)

11 561	9 508	26 945	19 600	9 270	8 046	419	335	5 649	3 661
707	456	783	701	483	302	148	36	919	447
1 117	384	89	135	11	173	454	2 372	30	30
-	-	(1 475)	(1 413)	-	(76)	-	(132)	(5)	-

44. SEGMENT REPORTING [continued]

Business Segmentation	**Total**		**Eliminations**		**Beer and soft drinks**	
	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000
ASSETS						
Property, plant and equipment	1 676 672	1 534 137			615 399	572 978
Investment property	376 877	230 144			-	-
Intangible assets	16 345	11 721			7 462	5 333
Derivative financial instruments	181	1 780			-	-
Inventories	235 753	312 942			124 533	185 814
Biological assets	34 467	32 071			-	-
Assets held for sale	4 529	4 505			-	-
Trade and other receivables	360 396	325 403			137 050	144 856
Segment assets	2 705 220	2 452 703			884 444	908 981
Investment in associate companies and joint ventures	440 760	453 049				
Investment and loans	507	24 589				
Deferred tax assets	61 015	64 670				
Taxation	35	45				
Cash and cash equivalents	204 436	119 339				
Related parties	290 949	269 170				
Consolidated total assets	3 702 922	3 383 565				
LIABILITIES						
Trade and other payables	520 393	521 267			199 713	268 682
Derivative financial instruments	5 893	29 641			5 874	26 510
Provisions	33 565	60 350			14 321	13 461
Liabilities directly associated with assets classified as held for sale	-	51			-	-
Segment liabilities	559 851	611 309			219 908	308 653
Deferred income	227 526	256 292				
Interest-bearing liabilities	1 049 851	707 863				
Deferred taxation liabilities	299 032	280 069				
Taxation	7 050	7 944				
Related parties	195 175	251 715				
Consolidated total liabilities	2 338 485	2 115 192				
Capital additions	340 463	318 159			104 235	126 711

Fresh Produce		Fishing		Retail		Properties		Other	
2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000
228 049	168 735	364 934	300 764	45 380	43 626	334 168	367 900	88 742	80 134
-	-	-	-	-	-	376 877	230 144	-	-
2 125	1 020	1 597	1 402	2 136	2 619	230	378	2 795	969
-	-	-	1 780	-	-	-	-	181	-
36 718	30 306	13 531	14 045	51 743	47 243	-	-	9 228	35 534
34 462	32 021	-	-	-	-	-	-	5	50
1 320	1 598	-	-	-	-	3 209	2 907	-	-
66 469	49 690	78 377	54 559	11 609	12 351	37 794	30 270	29 097	33 677
369 143	283 370	458 439	372 550	110 868	105 839	752 278	631 599	130 048	150 364
58 013	51 223	93 707	61 421	95 407	86 951	37 203	10 585	36 350	42 405
-	-	-	-	-	-	-	-	19	3 131
4 059	3 722	7 581	7 252	2 596	2 539	288	279	4 720	33 097
-	-	-	-	-	-	-	51	-	-
62 072	54 945	101 288	68 673	98 003	89 490	37 491	10 915	41 089	78 633
72 203	63 826	45 762	103 582	11 724	8 935	83 477	10 948	23 062	4 157

COMPANY 2009 N$ '000	COMPANY 2010 N$ '000		GROUP 2010 N$ '000	GROUP 2009 N$ '000

44. SEGMENT REPORTING [continued]

Geographical segmentation

The Group's operations are located in Namibia. The Group's products are either sold on the local market or are exported to other African and European countries.

The following table provides an analysis of the Group's sales by geographical market.

			GROUP 2010 N$ '000	GROUP 2009 N$ '000
		Revenue		
		- Local	2 085 571	1 878 586
		- Export	1 270 433	1 240 772
		Total segment revenue	3 356 004	3 119 358

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by geographical area in which the assets are located:

			GROUP 2010 N$ '000	GROUP 2009 N$ '000
		CARRYING AMOUNT OF SEGMENT ASSETS		
		- Local	2 233 737	1 903 592
		- Export	471 483	549 111
		Total segment assets	2 705 220	2 452 703
		ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT		
		- Local	305 191	223 941
		- Export	35 272	94 218
		Total additions	340 463	318 159

LONG- AND MEDIUM-TERM FINANCING [ANNEXURE A]

	Interest Rate 2010 %	Interest Rate 2009 %	Group 2010 N$ '000	Group 2009 N$ '000
PREFERENCE SHARE CAPITAL				
Secured preference share capital				
Authorised				
200 variable rate, redeemable, cumulative preference shares of N$0.0002 each			-	-
2 000 variable rate, redeemable, cumulative preference shares of N$1.00 each			2	2
Issued			147 300	168 839
52 (2009: 62) variable rate, redeemable, cumulative preference shares of N$0.0002 each			-	-
1 040 (2009: 1 110) variable rate, redeemable, cumulative preference shares of N$1.00 each			1	2
Share premium			176 799	197 798
Accrued preference share dividend			2 789	3 619
Total secured preference share capital			179 589	201 419
Less: Current portion included in short-term borrowings (Note 23)			(32 289)	(32 580)
The preference shares (including accrued interest) can be allocated as follows:				
Bank Windhoek Limited	68-71% of prime	67-70% of prime	104 669	111 723
First National Bank of Namibia Limited	-	70% of prime	-	89 696
Standard Bank of Namibia Limited	70% of prime	-	74 920	-

N$73 million of the preference shares are redeemable over a four-year period in equal six-monthly redemptions, which escalate annually.

N$50.5 million and N$53.5 million of the Bank Windhoek preference shares are redeemable over a five-year and six-year period respectively in six-monthly redemptions, which escalate annually.

The unissued 148 variable rate, redeemable, cumulative preference shares of N$0.0002 each are under control of the Directors. This authority expires at the next Annual General Meeting of WUM Properties Limited. Members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in 2011.

The unissued 960 variable rate, redeemable, cumulative preference shares of N$1.00 each are under control of the Directors of O&L Beverages (Proprietary)Limited.

DEBENTURES

	Interest Rate 2010 %	Interest Rate 2009 %	Group 2010 N$ '000	Group 2009 N$ '000
39 debentures with nominal value of N$1 million each. The interest is payable every six months and redemption occurred in December 2009.			-	39 000
Namibia Power Corporation	-	11.17%	-	10 000
Sanlam Investment Management (Proprietary) Limited	-	11.72%	-	29 000
Less: Current portion included in short-term borrowings (Note 23)			-	(39 000)
			-	-

The debentures were issued in Kuiseb Capital (Proprietary) Limited. The securitisation arrangement came to an end in December 2009 and Kuiseb Capital (Proprietary) Limited was deregistered in February 2010.

LONG- AND MEDIUM-TERM FINANCING [ANNEXURE A] [continued]

	Interest Rate		Company		Group	
	2010 %	2009 %	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000
INSTALMENT SALE AND LEASE CREDITORS			5 794	-	171 316	113 389
Instalment sale creditors						
Bank Windhoek Limited:						
N$245 088 (2009: N$198 815) per month	Prime	Prime	-	-	9 898	2 769
N$587 012 (2009: N$1 263 079) per month	Prime -1%	Prime -1%	-	-	15 992	21 321
N$44 100 (2009: N$44 988) per month	Prime -1.25%	Prime -1.25%	-	-	276	757
N$47 480 (2009: N$49 513) per month	Prime -1.5%	Prime -1.5%	-	-	1 547	1 947
N$513 122 (2009: N$513 122) per month	Prime -2%	Prime -2%	-	-	23 657	27 407
First National Bank of Namibia:						
N$11 108 per month	Prime -0.75%	Prime -2%	-	-	334	-
2009: N$94 773 per month	-	Prime -1%	-	-	-	920
N$12 670 (2009: N$13 220) per month	Prime -1.5%	Prime -1.5%	-	-	189	314
N$200 552 (2009: N$70 049) per month	Prime -2%	Prime -2%	-	-	4 842	1 174
Nedbank Namibia Limited:						
N$6 738 (2009: N$58 319) per month	Prime -1%	Prime -1%	-	-	81	706
N$903 983 (2009: N$25 288) per month	Prime -1.2%	Prime -1.2%	-	-	54 053	29 016
N$1 143 213 (2009: N$57 672) per month	Prime -2%	Prime -2%	-	-	55 147	23 123
Standard Bank of Namibia Limited:						
2009: N$1 024 452 per month	-	Prime +1%	-	-	-	3 763
N$347 878 per month	Prime	-	-	-	14 591	-
N$321 797 per month	Prime -1%	-	9 700	-	9 700	-
N$230 227 (2009: N$220 933) per month	Prime -2%	Prime -2%	-	-	7 116	4 341
Lease creditors						
Avis Fleet Services:						
N$830 711 (2009: N$762 688) per month	Prime -2%	Prime -2%	-	-	19 250	19 565
Aqua Utilities Corporation:						
2009: N$83 532 per month	-	Prime -0.5%	-	-	-	373
Orion Telecom:						
N$7 388 (2009: N$16 615) per month	17.19%	16.25%	-	-	192	60
Forklift & Allied:						
N$63 771 (2009: N$67 498) per month	Prime	Prime	-	-	1 580	2 237
Freddy Hirsch:						
N$35 110 (2009: N$35 110) per month	17.50%	17.50%	-	-	442	755
Eqstra Fleet Services:						
N$115 556 (2009: N$125 323) per month	Prime -1%	Prime -1%	-	-	3 220	4 242
N$8 035 per month	Prime -2%	-	-	-	197	-
Omatemba Fleet Services:						
N$80 762 per month	Prime	-	-	-	2 217	-
Total instalment sale and lease creditors			9 700	-	224 521	144 790
Less: Current portion included in short-term borrowings (Note 23)			(3 906)	-	(53 205)	(31 401)

LONG- AND MEDIUM-TERM FINANCING [ANNEXURE A] [continued]

	Interest Rate		Company		Group	
	2010 %	2009 %	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000
MORTGAGE AND OTHER SECURED LOANS			-	2 843	296 244	141 017
Agribank of Namibia:						
N$477 781 (2009: N$977 196) half-yearly	9.25%	13.25%	-	-	1 320	2 108
N$865 646 (2009: N$949 518) annually	9.25%	13.80%	-	-	4 542	4 934
N$3 303 748 (2009: N$755 998) annually	9.00%	13.80%	-	-	25 173	5 515
Bank Windhoek Limited:						
N$22 476 (2009: N$19 600) monthly	Prime	Prime	-	-	259	502
N$137 034 (2009: N$330 045) monthly	Prime -1%	Prime -1%	-	-	6 162	7 144
N$543 491 monthly	Prime +1%	-	-	-	37 542	-
First National Bank of Namibia Limited:						
N$1 192 695 (2009: N$590 673) monthly	Prime -1%	Prime -1%	-	-	93 084	25 332
N$1 523 280 (2009: N$1 565 283) monthly	Prime -1.5%	Prime - 1.5%	-	-	99 931	108 148
Firstrand Bank Limited:						
N$1 164 375 monthly	JIBAR +2.7%	-	-	-	150 000	-
Kuiseb Holdings (Proprietary) Limited:						
2009: N$815 467 monthly	-	Prime -1.5%	-	-	-	7 871
Torra Bay Fishing:						
N$522 962 monthly	Prime -1.25%	-	-	-	8 123	-
Nedbank Namibia Limited:						
N$79 070 (2009: N$1 004 400) monthly	Prime -1%	Prime -1%	-	3 498	1 921	2 677
*Development Bank of Namibia:**						
N$664 464 monthly	Prime -2%	-	-	-	46 648	-
Total mortgage and other secured loans			-	3 498	474 705	164 231
Less: Liabilities attributable to assets classified as held for sale (Note 15)			-	-	-	(51)
Less: Current portion included in short-term borrowings (Note 23)			-	(655)	(178 461)	(23 163)
UNSECURED DOMESTIC MEDIUM TERM NOTES			55 000	-	55 000	-
DMT Notes OL001	12.72%	-	25 466	-	25 466	-
DMT Notes OL002	JIBAR + 4.6%	-	30 190	-	30 190	-
Total DMT Notes			55 656	-	55 656	-
Less: Current portion included in short-term borrowings (Note 23)			(656)	-	(656)	-

During the current year, the Company entered into the NAD500 000 000 Ohlthaver & List Finance and Trading Corporation Limited Domestic Medium Term (DMT) Note Programme listed on the Namibian Stock Exchange. In terms of this Programme, the Company may from time to time issue listed and/ or unlisted notes.

The DMT Notes OL001 (unlisted) were issued on 6 November 2009 at a nominal amount of N$25 000 000. The Notes carry interest at a fixed rate of 12.717% p.a. payable six monthly in arrears on 6 May and 6 November each year until maturity date of 6 November 2014. The capital is repayable at maturity. The holder of the Notes is Standard Bank (Namibia) Nominees (Proprietary) Limited.

The DMT Notes OL002 (unlisted) were issued on 10 March 2010 at a nominal amount of N$30 000 000. The Notes carry interest at a floating rate of SA JIBAR 3 month plus 460 basis points. The interest is payable 3 monthly in arrears on 10 June, 10 September, 10 December and 10 March each year until maturity date of 10 March 2012. The capital is repayable at maturity. The holder of the Notes is First National Bank Nominees (Namibia) (Proprietary) Limited.

*Transferred from related parties in current year.

LONG- AND MEDIUM-TERM FINANCING [ANNEXURE A] [continued]

	Interest Rate		Company		Group	
	2010 %	2009 %	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000
UNSECURED LOANS			-	-	-	-
Pointbreak Financial Trading (Proprietary) Limited	-	21.81%	-	-	-	24 081
Less: Current portion included in short-term borrowings (Note 23)			-	-	-	(24 081)
The loan from Pointbreak Financial Trading (Proprietary) Limited was repaid in December 2009. The investment in Pointbreak Investments (Proprietary) Limited disclosed in Note 10 also bore interest at 21.81% and was redeemed in December 2009.						
Total non-current interest-bearing borrowings			60 794	2 843	669 860	423 245
MINIMUM LEASE AND INSTALMENT SALE PAYMENTS*						
Less than one year			3 906	-	73 558	46 128
More than one year and less than five years			7 339	-	199 487	144 246
More than five years			-	-	20 023	-
Total			11 245	-	293 068	190 374
Less: Future finance charges			(1 545)	-	(68 547)	(45 584)
Present value of payments			9 700	-	224 521	144 790
ANALYSIS OF REPAYMENTS*						
Repayable during the 12 months to:						
30 June 2010			-	655	-	153 184
30 June 2011			3 047	655	288 755	77 286
30 June 2012			33 565	655	218 618	75 809
30 June 2013			3 278	655	110 044	77 880
30 June 2014 (2009: 30 June 2014 and repayable thereafter)			-	655	104 557	194 363
30 June 2015 and repayable thereafter			25 466	223	212 497	-
			65 356	3 498	934 471	578 522
ANALYSIS BY CURRENCY*						
Namibia Dollar			35 166	3 498	754 281	570 651
SA Rand			30 190	-	180 190	7 871
			65 356	3 498	934 471	578 522

*Excluding liabilities directly attributable to assets held for sale.

PROPERTY, PLANT AND EQUIPMENT [ANNEXURE B]

GROUP

2010

N$ '000	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Vehicles	Furniture and equipment	Containers	Fishing vessels	Work in progress	Total
Cost or valuation									
At 1 July 2009	842 693	7 100	658 245	102 443	148 411	55 702	145 449	69 811	2 029 854
Additions	107 142	1 022	48 018	15 870	37 765	59 405	4 399	10 597	284 218
Capitalised borrowing costs	795	-	-	-	-	-	-	-	795
Disposals	-	-	(5 299)	(16 268)	(6 292)	(1 917)	-	(5)	(29 781)
Disposed on disposal of subsidiary	(2 822)	-	(1 273)	(601)	(297)	(76)	-	-	(5 069)
Breakages and write-offs	-	-	-	-	-	(35 752)	-	-	(35 752)
Revaluations	49 652	-	-	-	-	-	-	-	49 652
Transfer to investment property	(63 345)	-	-	-	-	-	-	-	(63 345)
Transfer to intangible assets	-	-	-	-	(2 042)	-	-	-	(2 042)
Other movements	55 498	2 447	14 321	-	3 484	-	4 581	(80 358)	(27)
Balance at end of the year	989 613	10 569	714 012	101 444	181 029	77 362	154 429	45	2 228 503
Accumulated depreciation									
At 1 July 2009	1 307	3 144	270 347	49 743	91 201	33 847	46 128	-	495 717
Depreciation charges	1 107	582	47 020	14 202	15 612	19 642	16 582	-	114 747
Accumulated depreciation on disposals	-	-	(4 396)	(12 263)	(5 260)	-	-	-	(21 919)
Disposed on disposal of subsidiary	-	-	(444)	(292)	(226)	-	-	-	(962)
Breakages and write-offs	-	-	-	-	-	(35 752)	-	-	(35 752)
Other movements	785	-	(785)	-	-	-	-	-	-
Balance at end of the year	3 199	3 726	311 742	51 390	101 327	17 737	62 710	-	551 831
Net carrying amount at end of the year	986 414	6 843	402 270	50 054	79 702	59 625	91 719	45	1 676 672

GROUP

Restated 2009

N$ '000	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Vehicles	Furniture and equipment	Containers	Fishing vessels	Work in progress	Total
Cost or valuation									
At 1 July 2008	732 942	7 563	551 209	94 919	144 491	47 395	101 980	9 449	1 689 948
Additions	18 296	22	125 329	28 865	11 468	20 213	55 431	54 467	314 091
Capitalised borrowing costs	-	-	-	-	-	-	-	3 635	3 635
Disposals	(1 146)	(336)	(21 211)	(20 154)	(7 758)	(1 131)	(11 962)	-	(63 698)
Disposed to related party	-	-	-	(1 178)	-	-	-	-	(1 178)
Breakages and write-offs	-	-	-	-	-	(10 770)	-	-	(10 770)
Revaluations	28 777	-	-	-	-	-	-	-	28 777
Transfer from investment property	63 824	-	-	-	-	-	-	-	63 824
Transfer from intangible assets	-	-	-	-	-	-	-	2 211	2 211
Net exchange difference on translation of foreign entity	-	-	(20)	(9)	(5)	(5)	-	49	10
Other movements	-	(149)	2 938	-	215	-	-	-	3 004
Balance at end of the year	842 693	7 100	658 245	102 443	148 411	55 702	145 449	69 811	2 029 854
Accumulated depreciation									
At 1 July 2008	955	2 657	251 980	54 011	85 506	33 473	44 167	-	472 749
Depreciation charges	352	577	36 626	12 906	12 899	11 144	13 923	-	88 427
Accumulated depreciation on disposals	-	(90)	(21 510)	(16 209)	(7 276)	-	(11 962)	-	(57 047)
Disposed to related party	-	-	-	(646)	-	-	-	-	(646)
Breakages and write-offs	-	-	-	-	-	(10 770)	-	-	(10 770)
Other movements	-	-	3 251	(319)	72	-	-	-	3 004
Balance at end of the year	1 307	3 144	270 347	49 743	91 201	33 847	46 128	-	495 717
Net carrying amount at end of the year	841 386	3 956	387 898	52 700	57 210	21 855	99 321	69 811	1 534 137

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES [ANNEXURE C]

Subsidiary company	Nature of business	Issued capital N$ '000	Group effective holding 2010	2009
Broll and List Property Management (Namibia) (Proprietary) Limited	Property Management	1	51%	51%
Central Properties (Proprietary) Limited	Letting of property	8	100%	100%
Consortium Fisheries Limited		1 903	96%	96%
Subsidiaries of Consortium:				
Hangana Seafood (Proprietary) Limited**	Processing of fish	90	96%	96%
Kraatz Marine (Proprietary) Limited	Ship repair	30 349	96%	96%
Eros Air (Proprietary) Limited	Aircraft charter	60	100%	100%
ICT Holdings (Proprietary) Limited	Consulting service to supply electronic communication	-	100%	100%
Khan Mine (Proprietary) Limited	Dormant	-	100%	100%
Kuiseb Capital (Proprietary) Limited*	Financing	-	-	-
Namibia Breweries Share Purchase Trust	Employee share incentive scheme	-	-	-
O&L Beverages (Proprietary) Limited***	Investment holding	123	100%	100%
Subsidiary of O&L Beverages: NBL Investment Holdings (Proprietary) Limited	Investment holding	4 400	56%	56%
Subsidiary of NBLIH: Namibia Breweries Limited		1 024	28%	28%
O&L Centre (Proprietary) Limited	Corporate head office	-	100%	100%
O&L South Africa (Proprietary) Limited	Dormant	-	100%	100%
Wernhil Park (Proprietary) Limited	Letting of property	1	100%	100%
Windhoek Parking (Proprietary) Limited	Dormant	-	100%	100%
Windhoek Schlachterei (Proprietary) Limited	Processing of meat	31 580	87%	87%
WUM Properties Limited		-	97%	97%
consisting of the following divisions: Kraatz Steel, Model Pick n Pay, Midgard Country Estate, O&L Properties	Farming, retail, tourism & property			
Significant subsidiaries of WUM:				
Khan Construction Co. (Proprietary) Limited	Investment holding	-	97%	97%
Action Dealers (Proprietary) Limited	Dormant	-	97%	97%
Kilimanjaro Trading (Proprietary) Limited	Hospitality industry	-	97%	97%
Namibia Dairies (Proprietary) Limited**	Manufacturing and distribution of dairy products	2	97%	97%

Associate	Nature of business	Issued capital N$ '000	Group Effective Holding 2010	2009
Dimension Data Namibia (Proprietary) Limited	Consulting service to supply electronic communication	-	49%	49%

Joint Ventures	Nature of business	Issued capital N$ '000	Group Effective Holding 2010	2009
Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	Distribution and marketing	100	16%	16%
OLIFA Hotels & Resorts Namibia (Proprietary) Limited	Hospitality industry	-	50%	50%

*Not a legal subsidiary, but as the group exercises control this company's results are consolidated. The company was deregistered during the current year.

**These balances include Domestic Medium Term (DMT) note proceeds that were advanced to subsidiaries. DMT-note-related loans are not subordinated and bear interest at a margin of 0.5% above DMT note rates paid to DMT note holders.

***N$100.1 million of the shareholders loan has been ceded/ pledged to Bank Windhoek as security for the preference shares they hold.

Shares at cost 2010 N$ '000	Shares at cost 2009 N$ '000	Indebtedness to the Company 2010 N$ '000	Indebtedness to the Company 2009 N$ '000	Impairment of interest/ Provision for losses 2010 N$ '000	Impairment of interest/ Provision for losses 2009 N$ '000	Indebtedness by the Company 2010 N$ '000	Indebtedness by the Company 2009 N$ '000
1	1	-	-	-	-	-	-
8	8	-	-	-	-	-	-
2 246	2 246	113 412	105 268	-	-	-	-
-	-	74 392	57 151	-	-	-	13 186
-	-	8 823	8 823	-	-	-	-
60	60	6 397	4 306	(4 363)	(3 149)	-	-
-	-	4 517	43	-	-	-	-
-	-	529	528	(529)	(528)	-	-
-	3 000	-	-	-	-	-	-
-	-	734	814	-	-	-	-
298	298	203 987	203 987	-	-	104 875	111 747
-	-	-	-	-	-	-	-
25	25	-	-	-	-	-	-
-	-	181 775	157 261	(159 092)	(143 723)	-	-
-	-	-	-	-	-	-	-
16 521	16 521	800	-	-	-	-	-
-	-	483	483	(483)	(483)	-	-
32 918	32 918	26 863	24 411	(64 857)	(54 494)	-	-
1 618	1 618	294 781	292 221	(10 040)	(13 675)	-	-
-	-	1 601	1 601	-	-	-	-
-	-	-	-	-	-	-	-
-	-	4 804	4 804	-	-	-	-
35 000	35 000	15 420	-	-	-	2 283	16 472
88 695	91 965	939 318	861 701	(239 364)	(216 052)	107 158	141 405

Company				Group			
Shares at cost 2010 N$ '000	Shares at cost 2009 N$ '000	Indebtedness to the Company 2010 N$ '000	Indebtedness to the Company 2009 N$ '000	Shares at cost 2010 N$ '000	Shares at cost 2009 N$ '000	Indebtedness to the Group 2010 N$ '000	Indebtedness to the Group 2009 N$ '000
-	-	-	-	135	135	112	209
-	-	-	-	135	135	112	209

Shares at cost 2010 N$ '000	Shares at cost 2009 N$ '000	Indebtedness to the Company 2010 N$ '000	Indebtedness to the Company 2009 N$ '000	Shares at cost 2010 N$ '000	Shares at cost 2009 N$ '000	Indebtedness to the Group 2010 N$ '000	Indebtedness to the Group 2009 N$ '000
-	-	-	-	574 474	496 974	208 896	213 311
-	-	-	-	(92)	(92)	63 096	55 196
-	-	-	-	574 382	496 882	271 992	268 507

The company has deferred its right to claim repayment of debt owing to it of N$322 040 596 (2009: N$243 927 370) by certain subsidiaries until the assets of those subsidiaries, fairly valued, exceed their liabilities. At 30 June 2010 these subsidiaries' liabilities exceeded their assets, fairly valued, by N$304 551 421 (2009: N$205 384 205).

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS [ANNEXURE D]

Standards and Interpretations affecting amounts reported in the financial statements:

STANDARDS AND INTERPRETATIONS	DESCRIPTION

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the presentation and disclosure of amounts reported in these financial statements:

IAS 1 (as revised in 2007) *Presentation of Financial Statements*	IAS 1 (2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard has required the presentation of a third statement of financial position at 1 July 2008, because the entity has applied a change in accounting policy retrospectively (refer to Note 39).
IFRS 7 *Financial Instruments: Disclosures*	The amendments to IFRS 7 resulted in enhanced disclosures about fair value and liquidity risk.
IFRS 8 *Operating Segments*	IFRS 8 is a disclosure Standard that has resulted in a redesignation of the Group's reportable segments (see Note 44).

Standards and Interpretations adopted with no effect on the financial statements:

STANDARDS AND INTERPRETATIONS	DESCRIPTION

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

- IFRS 2	Share-based Payment – Amendment relating to vesting conditions and cancellations – Amendments resulting from April 2009 Annual Improvements to IFRSs
- IFRS 3	Business Combinations – Comprehensive revision on applying the acquisition method
- IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from May 2008 Annual Improvements to IFRSs
- IFRIC 15	Agreements for the Construction of Real Estate
- IFRIC 16	Hedges of a Net Investment in a Foreign Operation
- IFRIC 17	Distributions of Non-cash Assets to Owners
- IFRIC 18	Transfers of Assets from Customers
- IAS 16	Property, Plant and Equipment – Amendments resulting from May 2008 Annual Improvements to IFRSs
- IAS 19	Employee Benefits – Amendments resulting from May 2008 Annual Improvements to IFRSs
- IAS 20	Government Grants and Disclosure of Government Assistance – Amendments resulting from May 2008 Annual Improvements to IFRSs
- IAS 23	Borrowing Cost – Comprehensive revision to prohibit immediate expensing – Amendments resulting from May 2008 Annual Improvements to IFRSs

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS [ANNEXURE D] [continued]

Standards and Interpretations adopted with no effect on the financial statements (continued):

STANDARDS AND INTERPRETATIONS	DESCRIPTION
- IAS 27	Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRSs – Amendments resulting from May 2008 Annual Improvements to IFRSs – Amendment relating to cost of an investment on first-time adoption
- IAS 28	Investments in Associates – Amendments resulting from May 2008 Annual Improvements to IFRSs – Consequential amendments arising from amendments to IFRS 3
- IAS 29	Financial Reporting in Hyperinflationary Economies – Amendments resulting from May 2008 Annual Improvements to IFRSs
- IAS 31	Interests in Joint Ventures – Amendments resulting from May 2008 Annual Improvements to IFRSs – Consequential amendments arising from amendments to IFRS 3
- IAS 32	Financial Instruments: Presentation – Amendments relating to puttable instruments and obligations arising on liquidation
- IAS 36	Impairment of Assets – Amendments resulting from May 2008 Annual Improvements to IFRSs
- IAS 38	Intangible Assets – Amendments resulting from May 2008 Annual Improvements to IFRSs – Amendments resulting from April 2009 Annual Improvements to IFRSs
- IAS 39	Financial Instruments: Recognition and Measurement – Amendments resulting from May 2008 Annual Improvements to IFRSs – Amendments for eligible hedged items – Amendments for embedded derivatives when reclassifying financial instruments
- IAS 40	Investment Property – Amendments resulting from May 2008 Annual Improvements to IFRSs
- IAS 41	Agriculture – Amendments resulting from May 2008 Annual Improvements to IFRSs

STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE [ANNEXURE E]

STANDARDS AND INTERPRETATIONS	DESCRIPTION	EFFECTIVE DATE* for periods beginning on or after:
- IFRS 1	First-time Adoption of International Financial Reporting Standards – Amendments relating to oil and gas assets and determining whether an arrangement contains a lease	1 January 2010
- IFRS 1	First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010
- IFRS 2	Share-based Payment – Amendments relating to group cash-settled share-based payment transactions	1 January 2010
- IFRS 3	Business Combinations – Amendments resulting from May 2010 Annual Improvements to IFRSs	1 January 2010
- IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IFRS 8	Operating Segments – Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IFRS 9	Financial Instruments - Classification and Measurement	1 January 2013
- IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2011
- IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
- IAS 1	Presentation of Financial Statements – Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IAS 7	Statement of Cash Flows – Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IAS 17	Leases – Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IAS 24	Related Party Disclosures – Revised definition of related parties	1 January 2011
- IAS 27	Consolidated and Separate Financial Statements – Amendments resulting from May 2010 Annual Improvements to IFRSs	1 January 2011
- IAS 32	Financial Instruments: Presentation – Amendments resulting to classification of rights issues	1 February 2010
- IAS 34	Interim Financial Reporting – Amendments resulting from May 2010 Annual Improvements to IFRSs	1 January 2010
- IAS 36	Impairment of Assets – Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IAS 39	Financial Instruments: Recognition and Measurement – Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010

**All standards will be adopted at their effective date (except for the effect of those standards that are not applicable to the Company and the Group).*

GROUP REFERENCE INFORMATION

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Tel: 320 4999
Fax: 263 327
www.nambrew.com

HANGANA SEAFOOD

PO Box 26, Walvis Bay
Tel: 064-218 400
Fax: 064-218 480
www.hangana.com

NAMIBIA DAIRIES

P/Bag 11321, Windhoek
Tel: 299 4700
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MODEL PICK N PAY

PO Box 2200, Windhoek
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DIMENSION DATA NAMIBIA

PO Box 16, Windhoek
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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 62nd Annual General Meeting of the shareholders of the Company will be held in the Ohlthaver & List Boardroom, Ohlthaver & List Centre, Windhoek on Thursday, 9 December 2010 at 08h30 for the following purposes:

1. To receive and consider, and if approved, adopt the Annual Financial Statements and the Report of the Auditors for the year ended 30 June 2010 as submitted, and to confirm all matters and things undertaken and discharged by the Directors on behalf of the Company.

2. To elect Directors in the place of S Thieme, T Hijarunguru, A Mushimba and E Ender, who retire by rotation in accordance with the Company's Articles of Association but, being eligible, offer themselves for re-election.

3. To confirm the appointment of Directors since the previous Annual General Meeting.

4. To approve the Directors' remuneration as set out in the financial report.

5. To authorise the Directors to determine the auditors' remuneration.

6. To place the unissued 6 507 083 ordinary shares of 50c each in the Company under the control of the Directors, who shall be authorised to allot all or any of those shares at their discretion on such terms and conditions and at such times as they may deem fit.

7. To transact such other business as may be transacted at an Annual General Meeting.

   A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his or her stead. A proxy need not also be a member of the Company. In order to be effective, proxy forms should be forwarded to reach the registered office of the Company not less than 48 hours prior to the time for the holding of the meeting.

By order of the Board
Ohlthaver & List Centre (Pty) Ltd
Company Secretary

Windhoek
30 September 2010

NOTES

NOTES

PROXY FORM

for the 62nd Annual General Meeting of

OHLTHAVER & LIST FINANCE AND TRADING CORPORATION LIMITED

Registration number: 331

The Secretary
Ohlthaver & List Finance and Trading Corporation Limited
PO Box 16
Windhoek
Namibia

I/We ____ (name in full)

of ____ (address)

being a shareholder of __________________ (numbers of shares) of the abovementioned Company hereby appoint

a) ____ (name)
or failing him/her
b) ____ (name)
or failing him/her
c) ____ (name)

or failing him/her, the chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 62nd Annual General Meeting of the Company to be held in the Ohlthaver & List Boardroom, Ohlthaver and List Centre, 7th floor - South Block, Alexander Forbes House, 23-33 Fidel Castro Street, Windhoek on Thursday, 9 December 2010 at 08h30 and at any adjournment thereof, in particular to vote for/against/abstain from* the resolutions contained in the notice of the meeting.

I/We desire to vote as follows:	For	Against	Abstain
Item number			
1. Adoption of the annual financial statements			
2. Re-election of retiring Directors			
S Thieme			
T Hijarunguru			
A Mushimba			
E Ender			
3. Confirmation of Director's appointment since previous Annual General Meeting			
4. Directors' remuneration			
5. Auditors' remuneration			
6. General authority to the Directors to allot and issue shares			

*Please indicate by inserting an "X" in the appropriate block either "for/against/abstain from". If no indication is given, the proxy may vote as he/she thinks fit.

Signed at ______________________________ this __________ day of
2010.

Signature(s) of shareholder(s) ______________________________

NOTES TO THE PROXY

1. A member entitled to attend and vote at the aforementioned meeting is entitled to appoint a proxy (who need not be a member of the company) to attend, speak and, on a poll, to vote in his/her stead.
2. Shareholders who wish to appoint proxies must lodge their proxy forms at the registered office of the Company not later than 48 hours prior to the time of holding the meeting.
3. In respect of shareholders which are companies, an extract of the relevant resolution of Directors must be attached to the proxy form.

Coming together is a beginning.
Keeping together is progress.
Working together is success.

So count me in!

Alexander Forbes House, 27 Fidel Castro Street
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