

August 13, 2018  
Our ref: Div. 767/CS. 27/2018



**Rwanda Stock Exchange  
Kigali**

Attention to the Chief Executive Officer

Dear Mr. Rwabukumba;

**Re: BRALIRWA Ltd 2018 first half year results for the  
Period ended 30 June 2018**

I am pleased to share with you the press Release on 2018 first half-year results for the period ended 30 June 2018.

Sincerely,



**Godfrey KAMUKUNDE**  
Company Secretary



## PRESS RELEASE

### Bralirwa Plc reports 2018 first half year results

Kigali, 10 August 2018 – Bralirwa Plc. (“Bralirwa”) announces today its unaudited financial results for the period ended 30 June 2018. Highlights included:

- Total volume increased by 11.5%
- Organic revenue increased 9.7% mainly due to favourable mix and strong volume growth
- Results from operating activities remained flat vs. HY 2017 driven by accelerated brand investments and higher input costs

Victor Madiela, Vice Chairman of the Board and Managing Director of Bralirwa commented:

“In a challenging operating environment we delivered top line growth in the first half of the year. Both volume and revenue improved driven by increased investments in our brands and favourable mix. Higher input costs however, challenged our bottom line despite our ambitious cost management programme. In order to drive further performance, Bralirwa will continue to invest in its assets, brands and people.”

#### Operational review first half year 2018

- Revenue improved by 9.7% to Rwf 45.4 billion in the first half year of 2018 (HY 2017: Rwf 41.3 billion). This was mainly the result of favourable mix effects and the 11.5% increase in total volume. Volume is recovering from the prior years’ price increases, in what remains a competitive market environment. Revenue was adversely impacted by a one-off excise tax correction of Rwf 0.4 billion related to prior years 2015 - 2017.

To further support our top line growth we have accelerated brand investments in the first half of the year. This combined with higher input costs and despite strict cost management impacted Bralirwa’s results from operating activities, which remained flat at Rwf 7.0 billion (HY 2017: Rwf 7.0 billion). Adjusting for a one-off excise tax adjustment and the accelerated brand investments, the underlying results from operating activities would have grown on the prior year. Nevertheless, profit and total comprehensive income for the first half year of 2018 grew by 1.7% to Rwf 2.1 billion (HY 2017: Rwf 2.1 billion).

#### Investments

Total capital expenditures in the first half year of 2018 were as planned. The building of the Waste Water Treatment Plant for Gisenyi Brewery has been completed and commenced operations in June of 2018.

#### Debt

Debt repayment continued to further reduce our debt position. This combined with leveraging the improved financing terms and conditions resulted in a reduction of 3.8% in the net finance cost.



## Tax

The Rwandan Government recently implemented various changes in the Rwandan Tax Law. The income tax related changes adversely impacted Bralirwa's profit and total comprehensive income by Rwf 0.1 billion in the first half the year and the changes in withholding tax on dividend (increased from 5% to 15%) impacted Bralirwa's shareholders based outside the East African Community.

## Outlook full year 2018

In the second half of 2018, Bralirwa expects volume trends to improve further. Whilst the market environment in Rwanda is expected to remain competitive and constrained by consumer spending power, the overall beverage market is expected to be broadly positive. Bralirwa will continue to invest in its assets, brands and people to drive performance.

Further top line improvement is expected during 2018 driven by revenue and mix management initiatives, whilst cost pressures may challenge the bottom line. Strict cost management, innovations, new product introductions in the markets as well as reduction of our debt continue to be top priorities for Bralirwa for the remainder of 2018 in order to improve margins.

## Conference call details

On 29 August 2018, Bralirwa will host a conference call to discuss its unaudited first half year 2018 financial results. The call will also be webcasted live via the investor relations section of the company's website:

- ◆ <http://www.bralirwa.com/cms/index.php/investors>

An audio replay service will also be made available after the conference call at the above web address.

## About Bralirwa

Bralirwa is a Rwandan company producing and selling beers and soft drinks. The Company's beer brand portfolio includes Primus, Mützig, Legend, Amstel and Turbo King produced in the Gisenyi brewery and Heineken which is imported from Holland. Primus, the Company's largest selling beer brand has been available to consumers since 1959. Since 1974, the Company has been producing and selling soft drink brands under a licensing agreement with The Coca-Cola Company. These include Coca Cola, Fanta, Sprite, Krest, Tonic, Stoney and the Company's own brand Vital'O.

The Company was founded in 1957 with the construction of a brewery located in Gisenyi. Since 1971, Bralirwa is a subsidiary of the Heineken N.V., which holds 75% of the shares of Bralirwa with the remaining 25% listed on the Rwanda Stock Exchange. As a socially responsible company Bralirwa supports a variety of projects from Education to Health and Environment.



## Statement of Profit or Loss and other comprehensive income

<i>(In '000hl and Rwf millions)</i>	<b>HY 2018</b>	<b>HY 2017</b>	<b>% Change</b>
<b>Sales Volume</b>	<b>837</b>	<b>751</b>	<b>11.5%</b>
<b>Revenue</b>	<b>45,369</b>	<b>41,341</b>	<b>9.7%</b>
<b>Results from operating activities</b>	<b>6,987</b>	<b>7,025</b>	<b>(0.5%)</b>
Net finance cost	(3,959)	(4,115)	3.8%
<b>Profit before income tax</b>	<b>3,028</b>	<b>2,910</b>	<b>4.1%</b>
Income tax expense	(908)	(826)	(9.9%)
<b>Profit and total comprehensive income for the period</b>	<b>2,120</b>	<b>2,084</b>	<b>1.7%</b>
<b>Earnings per share (basic and diluted) (EPS)</b>	<b>2.06</b>	<b>2.03</b>	<b>1.7%</b>

### Disclaimer

This press release contains forward-looking statements with regard to the financial position and results of Bralirwa's activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond Bralirwa's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, changes in consumer preferences, costs of raw materials, interest rate and foreign exchange fluctuations, change in tax rates, changes in law, changes in pension costs, the actions of government regulators and weather conditions. These and other risk factors are detailed in Bralirwa's publicly filed annual reports.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Bralirwa does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.